



CITY COUNCIL 345 6th Street, Suite 100, Bremerton, WA 98337 ☐ Phone (360) 473-5280

WEDNESDAY, JUNE 11, 2025
CITY COUNCIL STUDY SESSION AGENDA
Starting at 5:00 PM in Council Conference Room 603

*Council Conference Room 603 will be open to the public to attend the Study Session in-person, but there will be no opportunities for input. However, public questions or comments may be submitted at any time to City.Council@bremertonwa.gov. Please remember that the content of the Agenda Bill items is subject to change; and no action at the Study Session is anticipated. If approved by the Council, these items will be placed on the **June 18, 2025** City Council Meeting Agenda, or as indicated.*

- Members of the public may click the link below to join the webinar:
<https://bremertonwa-gov.zoom.us/j/87318266756?pwd=ZWIMVnVYbFBHbHYiY5U1RJUmFreDFXUT09>
- Or One tap mobile:
US: +12532050468,,87318266756#,,,,*857582# or +12532158782,,87318266756#,,,,*857582#
- Or Telephone: Dial (for higher quality, dial a number based on your current location): US: +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 669 444 9171 or +1 669 900 6833
Webinar ID: 873 1826 6756; Passcode: 857582

A. INFORMATION ONLY PRESENTATIONS

- [1.](#) Presentation on the Draft Plan for the Utility Land Management Plan Update
- [2.](#) Update on the Glenn Jarstad Aquatic Center

B. AGENDA BILL BRIEFINGS

- [1.](#) Ordinance to amend Bremerton Municipal Code Chapter 10.36.010 entitled “Compression Brakes Prohibited”
- [2.](#) Professional Services Agreement with Northwest Hydraulic Consultants, Inc. for the Parish Creek Fish Passage Barrier Removal Project
- [3.](#) Public Hearing and Resolution to adopt the 2026 – 2031 Six Year Transportation Improvement Program
- [4.](#) Resolution to provide guidance to the Lodging Tax Advisory Committee for 2027 Funding Priorities


C. GENERAL COUNCIL BUSINESS

- [1.](#) Continued Council Discussion on the Multi-Family Tax Exemption Program – Council Vice President Jane Rebelowski
- [2.](#) Update on Council Goal 3 (ii) Historic Preservation Policy – Council Members Jeff Coughlin, Denise Frey, and Jane Rebelowski
- [3.](#) Update on Council Goals 9 – 12 Parks and Environmental Stewardship – Council Members Anna Mockler, Jane Rebelowski, and Jennifer Chamberlin
4. Public Safety Committee Briefing (*Last Meeting 6/5/25*) – Chair Michael Goodnow
5. Regional and Other Committee/Board Briefings
6. Other General Council Business (*As necessary and as time allows*)

D. EXECUTIVE SESSION

1. 15-Minutes to discuss Potential Litigation as allowed under RCW 42.30.110 (1)(i) *No action*

E. ADJOURNMENT OF STUDY SESSION

 Americans with Disabilities Act accommodations provided upon request. Those requiring special accommodations should contact the City Clerk's Office at (360) 473-5323 at least 24 hours prior to the meeting.

INFORMATION ONLY ITEM
CITY OF BREMERTON
CITY COUNCIL

A1

SUBJECT: Presentation on the Draft Plan
for the Utility Land Management Plan
Update

Study Session Date: June 11, 2025
Presenter: S. Walsh/C.Apfelbeck/MB&G
Phone: 360-473-5928

SUMMARY:

The City is updating its Utility Land Management Plan (ULMP), which was last updated in 1996, to provide guidance on the management of its 8,000 acres of utility lands, including 3,000 acres of the Union River Drainage (watershed).

Mason, Bruce and Girard has prepared the draft update to the Utility Land Management Plan considering existing information, the refined Plan goals and constraints, the updated baseline resource assessment, and the special topics investigations. The Draft Plan will be posted to the City's website along with a form to collect comments from the public.

Once Council and public comment has been incorporated, Final Draft of the ULMP Update will be brought back to Council to be adopted through a resolution.

Note: Due to the Draft Plan containing sensitive information regarding protected critical infrastructure, some information has been redacted and is not disclosable under Freedom of Information Act nor Public Records Act. This information can be provided to Council Members via Executive Session if desired.

HANDOUTS: 1) PowerPoint Presentation; and 2) Draft Plan

Draft Utility Land Management Plan Review



Project Background

- City owns and manages 8,000 acres of Utility land, of which approximately 3,000 acres are the Union River Watershed.
- In 1986 the City created a Utility Land Management Plan (ULMP) to provide guidance on the management of these lands and to demonstrate intent and ability to protect drinking water sources.
- The purpose of this project is to update the ULMP with current best scientific based practices as it has not been updated since 1996.
- Update includes Special Topic Memos, stand-alone summary memorandum of findings and recommendations on specific issues facing the Water Utility land management.



Where Are We in the Project Schedule?



- December 2024: AC Meeting #4 on Special Topics
- April 2025: City Council Study Session #2 on Special Topics
- May 2025: AC #5 on Draft Updated Plan
- June 2025: City Council Study Session #3 Review Draft Plan with Release for Public Comment
- July 2025: Discuss Final Updated Plan with City Council
- August 2025: Final Updated Plan Presented to City Council

Plan Overview: What does it include?

- Land Management Goals
 - Maintain unfiltered water source status
 - Generate revenue in context of water source protection and forest health
- Existing Conditions
 - Property Description, Water Uses, Infrastructure
- Watershed Assessment
 - Wildlife, Riparian Areas
- Forest Resources Assessment
 - Forest Inventory, Road System, Harvest Planning



Plan Overview: What does it include?

- Sustainable Harvest Level
 - Harvest Levels
 - McKenna Falls Subbasin
 - Other Utility Lands
- Implementation Plan
 - Harvest Methods, Reforestation, Adaptive Management
- Forestry Capital Improvement Plan
 - Water Rate Analysis
 - Roads, Bridges, Buildings
- Special Topics



Special Topics



1. Security
2. Adjacent land use and potential conflicts
3. Utility impacts from the proposed Jarstad Park to Kitsap Lake Trail
4. Sustainable timber harvest alternatives and associated revenue
5. Water rate impacts of Timber Harvest Revenue
6. *Water rate impacts of Filtration Plant (added)*
7. Potential revenue generation via carbon credits
8. 20-yr forestry asset capital improvement plan
9. Staffing level evaluation

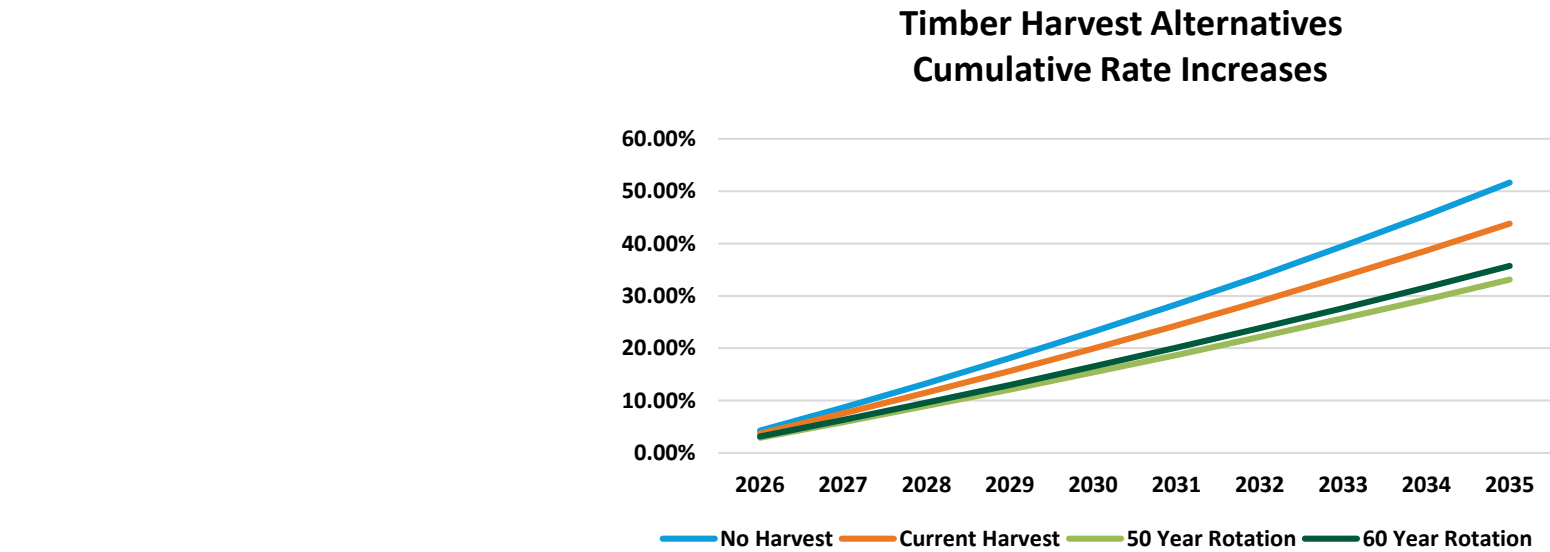
Topics that Generated Discussion at AC Meetings



1. Water rates
2. Maintaining unfiltered status
3. Security challenges
4. Potential impacts of the proposed Jarstad Park to Kitsap Lake trail on Utility land management
5. Sustainable harvest and adaptive management practices
6. Carbon credit opportunities
7. Maintaining Tribal access

Special Topic Update: Water Rate Impacts

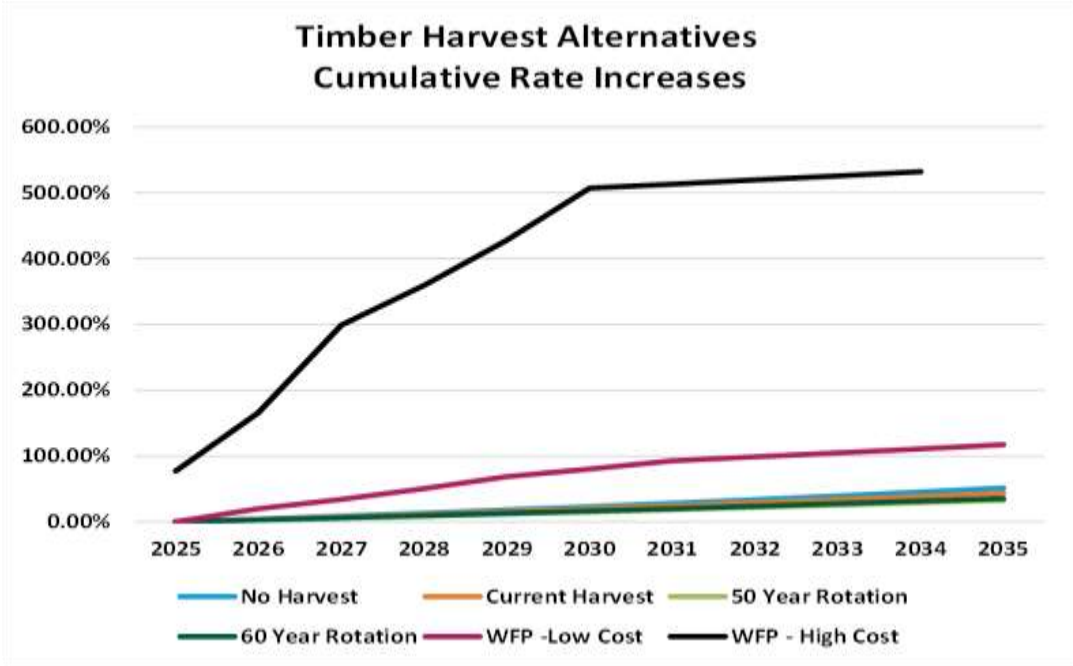
Summary of Monthly Bill Impacts for Timber Harvest Alternatives



	Current	Projected											
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
No Harvest	\$ 33.34	\$ 34.76	\$ 36.23	\$ 37.77	\$ 39.38	\$ 41.05	\$ 42.80	\$ 44.62	\$ 46.51	\$ 48.49	\$ 50.55		
Current Harvest	\$ 33.34	\$ 34.57	\$ 35.85	\$ 37.18	\$ 38.55	\$ 39.98	\$ 41.46	\$ 42.99	\$ 44.59	\$ 46.24	\$ 47.95		
50-Yr Rotation	\$ 33.34	\$ 34.31	\$ 35.30	\$ 36.33	\$ 37.38	\$ 38.46	\$ 39.58	\$ 40.73	\$ 41.91	\$ 43.12	\$ 44.37		
60-Yr Rotation	\$ 33.34	\$ 34.37	\$ 35.44	\$ 36.54	\$ 37.67	\$ 38.84	\$ 40.04	\$ 41.28	\$ 42.56	\$ 43.88	\$ 45.24		

Special Topic Update: Water Filtration Plant(WFP) Impacts

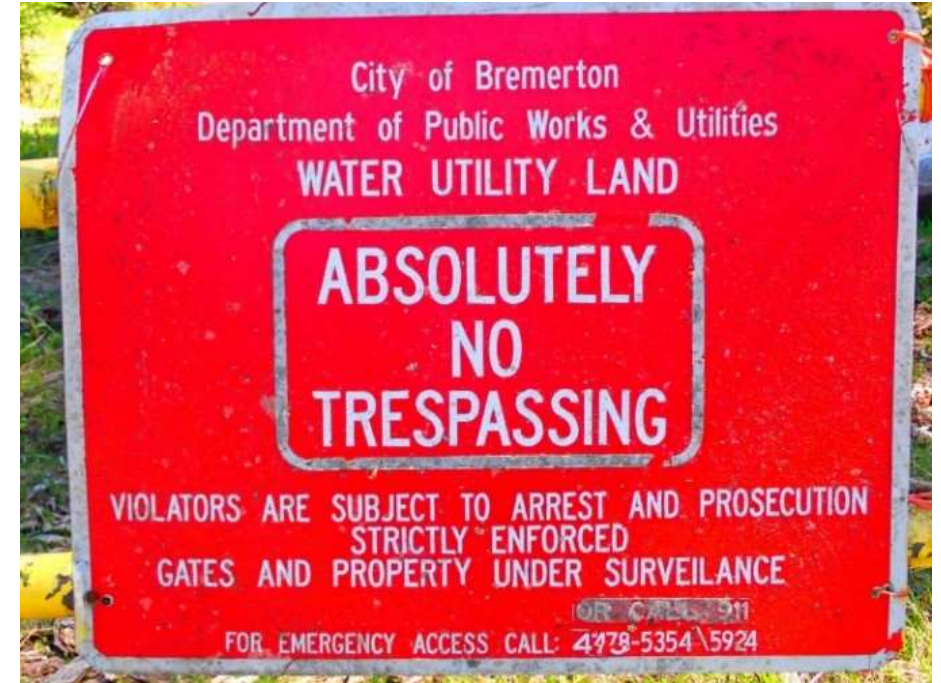
- Residential rate impacts resulting from construction and O&M of a Filtration Plant were quantified based on concerns related to the proposed Jarstad/Kitsap Lake trail
- Analysis considered conventional filtration (low end costs) and membrane filtration (high end costs)
- Assumes current timber harvest levels and no additional capital costs
- Increase estimates are very high:
 - Low increase is 2.17X current rates
 - High increase is 6.32X current rates



	Current					Projected						
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Current Harvest	\$ 33.34	\$ 34.57	\$ 35.85	\$ 37.18	\$ 38.55	\$ 39.98	\$ 41.46	\$ 42.99	\$ 44.59	\$ 46.24	\$ 47.95	
WFP -Low Cost	\$ 33.34	\$ 40.01	\$ 44.81	\$ 50.19	\$ 56.21	\$ 60.14	\$ 64.35	\$ 66.28	\$ 68.27	\$ 70.32	\$ 72.43	
WFP - High Cost	\$ 33.34	\$ 59.18	\$ 88.77	\$ 133.15	\$ 153.12	\$ 176.09	\$ 202.51	\$ 204.53	\$ 206.58	\$ 208.64	\$ 210.73	

Security

- Confidential topic but included an assessment of current security infrastructure and procedures
- Presented recommendations to improve security

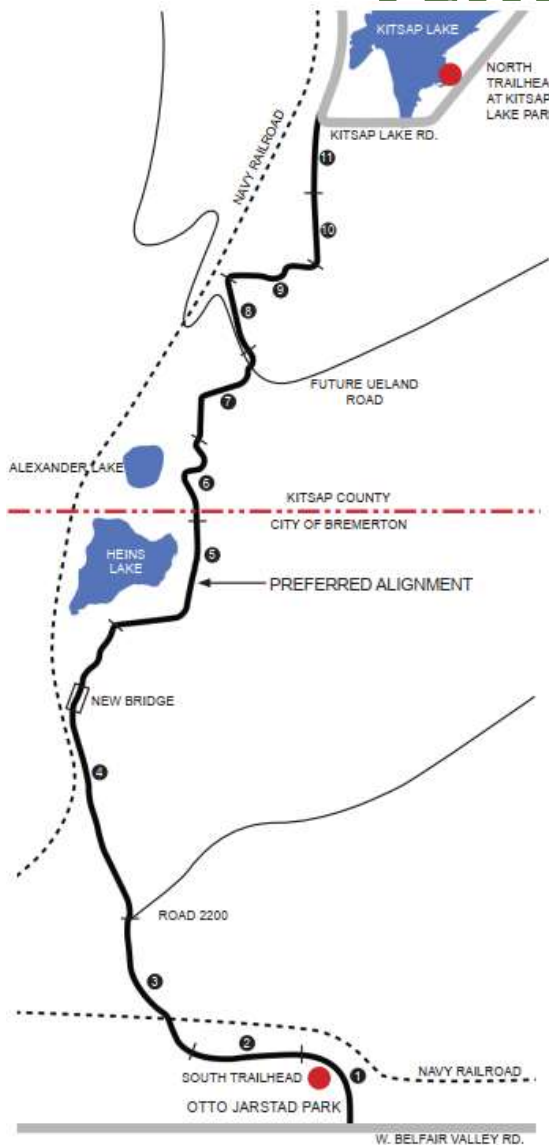


Adjacent Land Use and Potential Conflicts



- Reviewed and identified many different adjacent land uses: Residential, Industrial tree farm, Gov lands, Utilities, Tribes
- Watershed management will require ongoing collaboration with adjacent landowners
- Acquire adjacent lands, targeting those in the Union River Drainage and those within Wellhead areas

Jarstad Park to Kitsap Lake Trail



Reviewed potential impacts on security, unfiltered surface water status, current operations, and staffing. Issues identified included:

- Conflicting Use
- Security
- Threat to Unfiltered Source Water Status identified by State DOH
- Comprehensive Planning Consistency/Environmental Considerations
- Cost

Costs to address security concerns include but are not limited to:

- Increased staff for enhanced security
- Improved infrastructure related to security
- Enhanced Security and Monitoring
 - Example cost: fencing = \$650k along one side



Sustainable Timber Harvest Alternatives and Adaptive Management

Sustainable Alternative	Annual Volume (MBF)	Annual Estimated Net Revenue
No Harvest	0	\$ 0
Current Program	1,100	\$ 511,500
50yr Rotation Limited Union Basin Harvest	2,750	\$ 1,278,750
60yr Rotation Limited Union Basin Harvest	2,350	\$ 1,092,750

Potential Revenue Generation via Carbon Credits



- Generate revenue by selling carbon credits
- Would follow improved forest management protocol
- Bremerton has small land base for costs of credits:
 - Requires Ongoing Monitoring and Reporting
 - Potential for additional carbon storage is lower

Maintaining Tribal Access



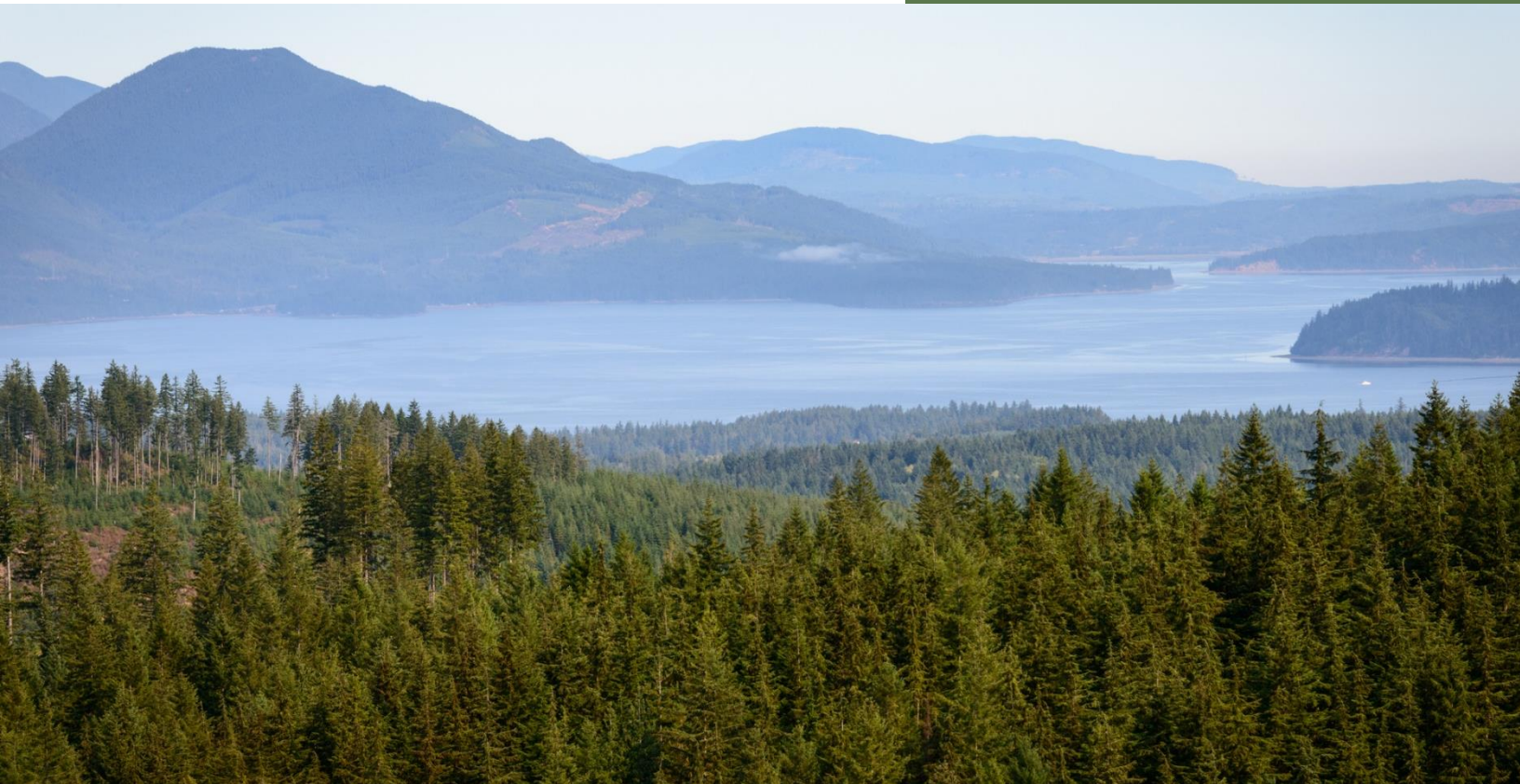
- Covered in Security Processes and Procedures Special Topic
- Suquamish Tribe would like to formalize access to harvest western redcedar bark and other forest products
- City is reviewing process and documentation needs to formalize an agreement

Additional Comments and Discussion



City of Bremerton DRAFT Utility Lands Management Plan

Prepared for
City of Bremerton Water Utility
Department of Public Works and Utilities



**MASON
BRUCE &
GIRARD**

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May 28, 2025

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Introduction

The City of Bremerton Public Works and Utilities Water Utility (Utility) is updating its Utility Lands and Forest Management Plan, last updated and adopted by City Council by resolution (#2592) in 1997 (EES et al. 1996). This update to the Utility Land Management Plan (plan) was completed by Mason, Bruce & Girard, Inc. (MB&G) under contract with the Utility. The Utility owns approximately 7,940 acres of land which contains numerous structures for Utility operations, forestry operations, and other special uses and acres of forested wildland. This plan defines Utility land management goals and uses the best available science to guide management practices.

History

The Utility acquired the Bremerton Water System in 1917 at which time it included 600 acres in the Gorst and Anderson Creek Watersheds. Since that time, the Utility acquired the remaining acreage managed under this plan through purchase and trade with the intent to develop and protect drinking water sources, both surface and groundwater. Currently, sources located within the management area of this plan include the Union River surface water supply, two emergency surface water supplies (Anderson Creek and Gorst Creek), and 11 active groundwater supply production wells. The Union River surface water supply is of such high quality, it is one of only a handful of surface water sources in the nation allowed to remain unfiltered. This results in significant savings for water customers.

Meeting surface and groundwater Source Water Protection Program requirements and the stringent watershed control requirements for the unfiltered supply, is the primary driver for Utility land management policies and objectives.

This plan update included periodic review and coordination with the Utility Land Management Plan Advisory Committee (ULMPAC). The ULMPAC was supported by MB&G, and facilitated by EnviroIssues, and the City of Bremerton. The purpose of the advisory committee is to review, comment, and make recommendations to the City and the consulting team. The ULMPAC reviewed draft plans, best available science, policy issues, and special topics. These issues were reviewed over a series of meetings with the City and consulting team, considering recommendations and comments from the ULMPAC. According to the City, “The ULMPAC is being convened specifically to consider changes to the existing plan, community impacts of these changes, scientific data collected during this process, policy implications of alternatives, and provide input and recommendations to the City of Bremerton. The ULMPAC will work to review and understand the scope of the issues, potential solutions, and tradeoffs of these options” (City of Bremerton 2023). The ULMPAC members include affiliations to City staff, tribal representatives, adjacent water purveyors, adjacent forestry property owners, Kitsap Public Health District (KPHD), State Department of Health (DOH), Washington State Department of Natural Resources (WADNR), Washington Department of Fish and Wildlife (WDFW), and Bremerton water customer/ratepayers.

There was also significant public engagement throughout the development of the plan update. This included two City Council Study Sessions that were open to the public, an ongoing ability of the public to comment on the Plan through the City website, and a public review and comment period for the proposed plan update.

Land Management Goals

In this update of the plan, the Utility established the following land management goals for Utility lands.

1. The Union River Reservoir and McKenna Falls Intake Subbasin will be managed to maintain the “unfiltered” water source status in conjunction with maintaining forest health.
2. The other Utility lands will be actively and adaptively managed to sustainably protect surface and groundwater resources and maintain forest health and resiliency while also generating revenue to reduce costs for utility rate payers.

Existing Conditions

Property Description

The Utility owns approximately 7,940-acres¹ in Kitsap County, Washington, in Townships 23 and 24-North and Ranges 1-West and 1-East. Most of the Utility land is forested, with small portions currently used for recreation and infrastructure. Figure 1 depicts the Utility ownership boundaries.

Most of the Utility land lies within the Union River and Gorst Creek Watersheds, forming a contiguous ownership, with a few dispersed parcels located in other drainages such as Anderson Creek Watershed and Lake Tahuya (Figure 1). Of the total ownership, approximately 7,441¹ acres are considered forestland and include portions of the Union River, Anderson Creek and Gorst Creek Watersheds; the Lake Tahuya block; and the biosolids application areas, as well as forestry road and riparian management zone (RMZ) acres. The remaining 499 acres of Utility land include Utility infrastructure and special uses as described in more detail in the Special Uses and Special Use Areas section.

The Utility ownership within the Union River and Gorst Creek Watersheds is split by West Belfair Valley Road, Highway 3, and the U.S. Navy railroad. The Anderson Creek Watershed ownership is east of Gorst at the head of Sinclair Inlet and south of Highway 16. The Tahuya Lake ownership is northwest of Green Mountain and is split by Gold Creek Road Northwest. The land and right-of-way associated with these highways and railroad are owned by the county, state, and federal governments, respectively, and are outside of Utility jurisdictional control.

Property Boundaries

As the Utility property consists of a large contiguous land base and a few scattered parcels to the northwest and southeast of the main ownership area, limited land surveys have been necessary to establish the perimeter of the ownership. However, some of the newer boundaries, established as a result of ownership changes since the 1970's, have not yet had a formal survey. For more information on property boundary updates and implementation, refer to Property Boundaries part of the Implementation Plan section.

¹ Acres Calculated using Geographic Information System (GIS). Acres reflected are Gross.

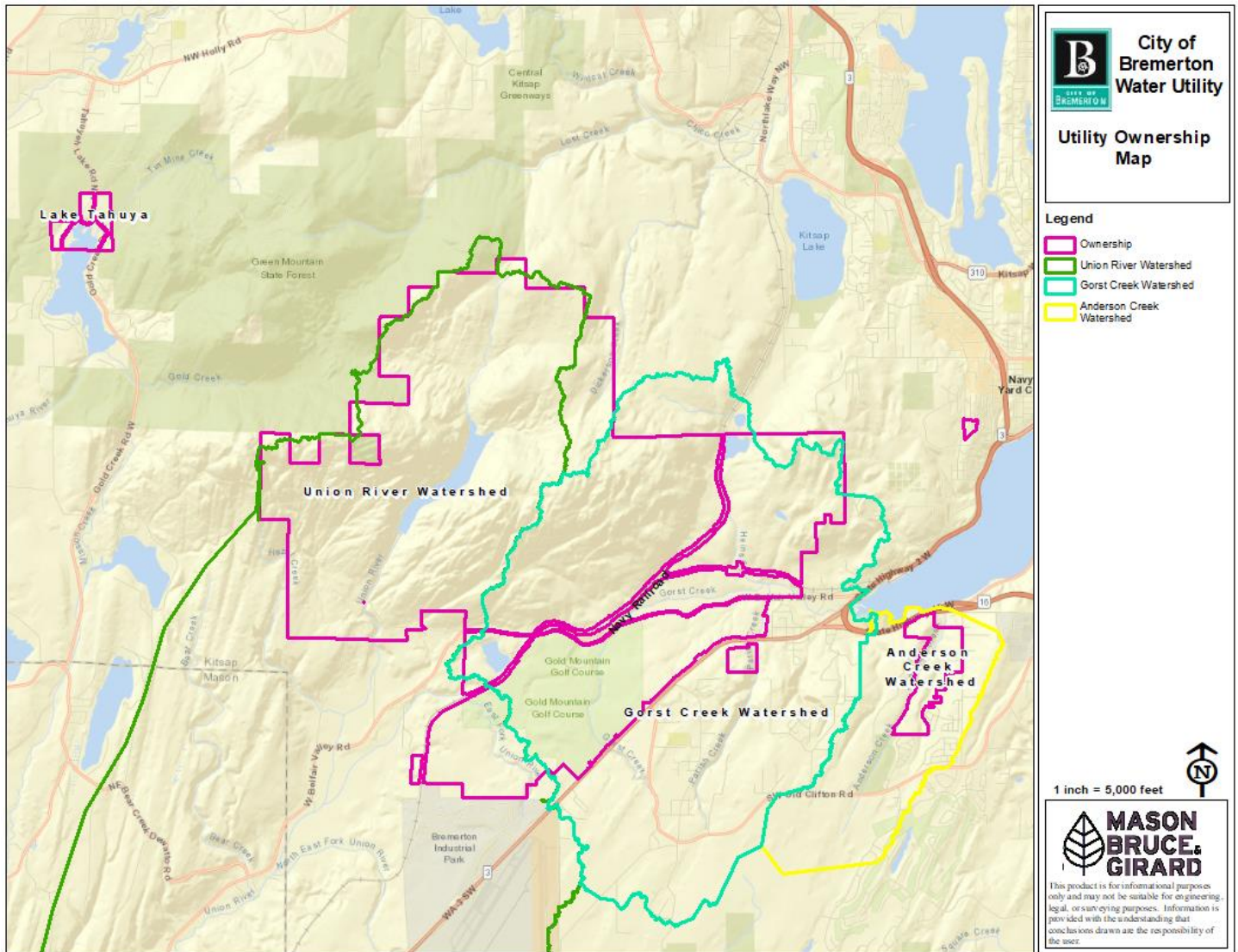


Figure 1. Utility Ownership

Water Utility Uses

The Utility has systems and structures in place to produce, treat, store, and distribute water throughout the City of Bremerton and portions of unincorporated Kitsap County (Figure 2). As stated in the 2020 Water System Plan, “The Utility treated water reservoirs provide storage, and booster stations and regulating stations control pressures within the system. Water is delivered to customers through 328 miles of distribution pipe” (Bremerton 2022b). Some of these critical sources and structures lay within the ownership governed by this plan.

Casad Dam and McKenna Falls Intake Facilities

Approximately 60 percent of the Utility water supply is provided by the Union River system through the McKenna Falls Intake Facilities. The main source is the Union River Reservoir, created by Casad Dam, a concrete arch structure that rises 130 feet above the river and impounds approximately 1.4 billion gallons of water. Casad Dam on the Union River was completed in 1956. Water flows from the reservoir down the natural streambed to the McKenna Falls Intake Facility. Three branches of the Union River meet near the intake facility. Water from the Union River Mainstem and West Branch (used seasonally) is blended at the McKenna Falls Intake Facility, where it is screened. Since 1992, the East Branch of the Union River no longer enters the intake but is used to meet downstream flow requirements.

Bremerton owns and controls 98 percent of the 2,964-acre catchment area that supplies the McKenna Falls Intake Facilities. This allows the Utility to effectively control the activities in the watershed and protect source water quality, meeting requirements to remain unfiltered.

Groundwater Wells

Groundwater supplies 40 percent of the water to the system with 11 active production wells and two future supply wells located within the ownership managed under this plan. Wells have a finite lifespan, and much of the Utility land ownership and underlying aquifers require protection as potential future sources and well sites when well replacement is required, or additional wells are needed to meet growing demand. There are also numerous monitoring wells throughout the Utility lands with wellheads that also require protection from contamination.

Treatment Facilities

The Utility’s surface water supply is treated with ultraviolet disinfection and chlorine disinfection at the Advanced Disinfection Facility to meet the Surface Water Treatment Rule disinfection requirements for *Giardia lamblia*, *Cryptosporidium*, and viruses. Groundwater wells are equipped with chlorination facilities for disinfection either co-located with the well or, in the case of the Anderson Creek Wellfield, a dedicated Hypochlorite Facility. In accordance with the Lead and Copper Rule, pH is adjusted at the Corrosion Control Facility using caustic soda for distribution system corrosion control. All treatment facilities are within the Utility land ownership managed under this plan.

Reservoirs

In addition to the Union River Reservoir, there are 2 raw water reservoirs, and 2 finished water reservoirs located within the Utility ownership managed under this plan. These include two above ground steel tanks, one below ground concrete reservoir, and Twin Lakes which receives diverted raw water from the Union River and recharges underground aquifers through infiltration.

Pump Stations and Transmission Mains

Three pump stations lay within the ownership, as well as critical transmission mains. The transmission mains are used to move large quantities of water from one area of the system to another, generally without service connections. Within the Utility lands managed under this plan these include mains running from the intake facilities to the Advanced Disinfection Facility and on to the Corrosion Control Facility and Reservoir 4, from Pump Station 17 to Kitsap Lake, and from Pump Station 3 to the West 517 Zone (Puget Sound Industrial Center-Bremerton).

Pipe Layout Yard

The pipe layout yard is a staging and storage area for Utility distribution and treatment equipment and houses equipment for forestry operations.

General Infrastructure

Currently, the Utility owns and maintains four forestry buildings, three biosolids roofed storage ponds, 37 gates, 56 miles of forestry road with 9 bridges, a spoils pit within Utility land, and one emergency storage area with roof coverings.

Special Uses and Special Use Areas

The Utility allows limited special uses of Utility land outside of Utility operations, contained to specific special use areas. Existing special uses include recreation, fisheries enhancement, utility rights-of-way, and commercial use, and are shown in Figure 3. Increased public use can however bring increased risk to water and forest resources and an increased need for management and monitoring. Therefore, the Utility must carefully consider potential impacts associated with these uses. Details outlining specific measures to ensure sufficient protection of resources can be found in the Water Quality Assessment section.

The Gold Mountain Golf Course is owned by the City and the property is managed by the Department of Parks and Recreation under a lease agreement with the Utility.

Jarstad Park is managed by Public Works and Utilities and serves as a space for public events and yearly education and outreach to the community, such as Kids Fishing Day and Salmon Tours. Through a lease agreement with the Utility, the Suquamish Tribe operates its largest salmon rearing facility on Gorst Creek at Jarstad Park. This has been the site of fisheries operations for several decades and enhances tribal and other recreational fishing.

Through a lease agreement with the Utility, the Bremerton Police Department manages the Sergeant Honsowetz Police Firearms Training Facility which provides firearms training facilities for regional law enforcement agencies.

Major regional power and natural gas providers and communication tower companies lease rights-of-way to bring critical services to the Bremerton region. These include Puget Sound Energy, Bonneville Power Administration, Cascade Natural Gas, and several tower management companies. Most of these entities serve the Water Utility, and these uses provide additional revenue to the Utility.

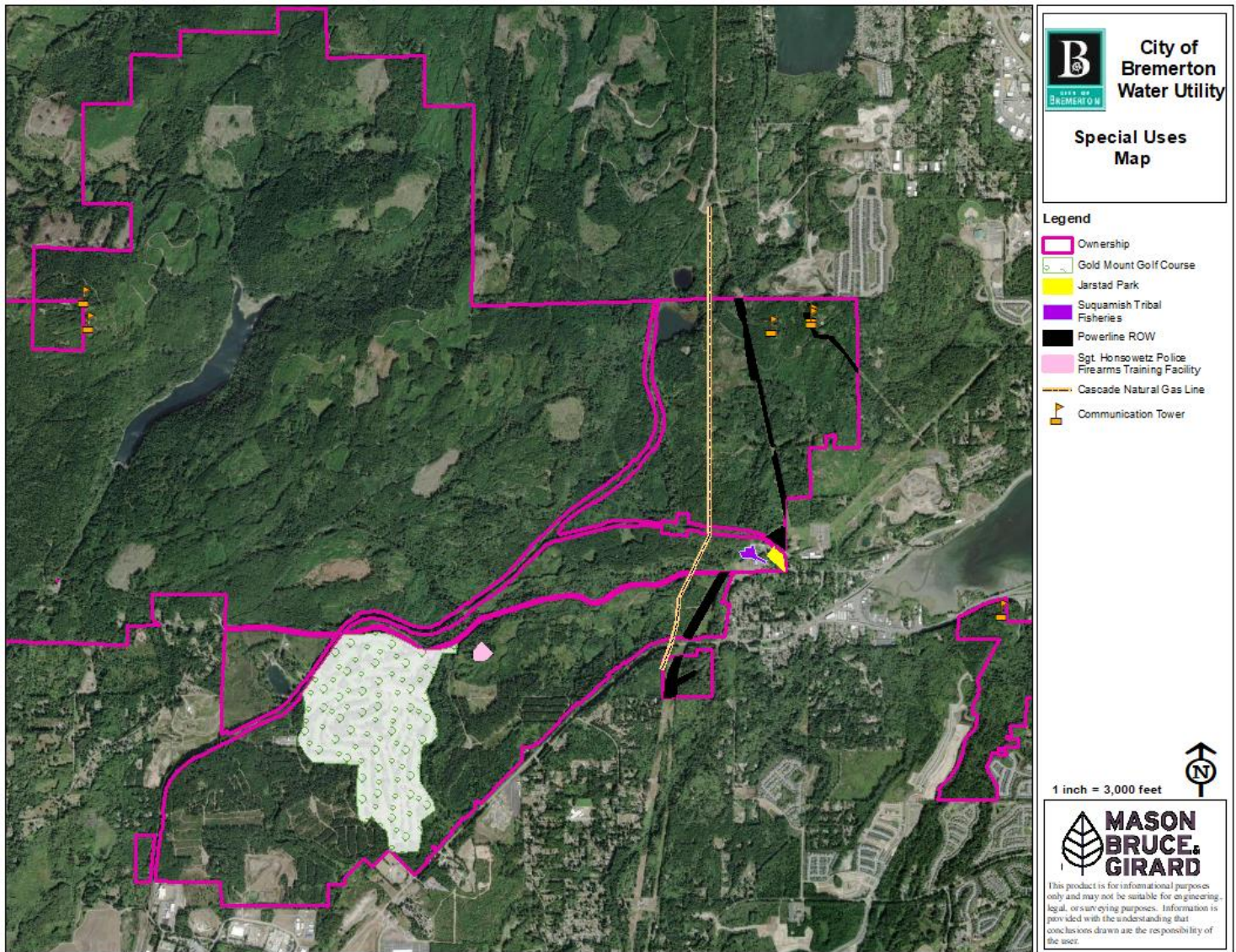


Figure 3. Special Use Areas

Watershed Assessment

The Watershed Assessment is an evaluation of the natural resources present, or potentially present, that need to be managed and protected with due care and concern for the environment.

Wildlife

The Utility lands are primarily undeveloped and home to the typical Pacific Northwest flora and fauna. The Utility lands consist of predominantly second growth forested ecosystem with Douglas-fir (*Pseudotsuga menziesii*) being the most common tree species (UW 2019). Some forested stands have mixed tree age and species with shrubs interspersed throughout containing species such as western hemlock (*Tsuga heterophylla*), red alder (*Alnus rubra*), bigleaf maple (*Acer macrophyllum*), western redcedar (*Thuja plicata*), Pacific madrone (*Arbutus menziesii*), and black cottonwood (*Populus trichocarpa*) in the overstory, and evergreen huckleberry (*Vaccinium ovatum*), salal (*Gaultheria shallon*), western swordfern (*Polystichum munitum*), bracken fern (*Pteridium aquilinum*), oceanspray (*Holodiscus discolor*), red huckleberry (*Vaccinium parvifolium*), short Oregon-grape (*Mahonia nervosa*), Pacific rhododendron (*Rhododendron macrophyllum*), oso berry (*Oemleria cerasiformis*), and Nootka rose (*Rosa nutkana*) in the understory (UW 2019). Riparian and wetland habitat types also occur throughout the Utility lands. Various species of terrestrial and aquatic species are supported by

these forested and riparian ecosystems (USFWS 2024). Common wildlife species associated with forested, wetland, and riparian habitats in western Washington include mammals such as black tailed deer (*Odocoileus hemionus columbianus*), Cascade red fox (*vulpes cascadenis*), coyote (*Canis latrans*), mountain lion (*Puma concolor*), snowshoe hare (*Lepus americanus*), black bear (*Ursus americanus*), and spotted skunk (*Spilogale gracilis*); various species of cavity-nesting, seed-eating, and insectivorous birds; and amphibians including rough-skinned newt (*Taricha granulosa*), Pacific giant salamander (*Dicamptodon tenebrosus*), and Pacific treefrog (*Pseudacris regilla*).

According to the United States Fish and Wildlife Service (USFWS), the following wildlife species protected by the federal Endangered Species Act (ESA) have potential to occur within, or be affected by, activities within the Utility lands (USFWS 2024):

- Marbled murrelet, *Brachyramphus marmoratus* (Threatened)
- Yellow-billed cuckoo, *Coccyzus americanus* (Threatened)
- Northwestern pond turtle, *Actinemys marmorata* (Proposed Threatened)
- Suckley's cuckoo bumble bee, *Bombus suckleyi* (Proposed Endangered)
- Monarch butterfly, *Danaus plexippus* (Proposed Threatened)

Additionally, Beller's ground beetle has been found within Utility land property and is a candidate species on the Washington Endangered Species list (Washington Department of Fish and Wildlife (WDFW 2017a). WDFW also indicated a blue heron rookery occurs in the Sinclair Inlet just east of the Utility lands (WDFW 2019, WDFW 2017b).

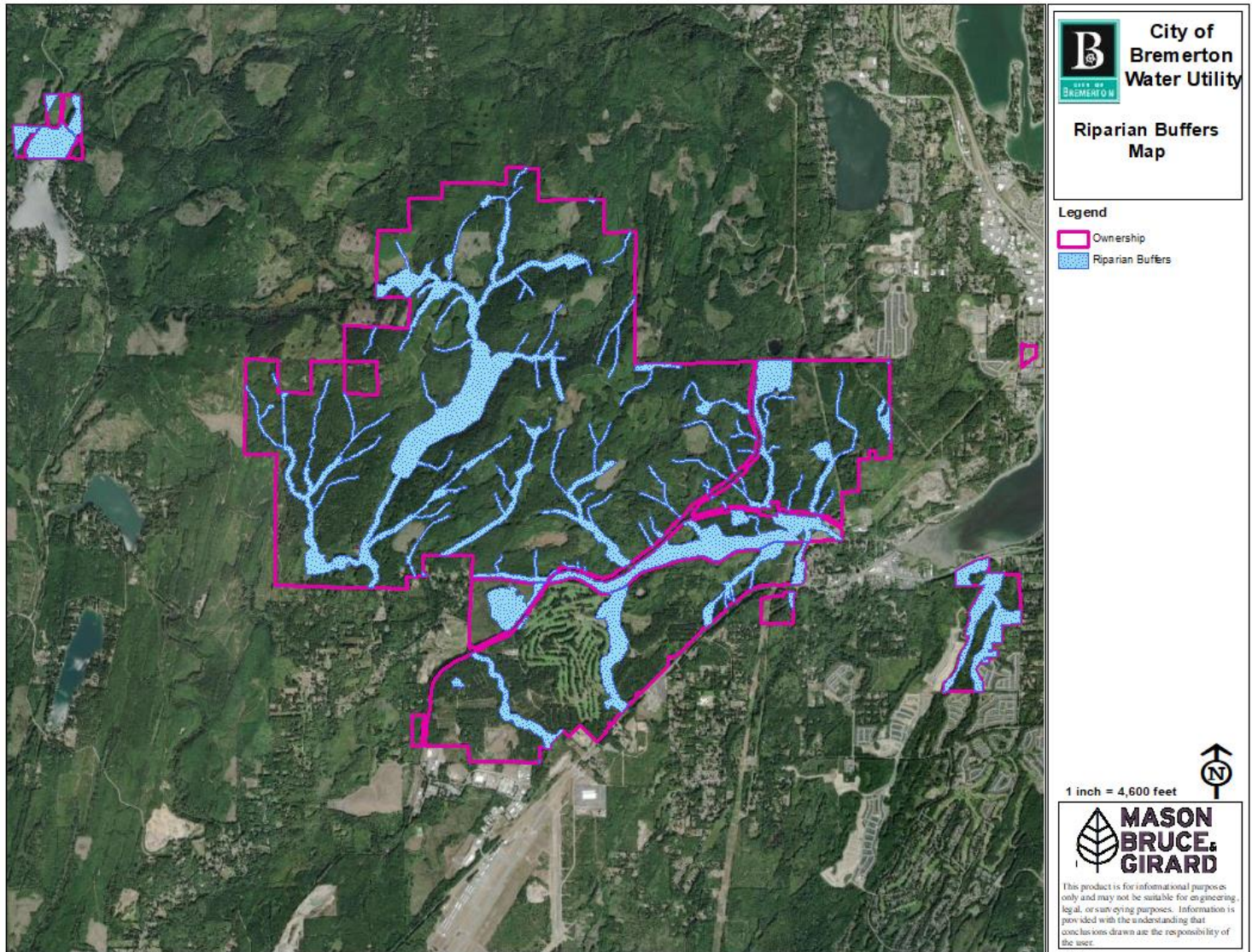


Figure 4. Riparian Buffers

Fish Habitat

According to the USFWS, the National Oceanic and Atmospheric Administration (NOAA), and the National Marine Fisheries Service (NMFS) the following fish species protected by the federal Endangered Species Act (ESA) have potential to occur within, or be affected by, activities within the Utility lands (USFWS 2024, NOAA 2025):

- Steelhead trout, Puget Sound DPS, *Oncorhynchus mykiss* (Threatened)
- Chum salmon, Hood Canal Summer Run ESU, *Oncorhynchus keta* (Threatened)
- Chinook salmon, Puget Sound ESU, *Oncorhynchus tshawytscha* (Threatened)
- Bull trout, *Salvelinus confluentus* (Threatened)
- Dolly varden, *Salvelinus malma* (Proposed Similarity of Appearance Threatened)

Streams listed as salmonid stock inventory streams are present within the Utility lands for coho salmon, chum salmon, and steelhead trout fish species (WDFW 2007). Figure 4 depicts riparian buffers throughout Utility lands. These buffers are beneficial to water quality and fish habitat, thus reducing impacts to potential listed species present. Figure 5 shows the approximate locations of the streams on Utility lands that may support the salmonid species listed above (WDFW 2007). WDFW also indicated a delta smelt spawning ground occurs in the Sinclair Inlet just east of the Utility lands (WDFW

2019). No species-specific surveys have been completed on Utility lands; however, as the Utility pursues projects within the Utility lands, surveys may be required.

The McKenna Falls Intake Subbasin is home to many streams and resident fish populations, but salmon habitat has not been observed in most of the area due to a natural barrier to migratory fish at McKenna Falls which drops 90 feet over the course of the falls downstream of the intake facilities. Figure 5 depicts cutthroat trout habitat within Union River and the Union River reservoir, but this seems unlikely given the natural barrier. ESA-listed chum salmon and steelhead trout critical habitat is designated along Union River below McKenna Falls as depicted in Figure 6. There are 14 fish passage barriers that exist within the McKenna Falls Intake Subbasin, but only one conveys a stream listed as salmon habitat.

In 2024, a restoration project was completed to improve access on forest road 5000 as well as reduce risk of erosion. The project replaced two aging bridges, eight culverts, and improved 1.5 miles of forest road within Utility lands.

The Gorst Creek Watershed is described as “one of the largest and most productive watersheds in the east WRIA-15 subregion” and “above river mile 1.0, is rated 23rd out of 95 salmonid refugia areas within Kitsap County” (May and Peterson 2003). It includes Jarstad Creek, which May and Peterson (2003) reported as having the greatest value for salmonid conservation in the watershed. The Sinclair Inlet estuary is fed by the Gorst Creek Watershed and is home to wildlife habitat for species such as juvenile salmon, bald eagles, waterfowl, and various other species. There are 18 fish passage barriers that exist within the Gorst Creek Watershed ownership, including six conveying streams with listed salmon species. In 2016, the Utility replaced two undersized forest road culverts with bridges to improve fish passage. A collaborative future project is also planned between the Utility and Suquamish Tribe to restore Gorst Creek near the Suquamish Fish Rearing Facility by removing fish passage barriers and restoring instream habitat.

The Tahuya Lake ownership contains coho salmon and cutthroat trout stream habitat (Figure 5). Critical habitat for ESA-listed steelhead trout exists within the Tahuya ownership Tahuya Lake and Tin Mine Creek.

The forested area that comprises the north and central portion of the Gorst Creek Watershed lies within a contiguous area that also contains Green Mountain and Tahuya State Forest. Taken together, this area comprises the largest open-space block in the Puget Trough Ecoregion of the Puget Sound Basin (May and Peterson 2003).

The City removed two historic dams on Anderson Creek in 2024 which opened access to three additional miles of salmonid habitat, including critical habitat for ESA listed steelhead trout. There are no other fish passage barriers within this ownership and coho salmon, chum salmon, and cutthroat trout habitat exists within Anderson Creek.

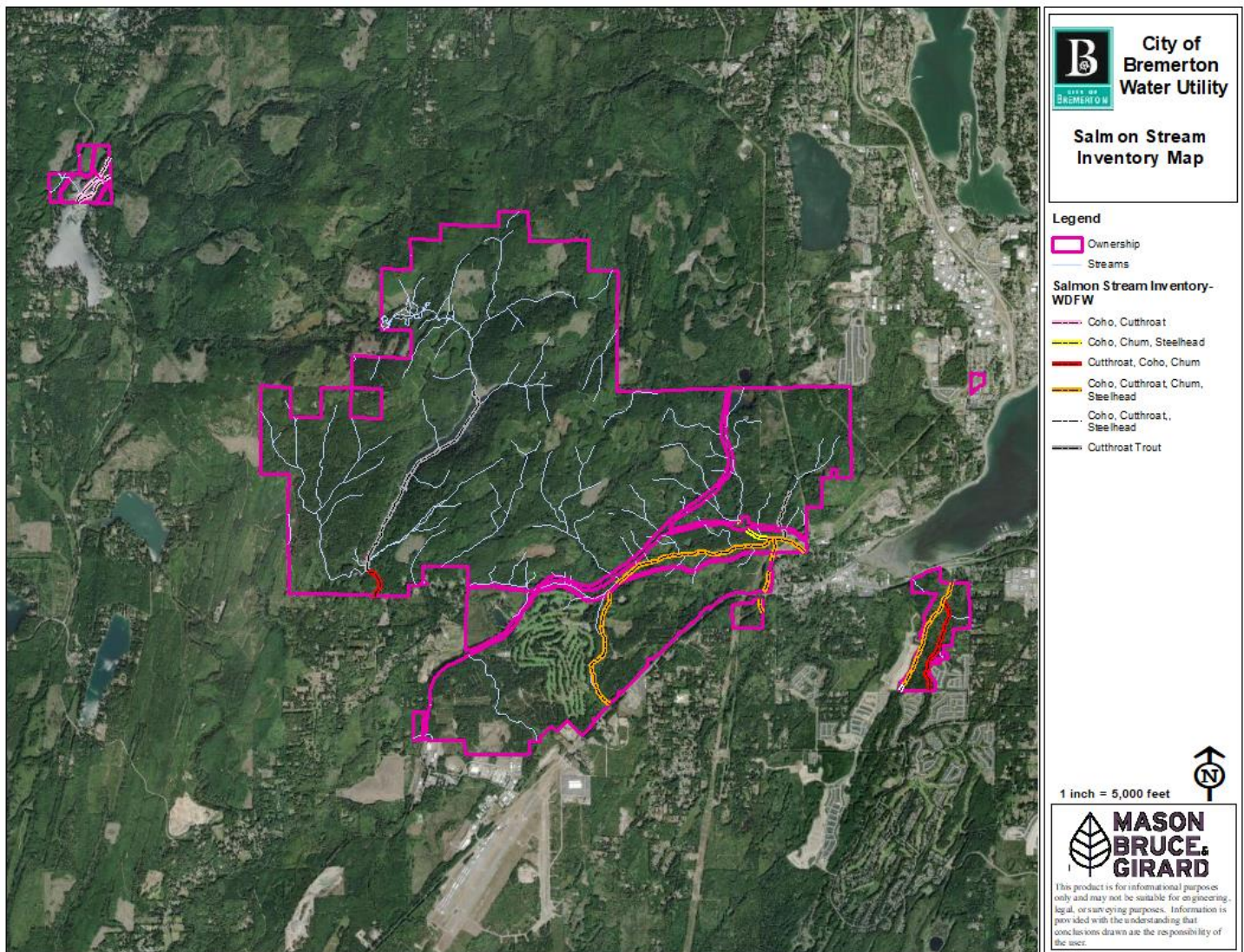


Figure 5. Salmon Stream Inventory

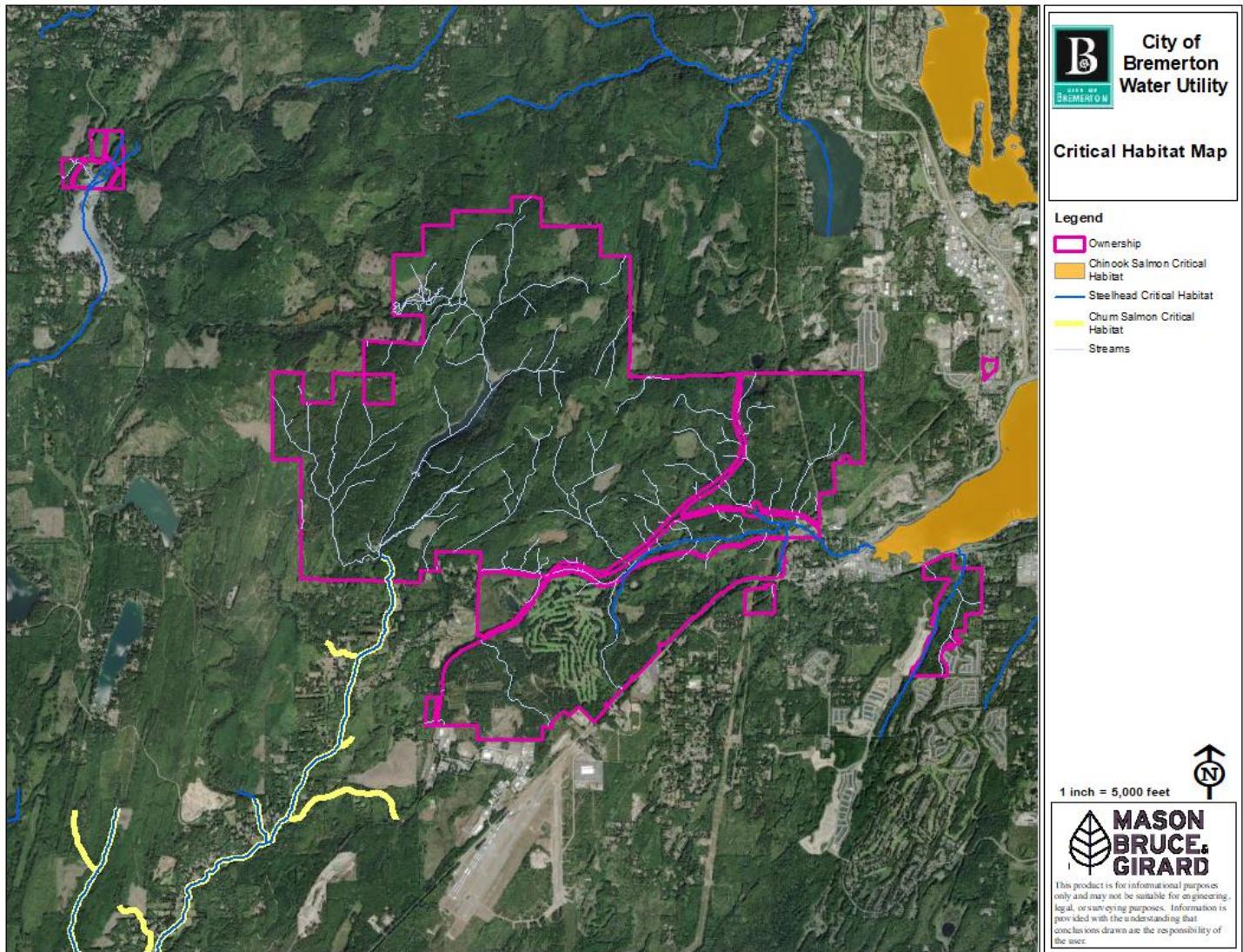


Figure 6. Critical Habitat

Riparian Areas

Streams, wetlands, and lakes on Utility lands have been mapped and classified by water type by the Washington Department of Natural Resources (WADNR). Current WADNR data was utilized for this report to approximate RMZ delineations. RMZs are required by the Forest Practices Rules of the State of Washington. Most streams are currently classified as fish-bearing (F) or non-fish-bearing (N), while fish use for some streams is unknown (U). Non-fish-bearing streams are further classified as perennial (Np) or seasonal (Ns). There are approximately 48-miles of mapped streams on Utility lands that have been delineated by WADNR. Table 1 provides a summary of the stream resources on Utility lands.

Table 1. Stream Resources (Total Length by Stream Type)

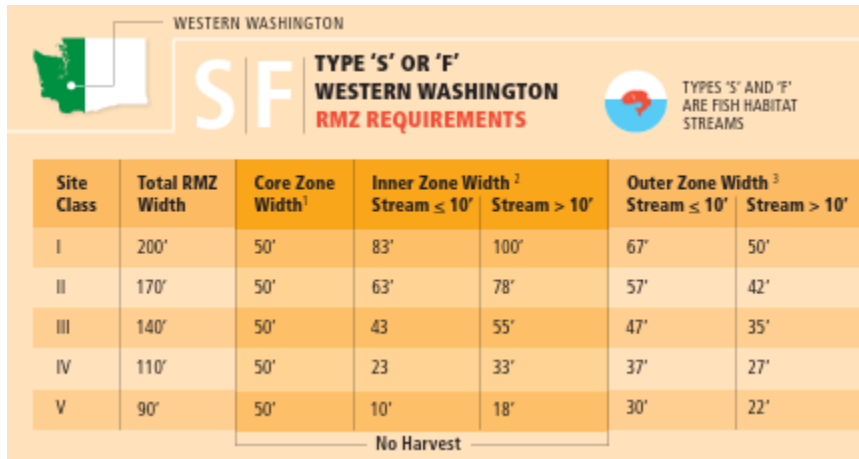
Stream Type	Total Property Distance (miles)	Percent of Total
<i>Fish (F)</i>	18.72	39%
<i>Non-Fish (N)</i>	24.01	50%
<i>Unknown (U)</i>	5.27	11%
Total:	48.0	100%

These stream distances were derived from WADNR stream data. Not all streams were field verified by WADNR. The WADNR uses a combination of LiDAR-Based stream modeling, historic stream data, and field verification to build their

WA-Hydro Database. All streams and stream buffer requirements must be field verified before operations can occur, in accordance with the Forest Practices Rules of the State of Washington.

Stream location, size, and riparian buffers were mapped using Geographic Information System (GIS) data and Aerial photography from WADNR hydrology layers. Buffer size and width vary by stream type, site class, and seasonality. Harvest parameters within riparian buffers are site specific and vary by timber harvest objectives, stream size, seasonality, and site class. Table 2 shows the requirements for Type “S” or “F” streams in Western Washington. Refer to the Washington Forest Practices Act (Washington Administrative Code (WAC) Chapter 222-08) for more information on specific riparian buffers for the various stream types within Utility land.

Table 2. Type F/S RMZ Requirements Western Washington- WADNR Forest Practices Rules Illustrated



Site Class	Total RMZ Width	Core Zone Width ¹	Inner Zone Width ²		Outer Zone Width ³	
			Stream ≤ 10'	Stream > 10'	Stream ≤ 10'	Stream > 10'
I	200'	50'	83'	100'	67'	50'
II	170'	50'	63'	78'	57'	42'
III	140'	50'	43'	55'	47'	35'
IV	110'	50'	23'	33'	37'	27'
V	90'	50'	10'	18'	30'	22'

No Harvest

Lakes within Utility ownership include Alexander Lake, Jarstad Lake, Union River Reservoir, northern end of Tahuya Lake, and Twin Lakes. Union River contributes approximately 60 percent of the Utility’s water supply (Bremerton 2022b). Twin Lakes is located on high infiltrating soils and receives water diverted from the Union River supply at the Advanced Disinfection Facility where it recharges the underlying aquifer, which feeds nearby production wells. Alexander and Jarstad Lakes provide minor groundwater recharge and drainage via Heins Creek and Jarstad Creek to sustain Gorst Creek instream flows. All lakes and wetlands have exclusion zones and buffers from forestry operations. Buffer rules for lakes are similar to streams in terms of fish presence and bank protection. An additional 50 feet of buffer exists around Union River Reservoir (for a total of 250-foot buffer), exceeding the buffer requirements by the WADNR, as it is a direct supply of drinking water. Table 3 shows the Wetland Management Zone (WMZ) buffer requirements from WADNR.

Table 3. WMZ Requirements- WADNR FP Illustrated Manual

Wetland Type	Acres of Non-Forested Wetland*	Maximum WMZ Width (feet)	Average WMZ Width (feet)	Minimum WMZ Width (feet)
A (including bogs*)	Greater than 5	200'	100'	50'
A (including bogs*)	0.5 to 5	100'	50'	25'
A (bogs only*)	0.25 – 0.5	100'	50'	25'
B	Greater than 5	100'	50'	25'
B	0.5 to 5	No WMZ Required	No WMZ Required	25'
B	0.25 to 0.5	No WMZ Required	No WMZ Required	No WMZ Required
Forested	No WMZ required. Low impact harvesting allowed. Additional restrictions apply. * For bogs, both forested and non-forested areas are included.			

Forest Resources Assessment

Forest Inventory

For the purposes of forest resource assessment, the Utility lands can be described in terms of forested versus non-forested such that:

- McKenna Falls Intake Subbasin refers to all Utility forested lands within the Union River Reservoir drainage area.
- Other Utility Lands refers to forested lands outside of the McKenna Falls Intake Subbasin, which include the Gorst Creek Watershed, Anderson Creek Watershed, Lake Tahuya Block, and all other remaining Utility lands.
- Riparian Management Area (RMA) refers to stream and reservoir buffers.
- Non-Forested Areas refers to Utility land that may or may not be forested but would not be considered part of the “harvestable acres.” This includes inoperable areas, right-of-way zones, infrastructure, recreation zones, and scenic/riparian buffers.

Table 4. Utility Lands by Forest and Non-Forested Areas

Area	Gross Acres
Forested Areas	
McKenna Falls Intake Subbasin	
McKenna Falls Intake Subbasin	2,863
Other Utility Lands	
Gorst Creek Ownership	2,278
Lake Tahuya Ownership	35
Anderson Creek Ownership	77
Biosolids Application Site & Remaining Utility Lands	721
Total Forested Acres	5,974
RMA Areas	
RMA Acres	1,465
Non-Forested Areas	
Jarstad Park	6
Gravel Pit	40
Powerline ROW	53
Structure	49
Gold Mountain Golf Course & Scenic Buffer	351
Total Non-Forested Area	499
TOTAL ACRES	7,940

Utility lands can be classified into the following categories:

- Net Forest Areas– Forest acres, excluding roads and RMZs.
- Net Riparian Areas– Riparian management zones, excluding roads and forest areas.
- Net Non-Forested Areas – Including structures, golf course, and any non-forest area. Excludes roads.
- Roads –WADNR roads layer, buffered by 20 feet and used to calculate road acreage.

Table 5. Utility Lands (All Lands)

Classification	McKenna Falls Intake Subbasin Acres	Other Utility Lands Acres	Total Utility Lands Acres
<i>Net Forest Areas</i>	2,812	3,054	5,866
<i>Net Riparian Areas</i>	538	895	1,433
<i>Net Non-Forested Areas</i>	16	479	495
<i>Roads</i>	71	75	146
Totals:	3,437	4,503	<u>7,940</u>

Acres in Tables 5 and 6 were calculated using GIS. Table 6 shows acres by age class within the McKenna Falls Intake Subbasin and all other Utility lands.

Table 6. Utility Lands - Total Forested Acres and Net Forest Acres by Age Class

Age Class / Land Use	McKenna Falls Intake Subbasin Acres	Other Utility Forest Lands Acres	Total Utility Forest Lands Acres
<i>Regeneration (0 to 10-years-old)</i>	309	396	705
<i>Pre-Merchantable (11 to 24-years-old)</i>	486	809	1,295
<i>Merchantable (25 years and older)</i>	2,014	1,846	3,860
<i>Sub-Total Net Forest</i>	<i>2,809</i>	<i>3,051</i>	<i>5,860</i>
<i>Net Riparian</i>	538	897	1,435
<i>Roads</i>	71	75	146
Totals:	3,418	4,023	<u>7,441</u>

Tree species composition on Utility lands consists predominantly of Douglas-fir, with minor components of western hemlock, white pine, black cottonwood, red alder, and bigleaf maple. Timber harvest over the last few decades has varied in size from 1-acre salvage harvests to 50+ acre clearcuts. Silviculture treatments have also been implemented, such as mechanical brushing treatments, pre-commercial thinning, slashing, commercial thinning, and nonnative species removal.

Figure 7 shows Site Classes across Utility lands. Site Class refers to the site's maximum vegetative productivity in terms of timber production. The site index is the average height of dominant trees within a stand at a given base age. For example, Douglas-fir with a site index of 125 using base age 100 should be approximately 125 feet tall at age 100. Site indexes are grouped into site classes ranging from I (highest) to V (lowest). The predominant site class for Utility lands is Site Class III as illustrated in Figure 7. Site class information is from WADNR and based on a base age of 100.

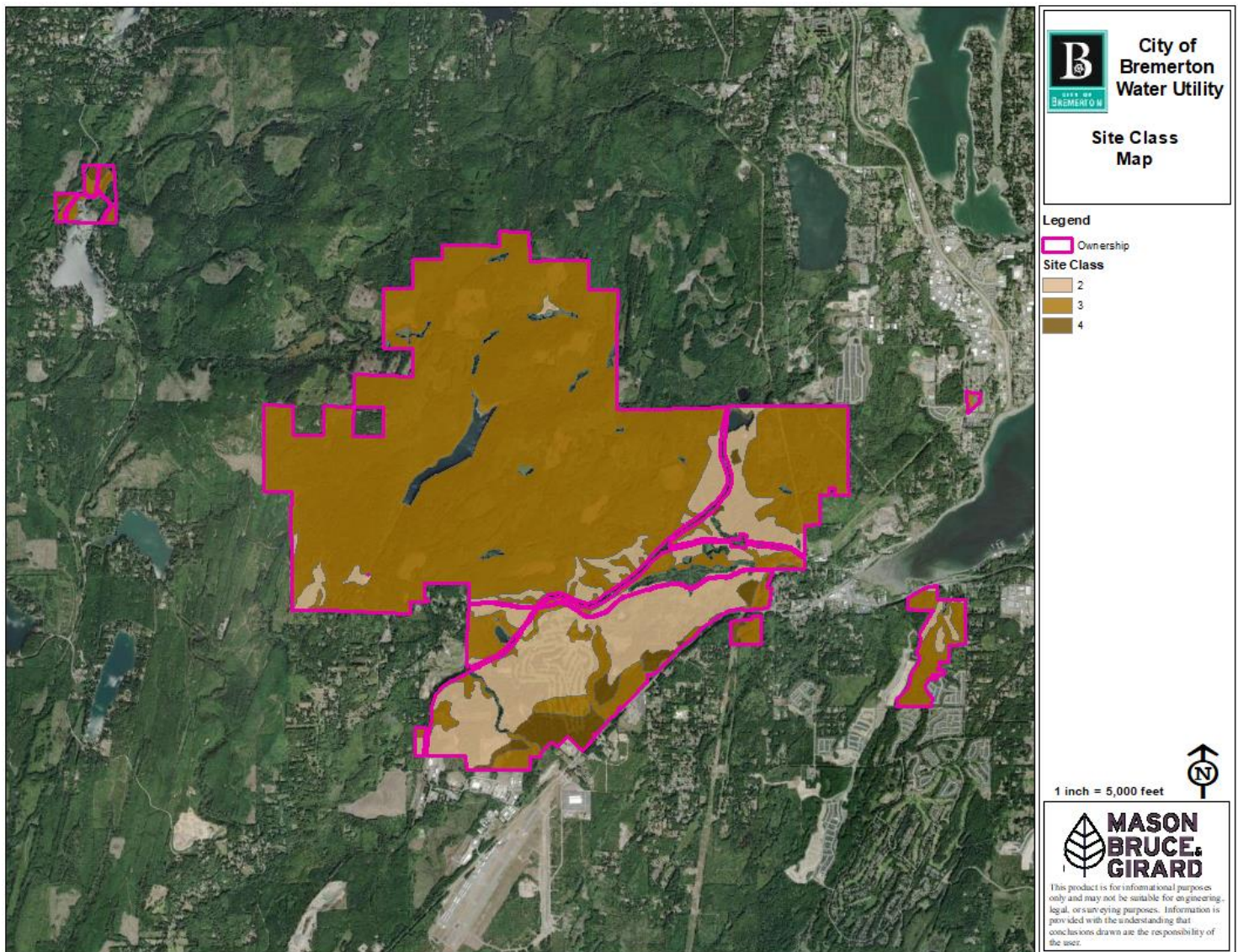


Figure 7. Vegetative Productivity Site Classes

Road System

Utility lands feature a well-maintained road system which represents less than 2% of land surface within Utility lands. Most roads are rocked, all season roads, with a small component of dirt spur-roads that are for seasonal use only. Based on a GIS analysis, there are approximately 56.6-miles of mapped roads within the Utility lands, not including some minor spur-roads or biosolids-application trails. There is a total of 26.4 miles of biosolids trails located on Utility property. This road system includes nine bridges, all of which have been field verified and confirmed to be sound and functional (Figure 8). Out of the nine bridges, one will need to be updated or replaced within the next 20-years. Below is photograph of an example bridge in good condition, located on Utility land.

Photo 1. Photo of Fully Functional Bridge Number 7

There are 256 mapped culverts on the Utility lands, varying in size from 18 to 66-inches in diameter. All mapped culverts and bridges include latitude and longitude, road location, elevation, diameter, length, and culvert-type information. There are 36 undersized or aging culverts identified for replacement by the Utility. A large portion of the culverts are corrugated metal pipes installed pre-Road Maintenance and Abandonment Plan (RMAP). They are currently not identified as needing to be replaced but they may require replacement depending on the condition as time progresses. Figure 8 presents the approximate locations of the bridges and culverts within the Utility property.

The Road Maintenance and Abandonment Plan (RMAP) was developed by the WADNR in 2001. This process allowed landowners to create an inventory of their forest roads and infrastructure with the purpose of improving forest roads and infrastructure to current practice standards. In 2001, the Forestry Division contracted Olympic Resource Management to complete road maintenance plans to meet the planning requirements of the RMAP. Per the 2001 RMAP Report, the information collected was used to identify areas that did not meet forest practices rule standards, and to schedule needed upgrades or repairs to be completed by 2016. The findings, recommendations, and detailed work plans for remediation can be found in the City's 2001 RMAP Report.

Road Maintenance and Abandonment Activities

After Olympic Resource Management conducted the road maintenance plan in 2001, the Forestry Division completed all identified projects and remedied any flagged issues within the original RMAP report. It was determined in the 2001 RMAP report that the overall condition of the road system within the Utility property was good, due to most of the roads being well constructed, receiving little winter-time traffic, and effectively handling high water flows. Some general recommendations at the time were to consider more relief culverts to help mitigate road surface erosion and potential for sediment delivery. A list of corrective actions was identified for all road-related problems. These actions were given a priority rating and can be found within the 2001 RMAP Report. A comprehensive action report of all RMAP related work/reviews planned or completed can be found in the Annual Accomplishment Report Through October 31, 2016.

Recent road maintenance and construction activities within Utility ownership include the installation of two new bridges in 2024. This effort was part of the 5000-Road Project to improve access as well as reduce risk of erosion. Photos of the Vessey (Photo 2) and Railcar (Photo 3) bridge replacements are shown below.

Project work also included the replacement of eight culverts, and improvement of approximately 1.5 miles of road. In 2016, two forest road culverts were replaced with bridges to improve fish passage on Gorst Creek. The Anderson Creek Dams Removal project removed two earthen and concrete dams along the upper west and east forks of Anderson Creek (Photo 4). Historically, these dams were retained as a public water supply for the Utility but were no longer in use and were removed to allow for fish passage and habitat restoration. This project was completed in 2024 and received an American Council of Engineering Companies Silver Award for complexity.

Photo 3. Vessey Bridge Replacement

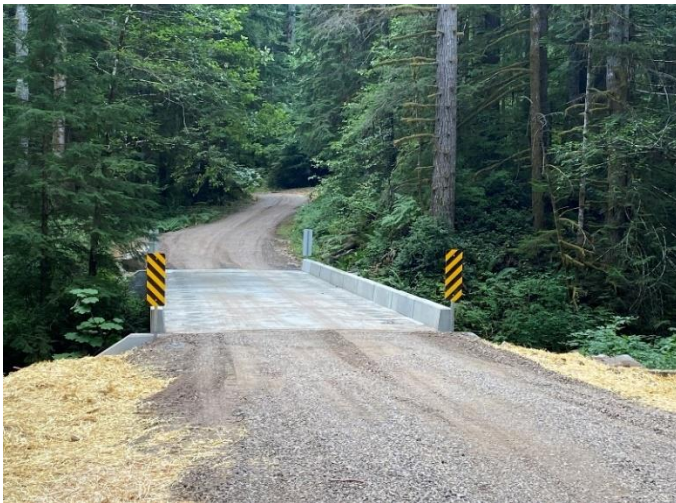


Photo 2. Railcar Bridge Replacement



Photo 4. Anderson Creek Concrete Dam Removal Area

Forest Inventory Data Collection Methodology

A critical step in updating the Utility's forest inventory was the forest inventory cruise (cruise) of a specified list of stands within the Utility's forestland. The complete forest inventory is in Appendix A. The purpose of the cruise was to create a stand-based forest inventory for all stands on the property, which will yield statistically sound estimates of typical forest inventory metrics and provide the information necessary to calculate sustainable harvest levels and growth projections. This type of cruise should be done every 10-years to have accurate inventory information for planning purposes. For more details on implementing a forest inventory update, refer to the forest inventory part of the Implementation Plan section.

Stands were selected for cruising based on existing inventory data, targeting the highest volume stands. A total of 80 stands were selected to be cruised, 78 of which consisted of merchantable timber, and two that consisted of pre-merchantable timber. A total of 3,089 acres were cruised for this inventory update. The remaining merchantable stands were visited in the field and assigned stand level data of similar stand types. The un-cruised stands can be distinguished in the inventory summary information by the '<Null>' Cruise Date and Data Source of 'Copied', and feature estimates of volume, species, composition, and trees per acre.

All pre-merchantable and regeneration stand types were delineated using a combination of GIS/aerial photography and field verification to determine species composition, stocking, vigor, estimated age, and any silviculture treatments previously conducted or recommended.

The following data were collected for all forest stands (if applicable):

- Unique Stand ID
- Gross Acres
- Net Acres
- Harvest Year
- Birth Year
- Age

- Stocking
- Pre-Commercial Thinning (PCT) Year
- Silviculture Notes
- Timber Use
- Timber Type
- Cruise Date
- Major Species
- Timber Volume (Merchantable Age Class)

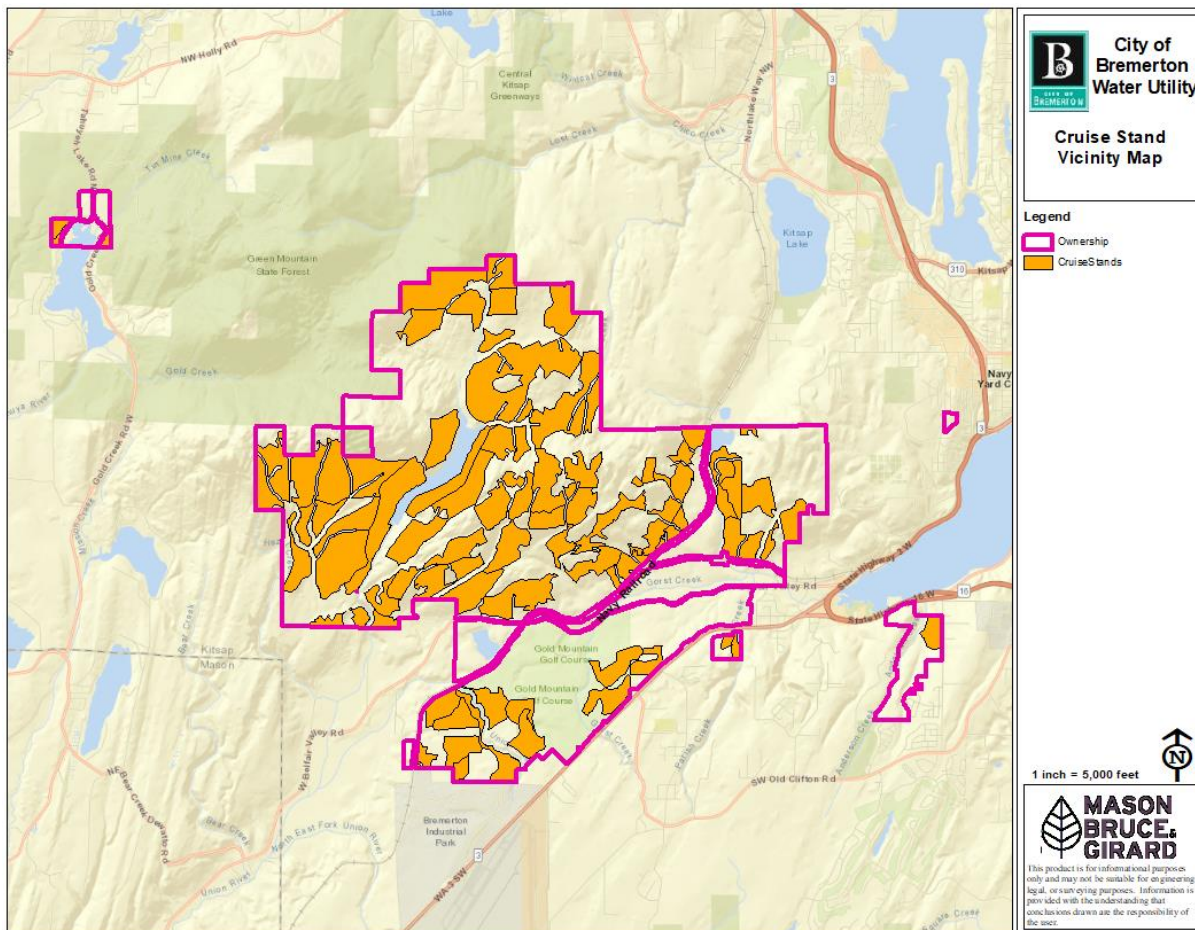


Figure 9. Cruise Stand Vicinity Map

Using GIS software, cruise maps were generated for all 80 stands to be cruised. Figure 9 shows the stands that were cruised for the 2024 Inventory. Plot spacing was determined by stand, based on stand acres; small stands had a greater plot concentration than large stands. Five to 30 plots were established in each stand and were established using a square grid with a random origin to ensure equal and unbiased distribution across the stand. The distance between plots ranged from 3 chains (198 feet) to 8.5-chains (561 feet). Below is an example plot map for a given stand (Figure 10).

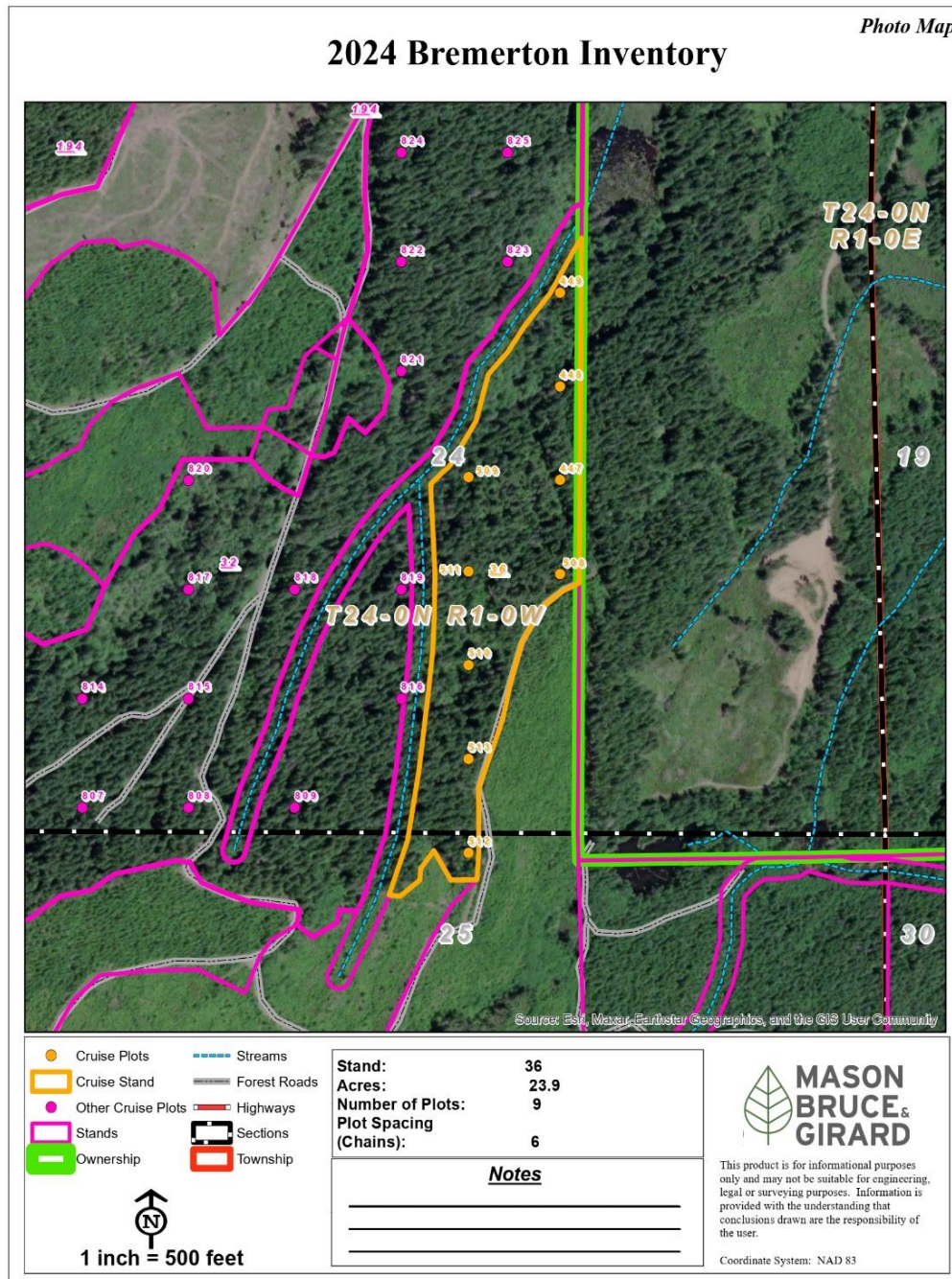


Figure 10. Example - Stand Plot Map

Timber cruisers collected data at each plot for all live trees, including seedlings, using a combination of fixed radius plots and variable radius plots. Tables 7 and 8 below show the cruise measurements recorded at each plot. Variable radius plots use a prism factor, where trees are selected based on size and distance from plot center. Fixed radius plots have a fixed area, where all trees that meet specifications within the fixed plot area are recorded. Variable radius plots are typically used for older forest types, while fixed radius plots are typically used for younger forest types (i.e. regeneration).

Table 7. Tree Data Collected on Fixed Radius Plots

Item	Frequency	Notes
Species	Every tree	2-character code
Tally	Every tree	Tally the number of trees by species and diameter class – Maximum of 10
Diameter Class	Every diameter class	Group tally to the nearest 1-inch diameter class. For trees less than 4.5 feet tall, record a diameter of zero inches
Component Code	Every tree	Description code of tree status (typical live tree, cull tree, or broken topped tree)
Average Height	Every species/diameter class	Determine the average height of each species/diameter class combination
Live Crown Ratio	Every tree greater than or equal to 4.5 feet tall	Determine the average live crown ratio by species and diameter class for trees that are greater than or equal to 4.5 feet tall

Table 8. Tree Data Collection on Variable Radius Plots

Item	Frequency	Notes
Species	Every tree	2-character code
Tally	Every tree	Only enter value greater than 1 for edge-plot trees
DBH (Diameter at Breast Height-4.5 feet)	Every tree	Nearest Inch
Component Code	Every tree	Description code of tree status (typical live tree, cull tree, or broken topped tree)
Live Crown Ratio	Same trees as measured for total height	Nearest 10% ocular estimate of percentage live crown
Total Height	1st and 3rd trees per species on each plot and trees with defect that impacts total height	Measure total heights across the range of diameter classes for all species to the nearest 1.0-foot
Broken Top Height	All trees with a broken top	Record in the total height column to the nearest 1.0-foot
Percentage Defect & Breakage by Tree Thirds (Bottom, Middle, Top)	Every tree with defect (No total height necessary)	Nearest 10% Minimum Length = 12-feet Minimum Diameter (Scale End) = 5-inches

Quality control was conducted by check cruising to ensure the data collected were consistent and accurate throughout the project. Check cruising was performed for each member of the cruising field crew (cruiser). A stand was selected at random and five continuous plots were selected from that stand, per cruiser. Table 9 below shows the check cruising tolerances and acceptable rates of error.

Table 9. Check Cruise Tolerances

Measurement	Description	Maximum Acceptable Rate of Error
Number of tally trees	Correct tally of trees within plot	0%
Tree Species	Correct species identification	0%
DBH (Diameter at Breast Height-4.5 feet)	Diameters measured with an accuracy of +/- 1.0 in.	5%
Total tree height	Heights measured with an accuracy of +/- 10%.	5%
Broken top height	Heights measured with an accuracy of +/- 10%.	5%
Tree Component code	Correct tree component code	0%
% defect	Record % defect with an accuracy of +/- 10%	10%

In the event of substandard work by any cruiser, the following steps were taken:

- On-site training and review of the instructions and protocols
- Visit a plot where measurements were out of tolerance and review cruise specifications.
- Return to cruise plots and remeasure.

The check cruiser determined if a cruiser's work needed to be redone. If substandard work continued, the check cruiser and project manager determined if a cruiser needed to be removed from the project.

A total of 20 plots were checked across three timber cruisers. There were some minor differences, but all work was considered acceptable. One cruiser had some measurements out of tolerance at the plot level, which led to additional plots being checked for that cruiser. All additional plots checked were within tolerance and showed acceptable rates of error.

Inventory Results

A "Stand Lister" spreadsheet, with a tabular data summary for each stand, and a shapefile of the Utility 'Stands' layer, was provided to the Utility.

Table 10 below displays inventory volume by area across all Utility lands. Volumes shown are in thousand-board-feet (mbf).

Table 10. Current Timber Volume Summary

Area	Volume (Timber over 35-years-old)
<i>McKenna Falls Intake Subbasin</i>	64,848
<i>Other Utility Lands</i>	50,636
Total:	115,484

Figures 11, 12, and 13 show the merchantability, age class, and volume distributions across all Utility lands. Note that over half the volume is within the McKenna Falls Intake Subbasin. This indicates a lower harvest level historically and reflects the primary management objectives for the subbasin, which are water quality protection and forest health.

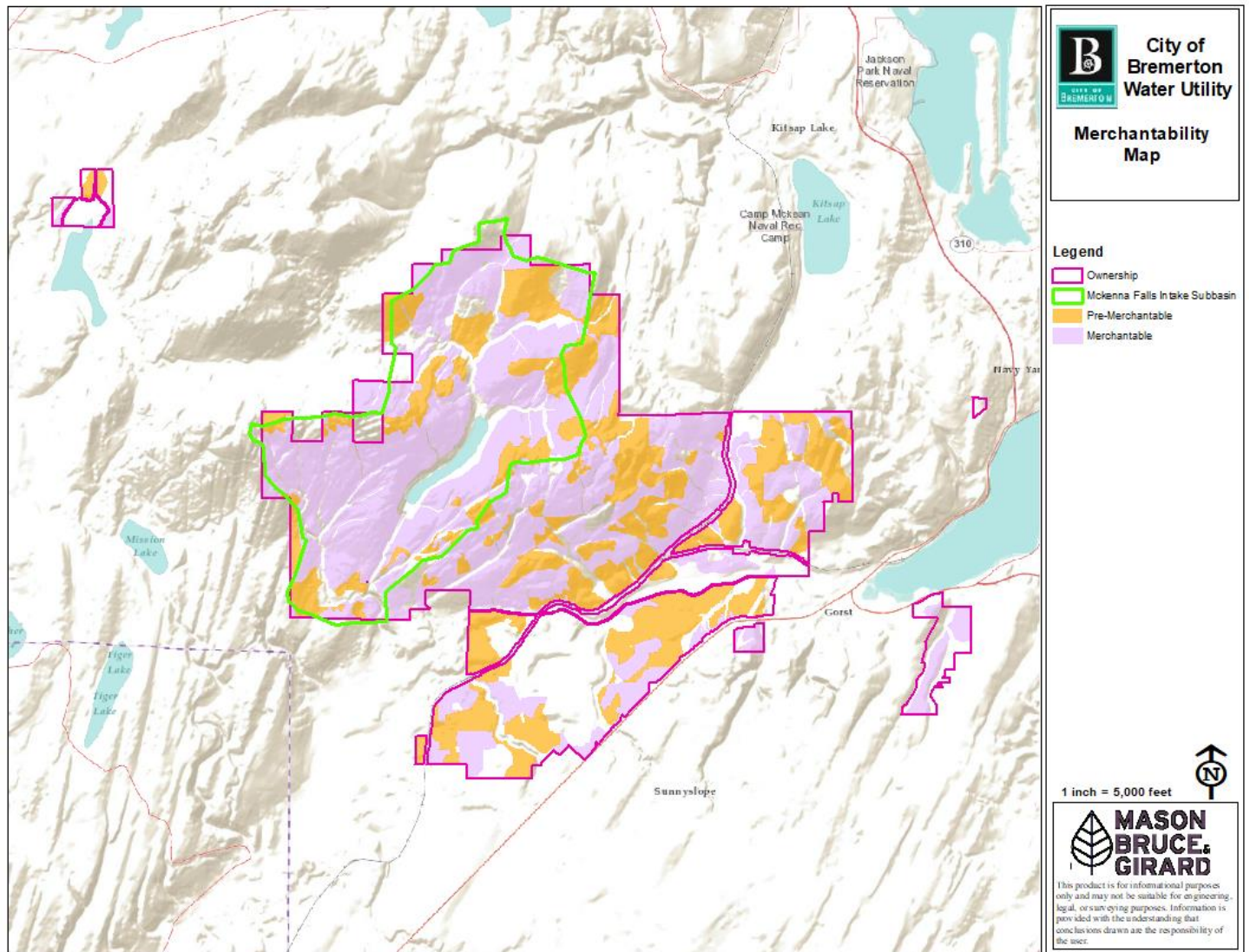


Figure 11. Merchantable and Pre-Merchantable Stands

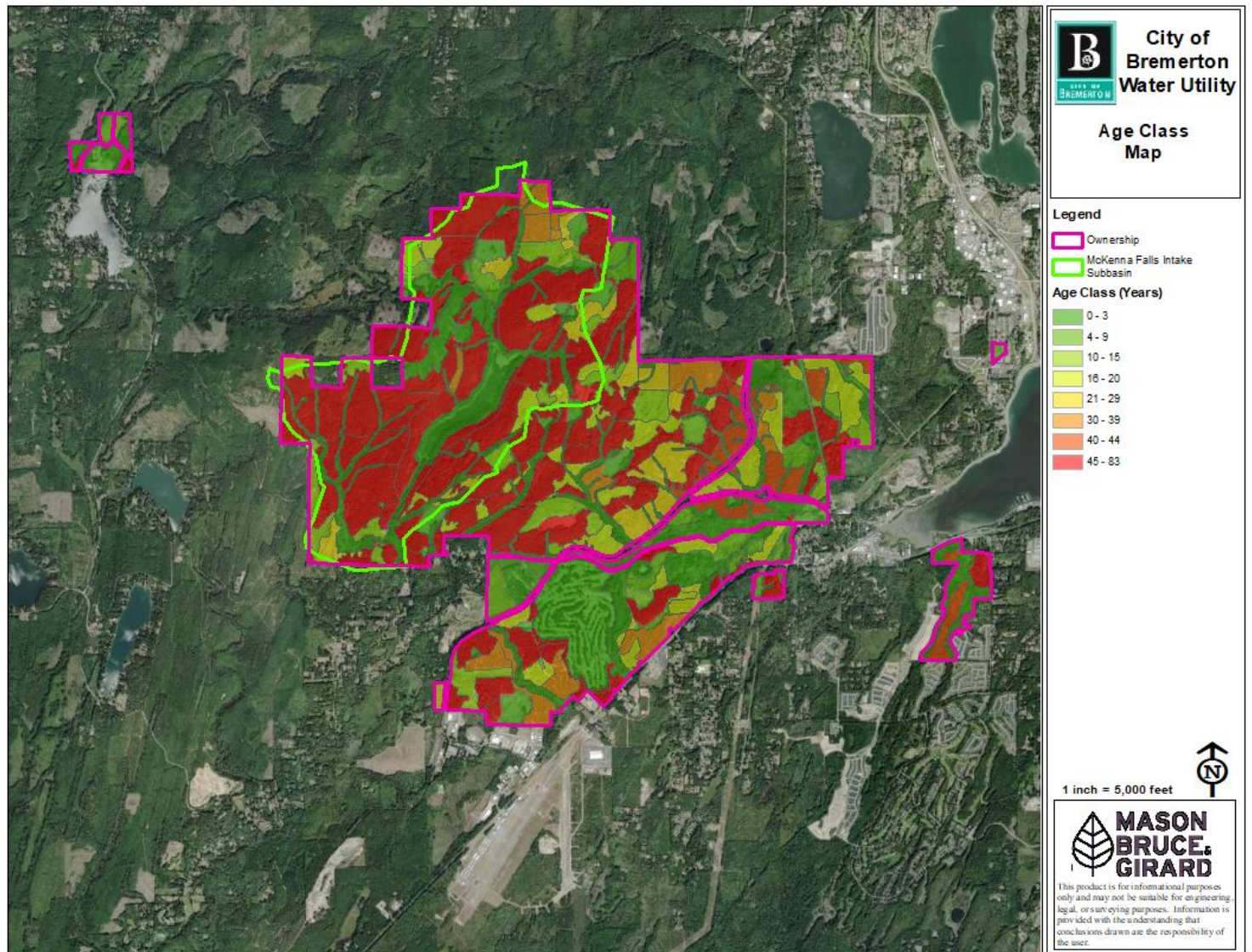


Figure 12. Age Class of Stands

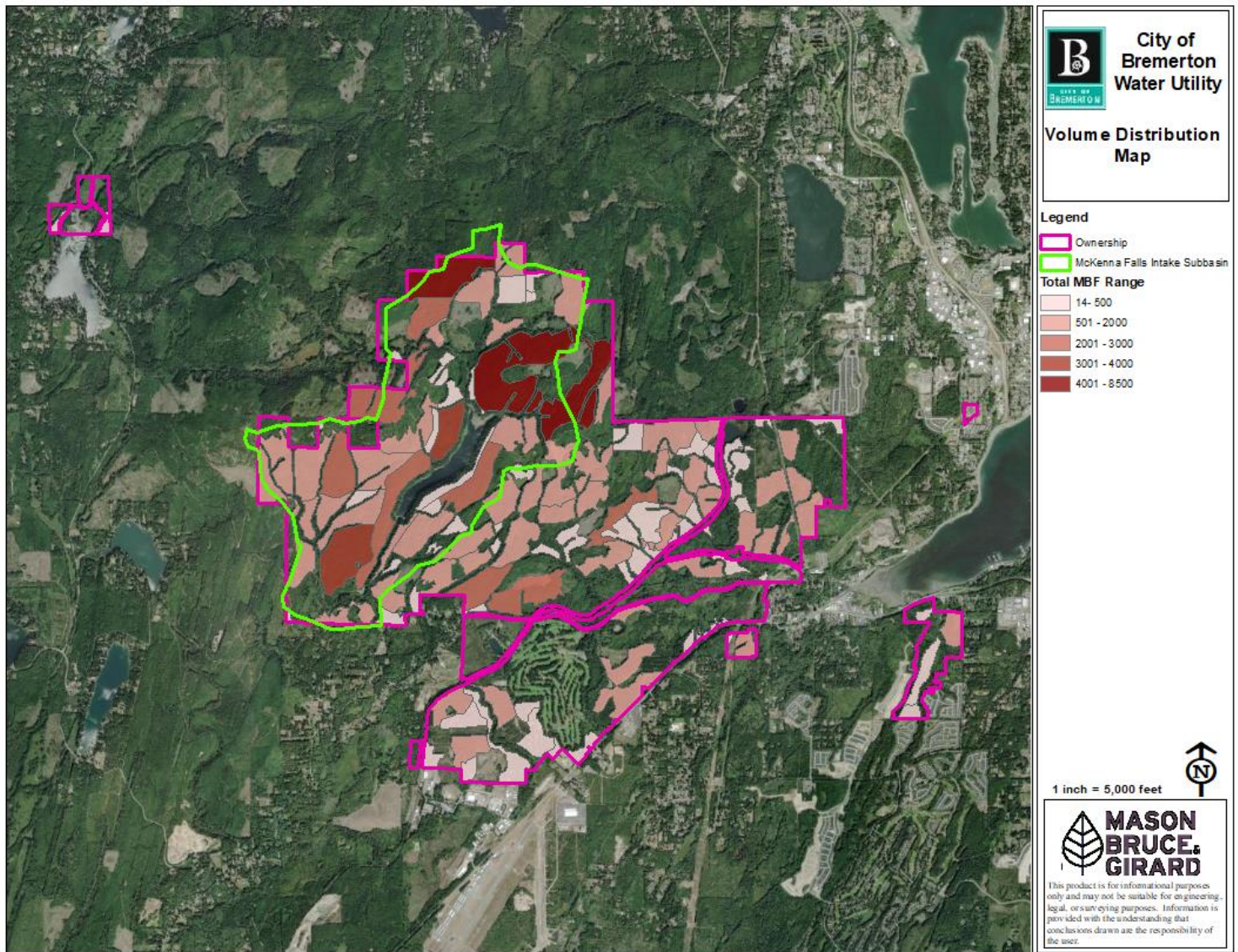


Figure 13. Merchantable Volume

Minor Forest Products

The Utility currently has a contract in place for the sale of minor forest products to I.E.F. Corporation – Golden Eagle Evergreens. The contract allows for the harvest and sale of salal and huckleberry as well as the boughs of western redcedar, western white pine, and Douglas-fir from specific areas within the Utility ownership. The contract stipulates that no entry is allowed during inclement weather, which is when roads, streams, and wetlands are at higher risk of damage. Entry is also prohibited within water intake areas, well head protection zones, and the Sergeant Honsowetz Police Firearms Training Facility, unless authorized by the Utility. A similar agreement is expected to be put in place for the Suquamish tribe to collect minor forest products such as western redcedar bark. Minor forest product sales when conducted in small amounts are not expected to impact water quality throughout Utility land. An increase in patrol of the harvest areas may be necessary to ensure compliance with the access permit rules and harvesting specifications.

Carbon Credit Sales

Carbon credit sales from Utility land is described in detail in the Carbon Project Considerations Special Topic Memo in Appendix B.

Forest Health

Forest health is generally defined as the overall ability of the forest to resist or contain potential forest pathogens, insects, and wildlife damage that can suppress growth or cause mortality. Figure 14, which features WADNR Forest Health Data, illustrates the general locations of various potential insect, disease, and other issues; note that observations on the ground revealed minor issues in most cases. Only routine amounts of mortality and blowdown, which are common in many mature forests, were found during the inventory cruise and other field inspections.

Laminated Root Rot

Laminated root rot is a common root disease, caused by the fungal pathogen *Phellinus weirii*, which results in tree mortality and significantly affects forest stands in the Pacific Northwest (USFS 1981, USFS 1995). Surveys were conducted in 2019 on Utility land and found laminated root rot throughout the ownership as depicted in Figure 15 (Semler 2019). Semler (2019) recommended allowing natural succession to occur and/or harvesting highly susceptible species within the infected pockets of trees where the disease is present. Buffer strips implemented around infected pockets, or stump removal are also effective methods of treatment. When reestablishing a recently harvested root rot area, disease-resistant species should be favored for planting (see Silviculture section for details). For those laminated root rot locations within the McKenna Falls Intake Subbasin, it is imperative these areas are monitored and aggressively treated as necessary to prevent stand disturbance from expanding due to blowdown and subsequent insect issues. Large disturbances to stands within the watershed could lead to water quality issues as soils become exposed and more susceptible to erosion.

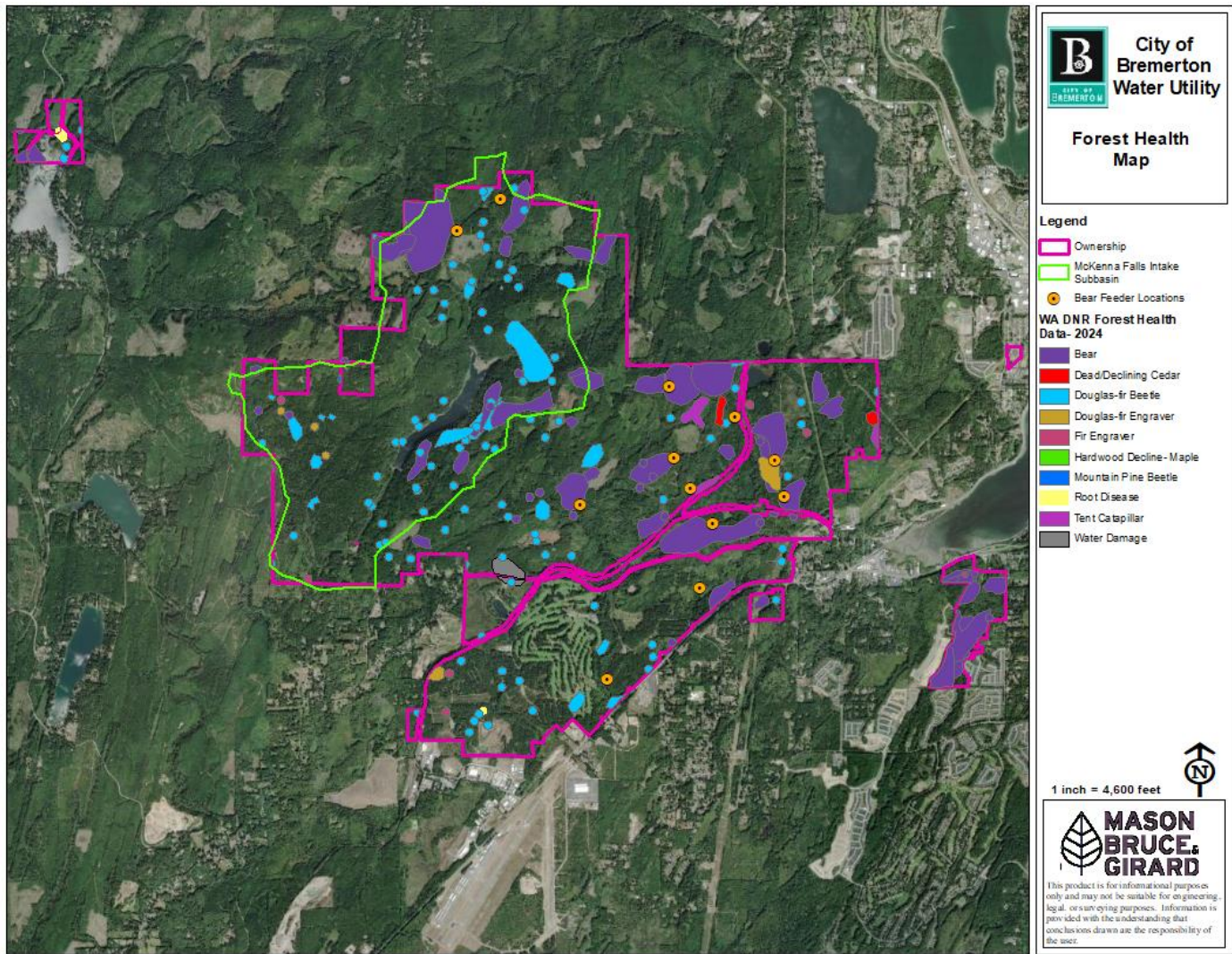


Figure 14. Utility Forest Health

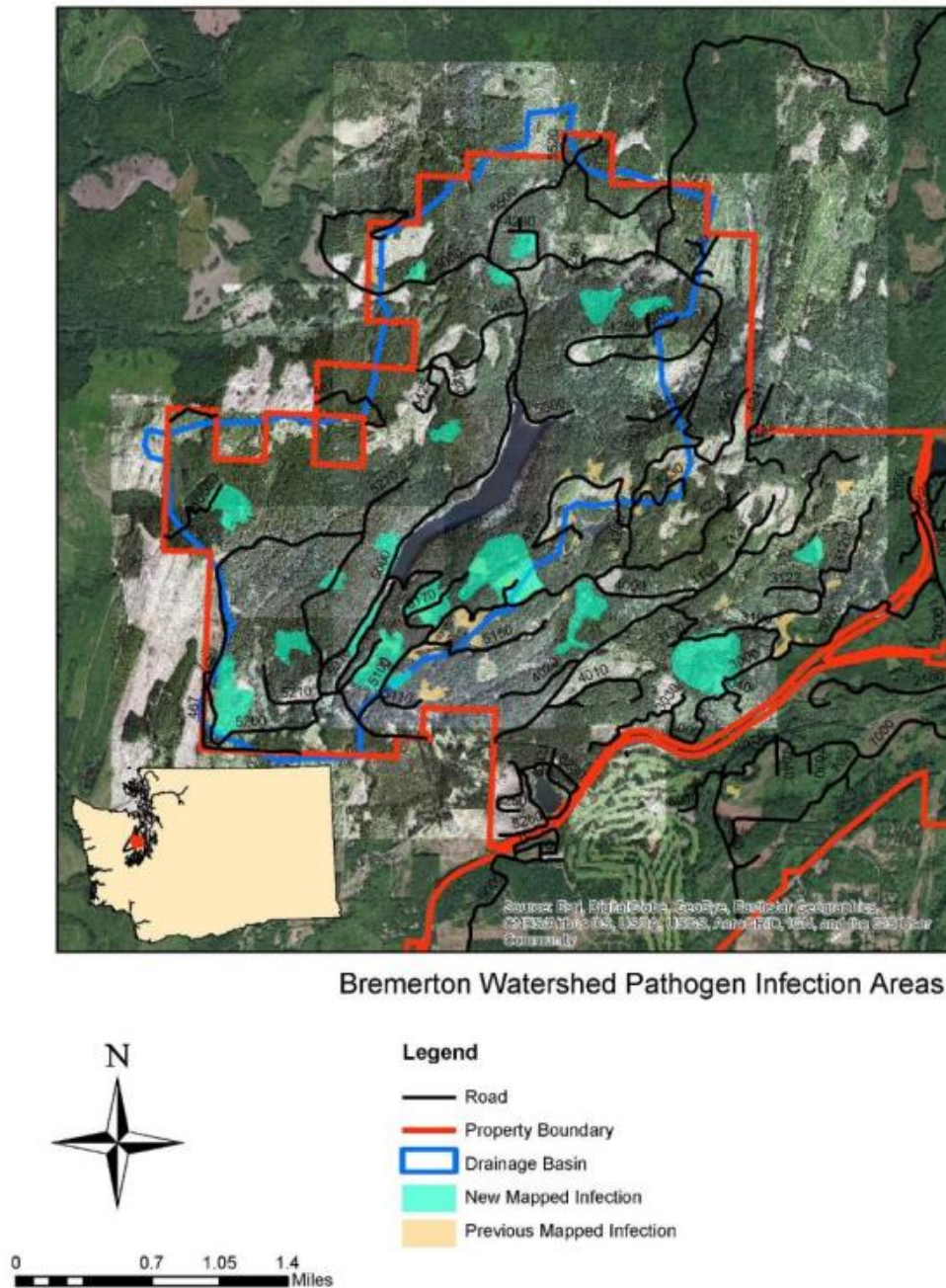


Figure 15. Laminated Root Rot as Mapped by Semler 2019

Nonnative Species Management

The primary nonnative species that must be addressed on Utility lands are Scotch broom (*Cytisus scoparius*), Himalayan blackberry (*Rubus armeniacus*), and knotweed (*Polygonum sachalinense*). Figure 16 shows the primary areas where Scotch broom concentrations exist, which lie mostly within the wellhead protection areas and within 1,600 feet of Twin Lakes. The use of broadcast herbicide is prohibited in these water protection areas per the City's Critical Areas Ordinance (BMC 20.14) and the City's adopted Integrated Vegetation Management Plan. Therefore, vegetation must be managed manually, which is very labor intensive and results in higher concentrations of nonnative species in these areas. Recently harvested units and younger plantations are at higher risk for nonnative species. Increased monitoring and mitigation are highly important during the first few years of stand establishment to ensure plantations are free-to-grow.

Bear Damage

Black bears are present on Utility lands and can have a significant effect on the health of Douglas-fir stands (See Figure 14). Bears will claw at the bark of trees to access and eat the cambium layer, which will at a minimum leave the tree defective on one side, or in the most severe instances will girdle and kill the tree. Feeding stations may be used in areas with high bear concentrations, where bears are fed nutritional pellets that contain higher amounts of sugar than they find in the tree cambium layer. This method of providing the bears with an alternative to tree cambium has mixed results. If bear damage becomes too widespread and is affecting the overall health of the forest, a method of bear removal may be necessary.

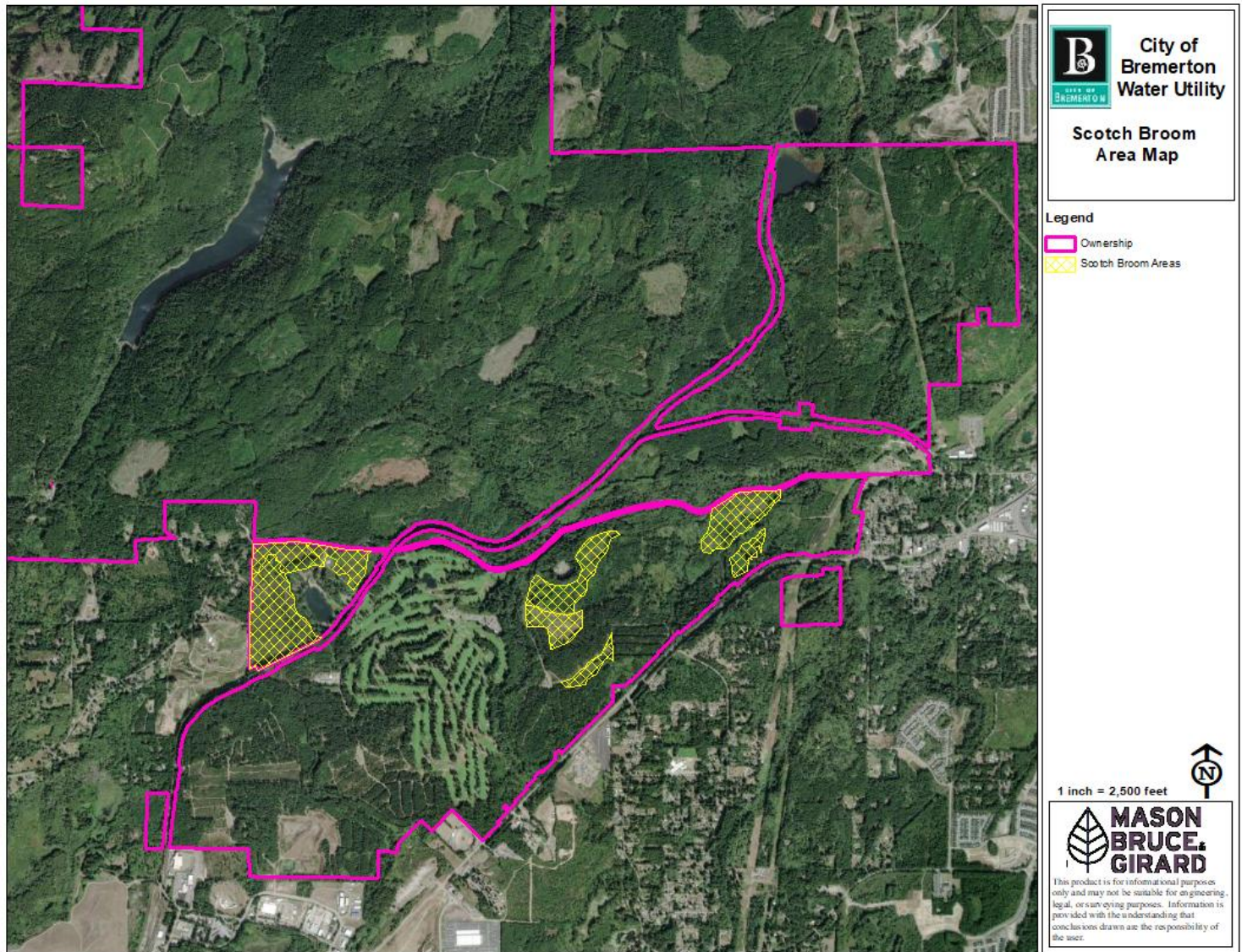


Figure 16. Scotch Broom Areas

Silviculture Practices

The U.S. Forest Service defines silviculture as “the art and science of controlling the establishment, growth, composition, health, and quality of forests and woodlands to meet the diverse needs and values of landowners and society on a sustainable basis” (Powell 2013). This is accomplished by applying different types of silvicultural treatments such as thinning, harvesting, planting, pruning, prescribed burning and site preparation. Intermediate treatments (thinning and pre-commercial thinning) are designed to enhance growth, quality, vigor, and composition of the stand after establishment or regeneration and prior to final harvest. A silvicultural prescription is a document which has a planned series of treatments designed to change current stand structure and composition of a stand to one that meets management goals. The prescription normally considers ecological, economic, and societal objectives and constraints.

Various silviculture applications have been used on Utility lands, including pre-commercial thinning, commercial thinning, final harvest, reforestation, salvage harvest, mechanical brushing, slashing, nonnative species removal, and herbicide treatments.

There are silviculture areas of concern throughout the property, both within the McKenna Falls Intake Subbasin and on other Utility lands. Concerns include under- or overstocked regeneration and pre-merchantable units, high concentrations of competing brushy vegetation, and areas of dense nonnative species. Figure 17 shows the primary Silviculture Concern Areas. Due to the high component of competing brushy vegetation within some of the regeneration units, interplanting and nonnative species mitigation must be a top priority.

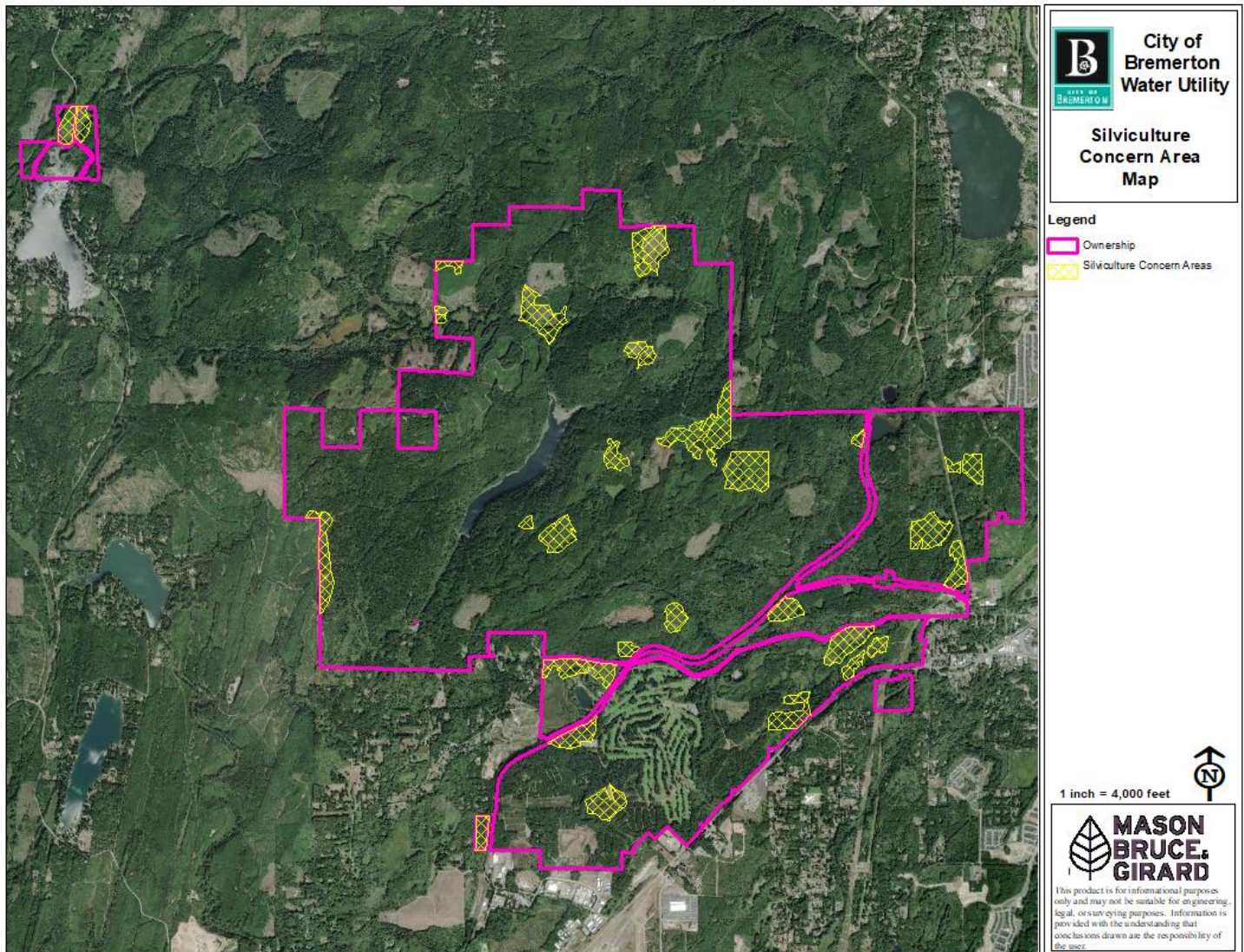


Figure 17. Areas of Silviculture Concern

Harvest Planning

Timber Harvest planning is a multifaceted endeavor that must consider over time the landowner's management objectives, resource protection, site conditions, harvest type, and economics. Prioritizing the Utility's objectives within the harvest planning process assures appropriate and successful management and stewardship of Utility forestland. Table 11 is a guide for harvest planning considerations.

Table 11. Harvest Planning Considerations.

Site Conditions	Economic Factors	Harvest Type	Resource Protection	Management Objectives
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Water	Short- and Long-Term Income Needs	Even-aged Harvest	Water Quality/ Protection of Drinking Water	Maintaining “Unfiltered” Water Source Status
Topography	Logging Methods and Cost	Selective Harvest	Riparian and Wetland Management Zones	Riparian Protection
Soil	Reforestation Methods and Cost	Pole Harvest	Timing of Harvest	Protection of Surface and Ground Waters
Forest Health	Future Project Cost	Cable Logging	Fish and Wildlife	Maintaining Forest Health/Resiliency
Stand Type	Tax Considerations	Ground-Based Logging	Archaeological, Cultural, and Historical Sites	Minimizing Disturbance
Aspect	Log Market/ Timing	Salvage Logging	Threatened and Endangered Species	Timber Revenue

These considerations must be addressed when planning any harvest activity. This allows the Forestry Division to continually monitor and align the harvest plans with the Utility’s management objectives. It is important for the Forestry Manager, in consultation with the Water Utility Manager, to conduct an annual review of completed harvests and future harvest plans to ensure harvests are aligned with the goals of the Utility.

Reforestation

Reforestation is the process of establishing a new forest either naturally by leaving seed trees or artificially by planting seedlings. This is a critical aspect of sustainable forest management, as it is establishing the forest life cycle and will in large part determine the success of a forest landscape. Timely reforestation and planting of trees suited to the site ensures that trees are established ahead of competing brush or nonnative species. The Washington Forest Practice rules require that three years post-harvest there are 190 free-to-grow trees per acre. Planting more trees than required by the Forest Practices Rules allows for the loss of trees due to deficient microsites, animals, and potential drought conditions.

Successful reforestation consists of three main planning categories: Site preparation, seed/tree selection, and correct planting preparation.

Site preparation is necessary when harvest units are left in a condition unsuitable for planting. Site preparation includes reducing competing vegetation and slash disposal, while minimizing soil disturbance. Certain aspects of site preparation are initiated before the timber has been cut, such as how slash will be piled during the harvest. Planning ahead allows the Utility to potentially choose harvest methods that will help create favorable conditions for planting.

The selection of appropriate trees for specific site conditions is critical for successful establishment of the new forest stand. Figure 18 is a Washington seed zone map for Douglas-fir.

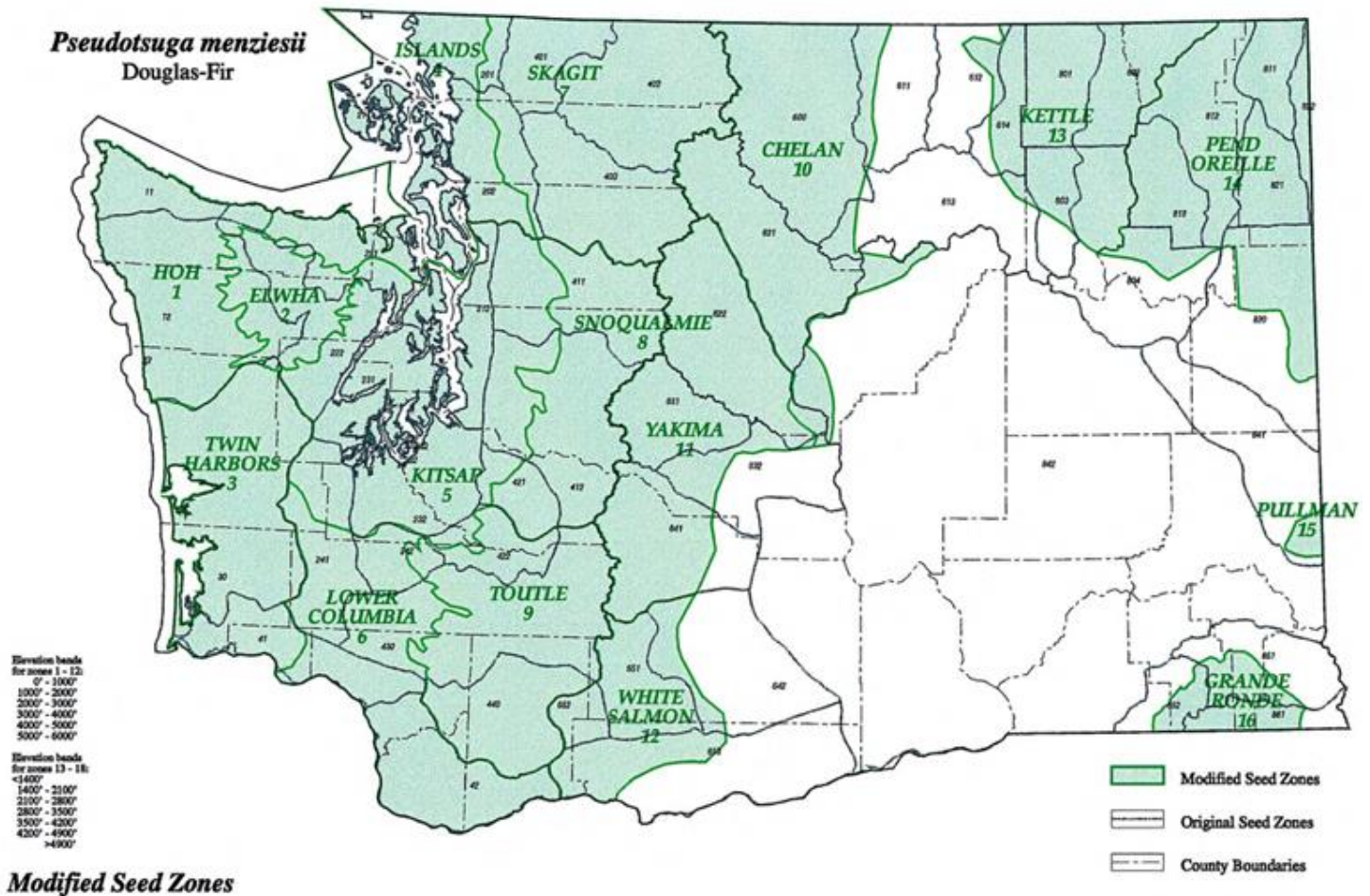
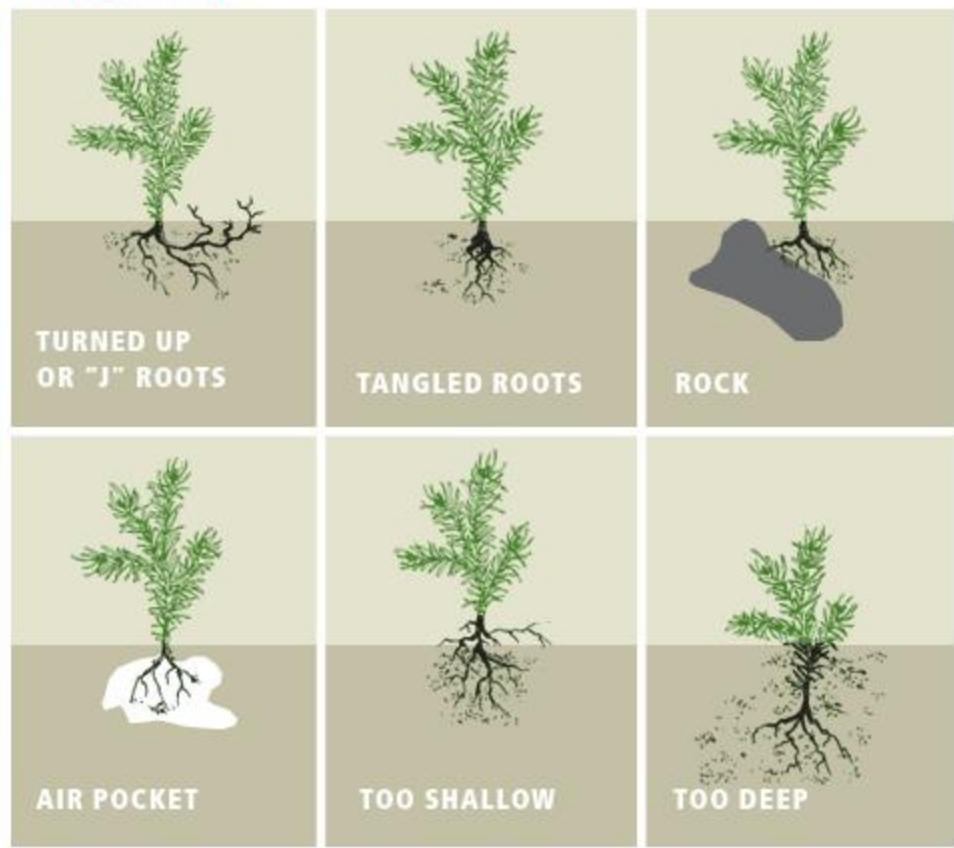


Figure 18. Washington Modified Seed Zones (WADNR 2002)

Planting alternative species for site specific reasons may be necessary to successfully establish the new forest stand. Planting western redcedar in wet areas or creek drainages where Douglas-fir may not thrive can ensure full establishment of the new stand. In areas severely infected with laminated root rot, using alternative species such as western redcedar or pine will ensure a healthy stand and improve the health and resiliency of the overall forest landscape.

Planting preparation is critical for reforestation success, and includes seedling care and handling, correct planting techniques, proper seedling storage, and planting timing. Weather, road conditions, contractor availability, seedling storage, and crew experience are examples of the many variables the Utility should plan for during planting season. One limiting factor when it comes to proper planting preparation is planter supervision. Assuming every aspect has been properly planned, it is important to have a forester, foreman, or trusted contractor present while trees are being packaged at the nursery, transported to storage, loaded for planting, and planted on site. Correct planting of the seedlings on a specific site can alone change the trajectory of reforestation success. Figure 19 shows planting errors to avoid when hand planting bare-root seedlings.

Correct**Planting Errors****Figure 19. WADNR Forest Practice Rules Illustrated****Post Establishment Management of Vegetation**

Post establishment management of vegetation includes pre-commercial thinning, commercial thinning, pruning, slashing, nonnative species control, herbicide applications, and managing competing brush. This range of management practices help to promote overall forest growth, health, and productivity. As a specific site on the forest landscape matures, these practices become less frequent or necessary. It is paramount for effective stand establishment to use tools like the ones listed above to ensure long-term sustainability, overall forest health and resiliency, and to optimize timber quality and value. These management practices are site specific and should be part of each years' planning process.

Biosolids Management Program

The Utility utilizes approximately 738 acres of Utility land at two separate sites for biosolids application (See Figure 20). This application is permitted by the Department of Ecology and administered locally by the Kitsap Public Health District and is the longest running forest application program in Washington State. The Forestry Division manages the biosolids application in full compliance with permit requirements. The process enhances tree growth in application areas and provides a cost-effective method of biosolids disposal, reducing wastewater treatment plant costs.

This program has been actively applying biosolids to a designated area of forestland since 1992. The permitted area of both sites is approximately 516 acres. Site 1, located west of Gold Mountain Golf Course, is approximately 361 acres and site 2, located east of Gold Mountain Golf Course, is approximately 155 acres (Figure 20). At the start of the program, application load limits were established and environmental monitoring indicated no known adverse impacts on soils, groundwater, or streams. Target nitrogen rates were developed with the consideration for silviculture nutrition, stand

age, site conditions, soil types and understory vegetation. Refer to the 2024 Biosolids Program Annual Report for specific amounts of applied dry tons/acre (Department of Ecology 2025).

The forest within the application area has historically shown a low-level increase of individual tree diameter and height growth over time. While research is still ongoing as to the benefits of biosolid applications, notable improvements to the forest structure and soils is quantifiable. “Typically forest soils have relatively small quantities of nutrients and organic matter, which can inhibit tree growth. Biosolids can play a valuable role by amending the soil, providing essential nutrients such as nitrogen and phosphorus, and improving soil structure. The fine particles and organic matter found in biosolids can quickly enhance soil moisture and nutrient-holding characteristics, and in the long-term continue a slow release of nutrients to the soil as the organic matter decomposes, permanently improving site productivity. Most tree species grow faster from the application of biosolids; however, some respond more dramatically than others. Douglas-fir, the Pacific Northwest’s premier timber species, responds very well, with an increase in growth of up to 75 percent. Within six months of applying biosolids to a conifer forest, understory plants grow more vigorously and display a deeper green color than before the application. This understory vegetation is also typically higher in nutrients, serving as a better food source and habitat for wildlife. The lush understory is not only visually pleasing but can be of commercial value as quality alternative forest products are produced in the form of ferns, salal, and other vegetation for floral arrangements” (NW Biosolids 2018). Photo 5 shows a photo of an application vehicle and biosolids storage area.

Photo 5. Application Vehicle and Biosolids Storage Area (August 3, 2022)



Application vehicle with storage area in background

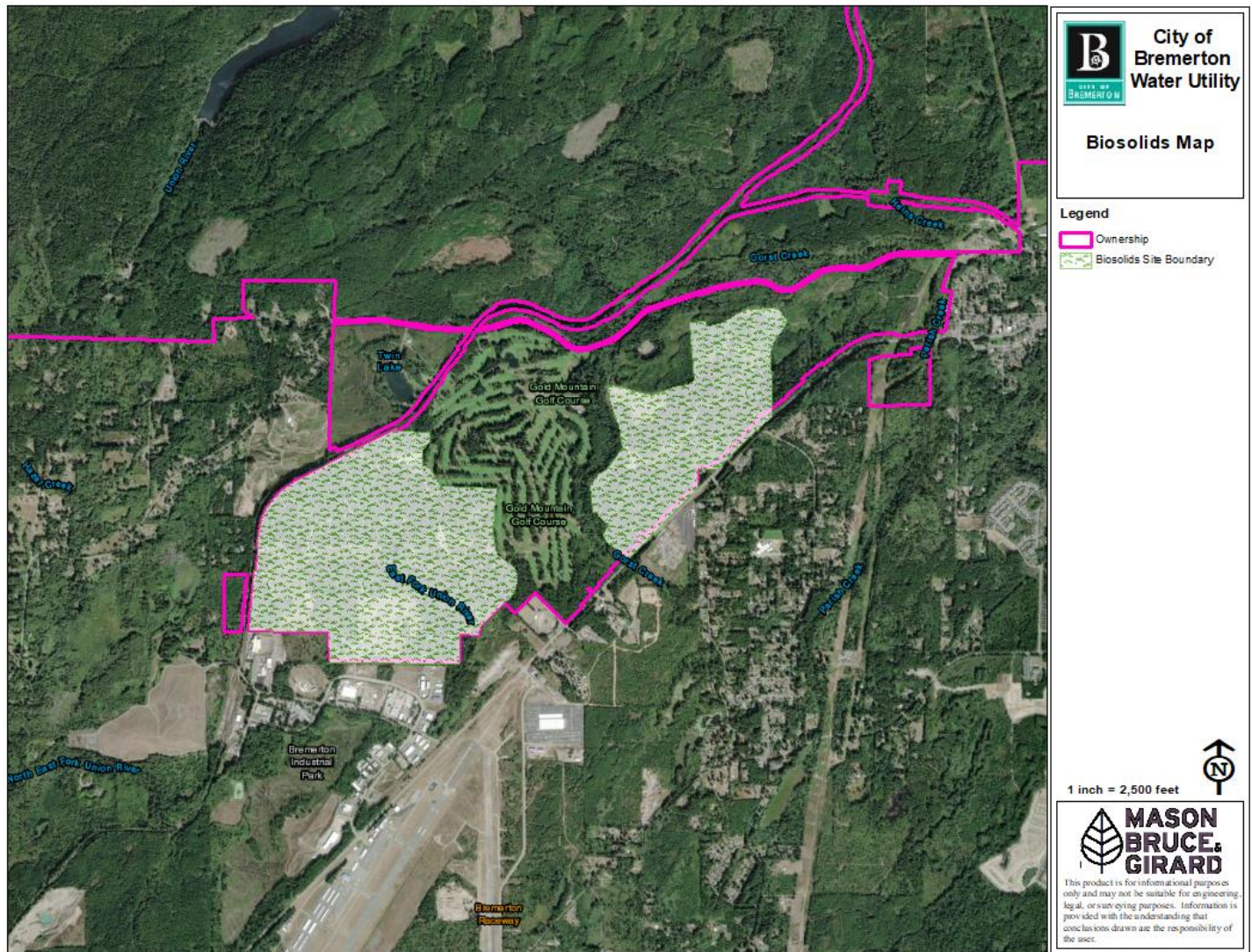


Figure 20. Biosolids Application Areas

Sustainable Harvest Level

Sustainable harvest is defined as the volume of timber that can be harvested annually from a given land base on a perpetual basis without reducing the total merchantable volume. Essentially a sustainable harvest can be boiled down to mean: “harvest equals growth”. A key factor that must be considered when determining the sustainable harvest level is the rotation age. The lower the rotation age, the higher the annual harvest. Industrial forest owners that are tasked with maximizing net present value generally harvest when the discount rate exceeds the timber's growth rate, which is around age 40. Forest owners such as the Utility, with values and goals not strictly driven by economics, can set older rotation ages, which results in lower annual yields.

Primary forest management objectives must align with Utility land management goals:

- *The McKenna Falls Intake Subbasin will be managed to maintain the “unfiltered” water source status in conjunction with maintaining the forest health.*
- *The Other Utility Lands will be actively and adaptively managed to sustainably protect surface and groundwater resources and maintain forest health and resiliency while also generating revenue to reduce costs for utility rate payers.*

A 2019 analysis by the University of Washington (UW) provided the Utility with two separate guidelines for harvest from their timberlands (UW 2019). For land within the McKenna Falls Intake Subbasin, where source water protection is the main priority followed by forest health, the annual harvest level was set at 500,000 board feet or 30% of the annual growth of 1.7 million board feet (mmbf). Based on the 2005 inventory, this equated to a 100-year rotation within the subbasin. For lands outside the McKenna Falls Intake Subbasin the annual sustainable harvest level was set conservatively at 2.4-mmbf, which was based on modeling that showed sustainable average annual harvest volumes outside the McKenna Falls Intake subbasin could range from 2.5-3.0-mmbf while still protecting surface and groundwater supplies in those areas.

A 2016 analysis by Lusignan Forestry provided 10-year guidelines for sustainable harvest levels for all harvestable timber owned by the Utility, based on either a 50 or 60-year rotation (Lusignan 2016). The analysis assumed that all acres 30-years of age and greater were merchantable, and that all acres would be cut in a given timeframe. The results were sustainable annual harvests of 2.6 and 3.1-mmbf for 60 and 50-year rotations respectively. This practical approach was the basis of the analysis of sustainable harvest levels within this plan.

There are 5,864 total net harvestable forest acres owned by the Utility. There are 3,573-acres older than 35-years, which were considered merchantable for the purpose of this analysis of sustainable harvest level. It is important to note that the 35-year age break for this analysis was used as it is more conservative and practical than the 25-year break shown above in Table 6, where the term “merchantable” is a nominal term used to describe the general acres breakdown and for inventory design and planning. Note that the inventory shows no new stands were established (following a clearcut) from 1956 through 1979, which is why there is a gap between the 40 and 66+ year age classes. Figure 21 shows a breakdown of the net harvestable acres by age class.

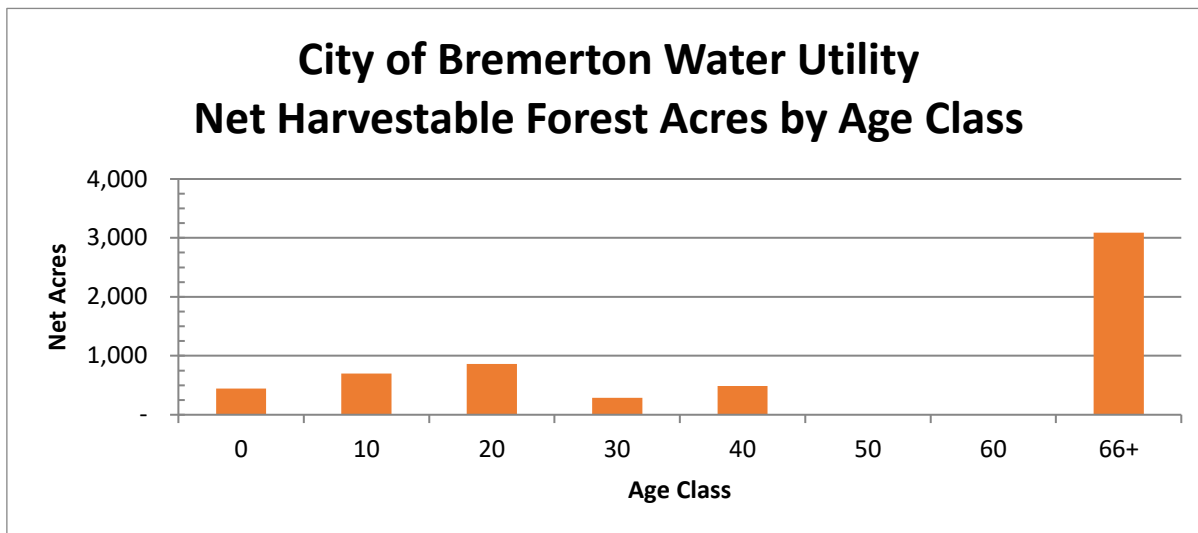


Figure 21. City of Bremerton Water Utility - Net Harvestable Forest Acres by Age Class

There is 115.5-mmbf of volume in the merchantable category, greater than 35-years of age. Based on the current merchantable and harvestable acreage of 3,573-acres, and a current total volume within that acreage of 115.5-mmbf, the even-flow sustainable harvest per year for the next ten years would be:

- **Based on a 60-year rotation: 3.2-mmbf per year**
- **Based on a 50-year rotation: 3.8-mmbf per year**

Checking these sustainable harvest levels against the “harvest equals growth” definition of sustainable harvest, the available harvestable forest acres would need to be growing 539 thousand board feet (mbf) per acre per year for

sustainable annual harvest of 3.2-mmbf on a 60-year rotation. For a 50-year rotation with a sustainable annual harvest of 3.8-mmbf, growth would need to be 647-mbf per acre per year. Based on the research done as part of the 2019 UW report, the Current Annual Increment (CAI) for all available acres is 724 board feet per acre per year. Therefore, the even-flow sustainable harvest levels for either a 50 or 60-year rotation shown above are well within the annual growth level of the Utility's available harvestable forest lands.

Harvest Levels in McKenna Falls Intake Subbasin and Other Utility Lands

The McKenna Falls Intake Subbasin contains 2,811-acres of harvestable forest, which is 48% of the total harvestable forest acres owned by the Utility, and contains 1,968-acres that are greater than 35-years of age, which is 55% of the total harvestable forest acres owned by the Utility that are greater than 35-years of age². If harvest occurred in the McKenna Falls Intake Subbasin evenly over the next 10-years, 1.5 to 1.8-mmbf would be harvested from land within the McKenna Falls Intake Subbasin. This would more than triple the 500-mbf annual harvest level recommended in the 2019 UW report. If the Utility harvests 25-acres per year (0.75-mmbf) in the McKenna Falls Intake Subbasin, and the goal for the Other Utility lands remains either a 50 or 60-year rotation, the even-flow sustainable harvest per year for the next ten years would be:

- **Other Utility Lands 60-year rotation: 1.6-mmbf per year**
- **Other Utility Lands 50-year rotation: 2.0-mmbf per year**
- **McKenna Falls Intake Subbasin Fixed Harvest Level: 25-acres per year (0.75-mmbf per year)**

The McKenna Falls Intake Subbasin encompasses approximately 3,067 acres of the Utility ownership, which includes the catchment area of the Union River Reservoir. Using LiDAR, mapped streams, and stand level data, stands associated with the Union River Basin were classified as 'Union River Basin' within the Standlist. Throughout the rest of the Plan, the Union River Basin area is referred as the McKenna Falls Intake Subbasin. The 'Union River Basin' is approximately 2,879 acres (gross forest acres).

² Acres are based on associated stands as shown in Figure 11.

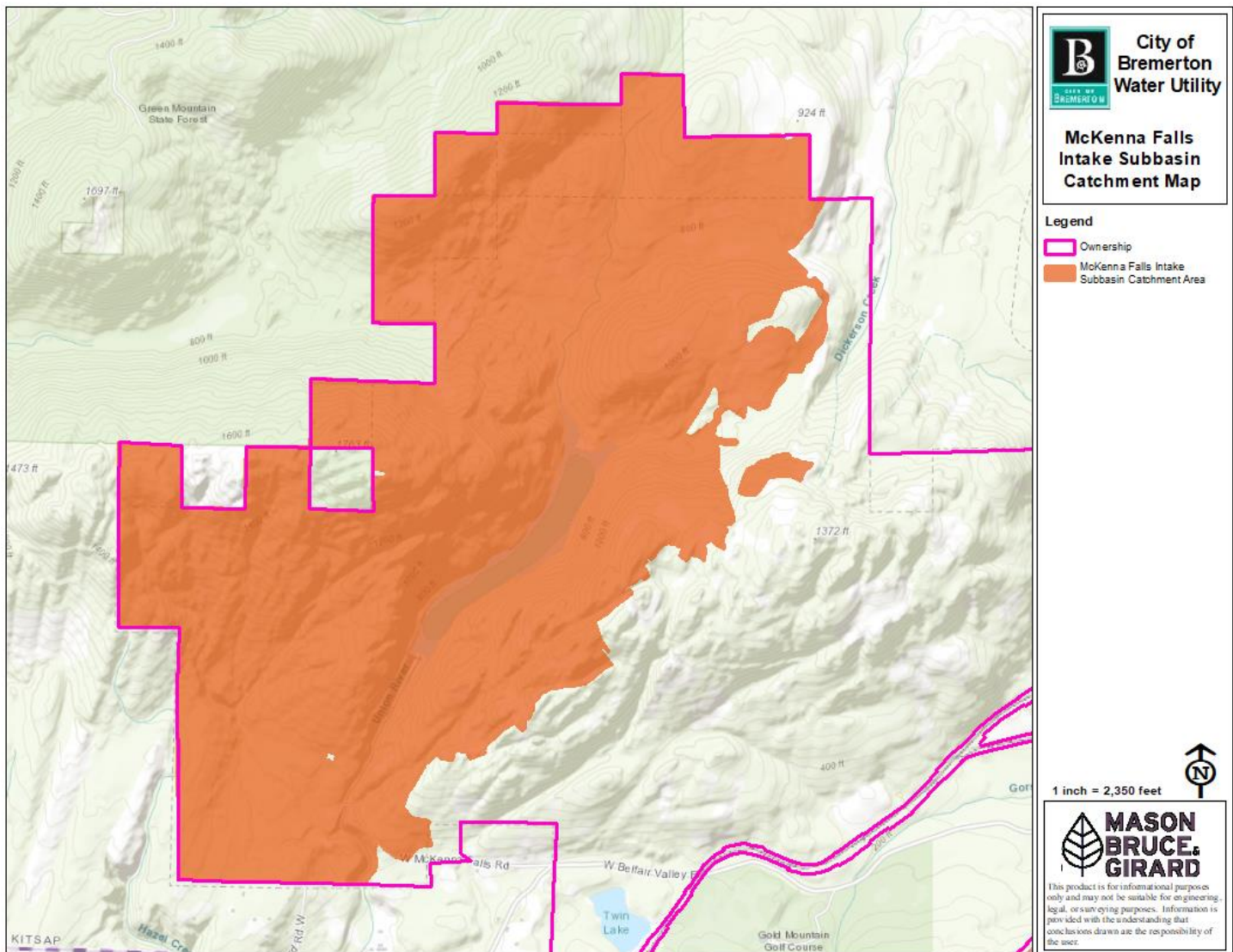


Figure 22. McKenna Falls Intake Subbasin Map

Figure 22 shows the stands that for practical purposes should be considered McKenna Falls Intake Subbasin stands. On the western edge of the actual boundary, all stands outside the boundary were included as they would likely only make practical operational sense to harvest as part of a stand within the McKenna Falls Intake Subbasin. On the eastern edge of the actual boundary, stands were included or excluded based on how much of the stand's acreage fell inside or outside the boundary. When considering stands for harvest along the boundary of McKenna Falls Intake Subbasin, adherence to set harvest limitations and determination of harvest boundaries must consider source water protection. All tactical harvest planning in and around McKenna Falls Intake Subbasin will require detailed field evaluation. Figure 22 shows the McKenna Falls Intake Subbasin and the associated stands.

Refer to the Sustainable Timber Harvest Alternatives and Associated Revenue and Water Rate Impacts Special Topic Memo in Appendix B for detailed historic harvest information and revenue projections.

Water Quality Risk Assessment

The Utility's surface and groundwater areas are particularly critical areas on Utility land in which activities can pose a risk to drinking water sources and/or infrastructure. This assessment evaluates risks to source water quality and quantity from existing conditions and uses. Any changes to existing uses or proposed new uses should be evaluated on a case-by-case basis for risk and compatibility with the established management policy and goals outlined in Appendix C. The Kitsap Lake

to Jarstad Park Trail Special Topic Memo that evaluates the risk and potential impacts of the proposed Kitsap Lake to Jarstad Park Trail is provided in the Appendix B.

Slope Analysis

Utility forestlands have been analyzed to determine areas that have potential for mass slope failure and to determine the severity of impact to infrastructure in the event of slope failure. Utility forestlands are generally composed of vegetated terrain that have slope grades less than 30%. However, there are some very steep areas, particularly in the McKenna Falls Intake Subbasin, surrounding the Union River Reservoir, and the ridge that separates the Union and Gorst Creek Watersheds. Figure 23 shows a slope classification across the ownership, based on percent slope. Extreme slopes are defined as greater than 70%. Moderate/High slopes are defined as between 40-70%.

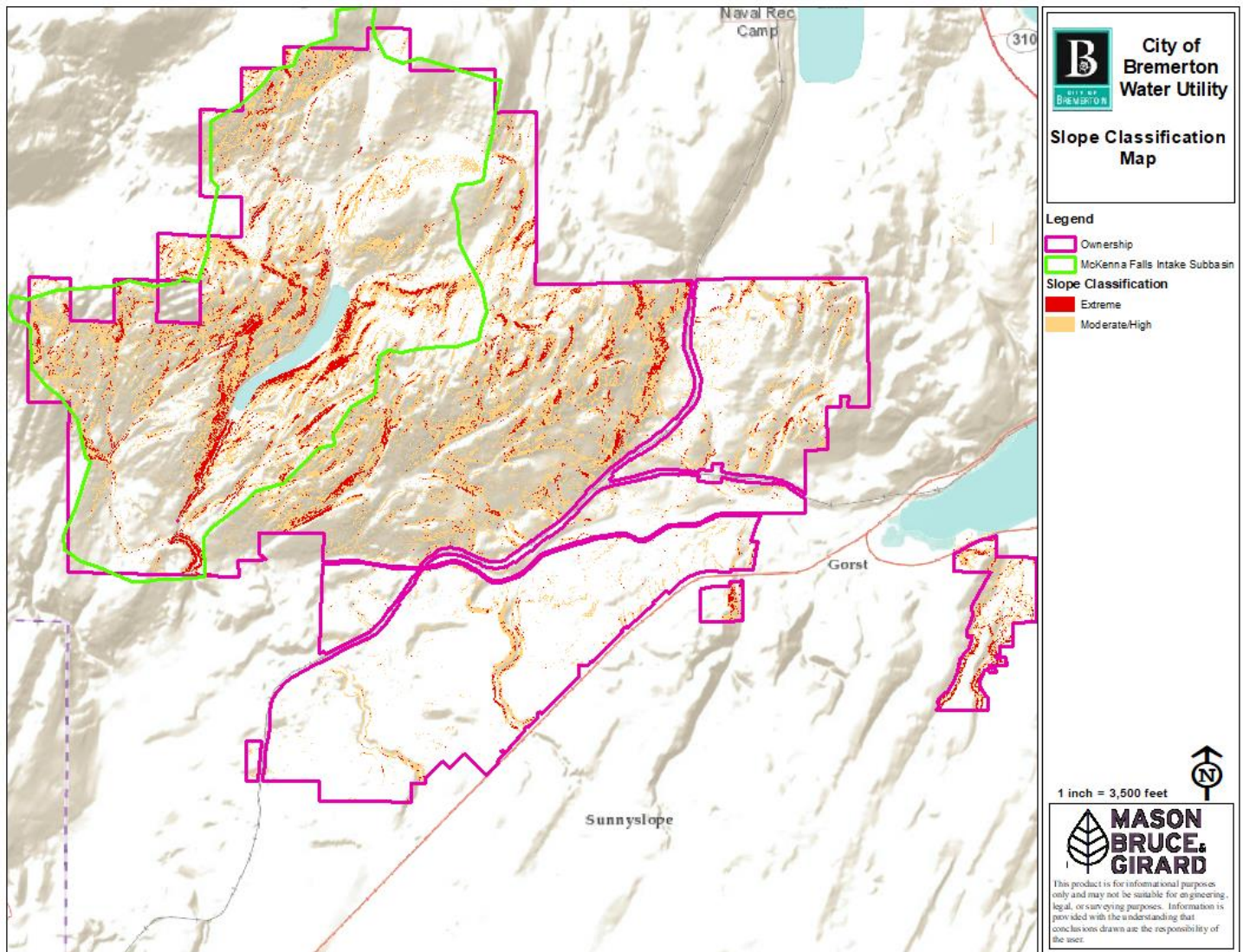


Figure 23. Slope Classification Map

Areas of potential instability as mapped by WADNR and displayed in Figure 24 generally correlate with the extreme slope classification in Figure 23. Table 12 displays total area by slope percentage across the entire ownership. Full or partial slope failure within the McKenna Falls Intake Subbasin could result in temporary or potentially long-term water quality concerns resulting from sediment delivery to waterways. If a large amount of sediment flowed into Union River Reservoir, increased turbidity would result in immediate surface water system shutdown. In the case of a full or partial failure, there could also be potentially negative impacts such as costly damage to infrastructure like intake facilities, transmission mains,

roads, culverts, and bridges. These impacts would likely cause extended periods of system shutdowns to both the Water Utility and Forestry Division operations. The likelihood of slope failure appears low given the lack of forestry operations within a 250-foot buffer of the Union River Reservoir. It is recommended winter-time operations on or near steep slopes be limited for any timber harvest operation or road maintenance/construction project.

Table 12. Percent Slope by Acres

Slope Percentage	Acres
<i>Low Slopes (< 40%)</i>	6,187
<i>Moderate/High Slopes (40% - 70%)</i>	1,441
<i>Extreme Slopes (> 70%)</i>	312
Total:	7,940

Figure 24 shows the Westside Slope Stability Model (FP)-2024, from Washington Department of Natural Resources. “Potentially unstable slopes are characterized by steep slopes, areas with bare soils, uneven topography, cracks in soil, hummocky or uneven terrain, or pistol-butted trees” (WADNR 2021).

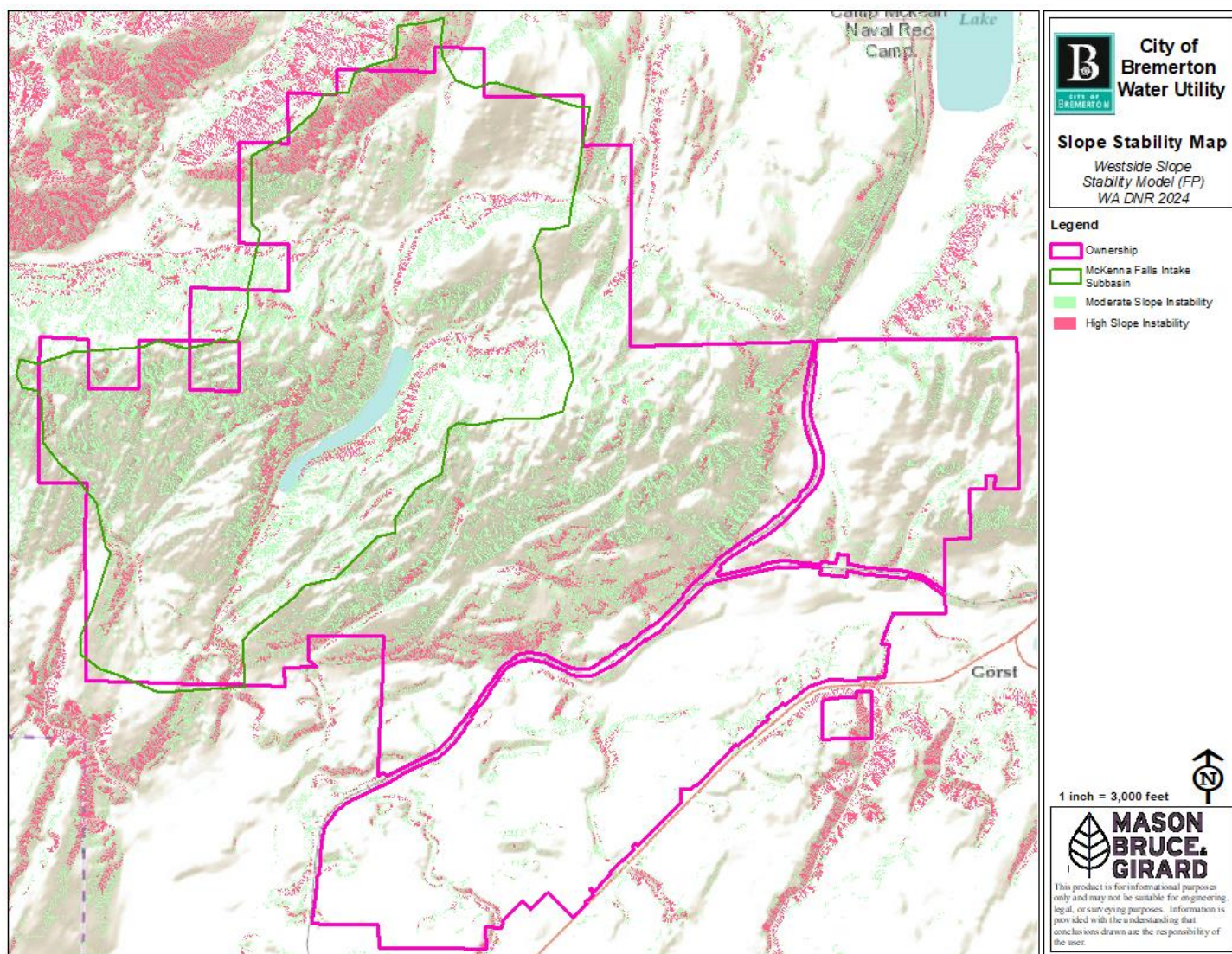


Figure 24. Slope Stability Map (Westside Slope Stability Model FP WADNR 2024)

Soils

The soil profile across Utility lands consists primarily of glacial drift. This is prevalent throughout Kitsap County and Northwest Washington. The most common soil types within Utility ownership consist of Basic Igneous Bedrock, Glacial Outwash, and Glacial Till (WADNR 2017). This parent material is typical in the surrounding areas and consistent for a local climate that features average annual precipitation of over 40 inches per year. The McKenna Falls Intake Subbasin receives an average of 63.5 inches of precipitation per year. The most common soil series on Utility lands is the 'Kilchis' complex, which are shallow, well drained, and weathered from basalt. The Utility land soil depth varies by elevation. Soils formed from glacial drift are commonly used for timber production, pastureland, crop production, wildlife habitat, and urban areas. "The natural vegetation associated with this soil profile is Douglas-fir, western hemlock, western redcedar, red alder with an understory of salal, Oregon grape, western bracken fern, western sword fern, Pacific rhododendron, red huckleberry, evergreen huckleberry, and orange honeysuckle" (Hipple 2011). Caution must be taken for operations that occur during the rainy season. Site specific considerations need to be considered when planning road construction or timber harvest activity. Following all state forest practice regulations regarding geological protection, and having adequate buffers on all waterbodies and geological features will continue to protect the Utility's quality drinking water. Figure 25 shows the major soil types within the Utility ownership.

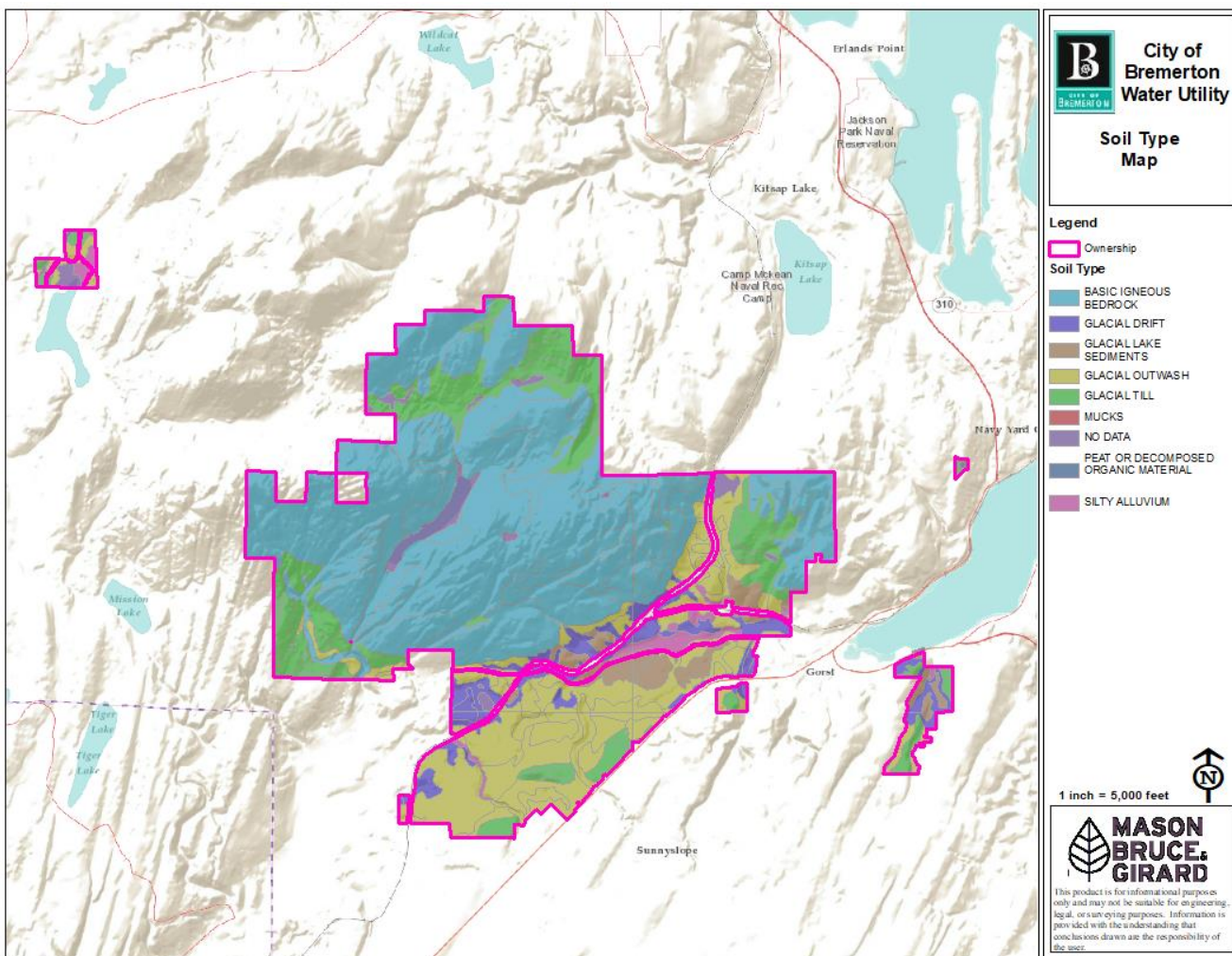


Figure 25. Soils Type Map (WADNR 2017)

Wildfire Risk Management and Response Plan

In 2019, the University of Washington produced a Forest Health Assessment and Forest Management Practices Recommendation Report for the Utility (Semler 2019). This report cites two main forest health concerns that may impact the risk of wildland fire on Utility property: laminated root rot and climate change. A large-scale outbreak of laminated root rot could dramatically increase the potential fuel load of dead and dying trees. Changes in the historical climate for this area will also increase the risk and intensity of large-scale wildfire. Climate change is expected to bring hotter, drier summers and, in turn, reduced soil moisture, which is expected to allow wildfires to start easier, burn hotter, and move quicker through the landscape. The 2019 UW report lists three options for treating laminated root rot, and three options for reducing fire risk. Refer to [Semler 2019] for more information on treatment options for laminated root rot and options for reducing fire risk within the Utility.

Other wildfire risk management considerations within the Utility ownership could include but are not limited to expanding forest roads to act as fire breaks, thinning/pruning treatments along forest roads, maintaining access on all roads for reduced response time, hazardous fuels management, increasing security, etc. Continued vegetation management, within recent harvest units and along roadsides, will dramatically lower fire response times and fuel loading. “Wildfire risk is based on several factors: likelihood, intensity, exposure, and susceptibility. Understanding which factors affect your landscape can help you prioritize risk reduction activities” (USFS 2025).

WA DNR-Wildfire Division is responsible, in partnership with local fire districts and the forestry staff, for the response and suppression of wildfire on Utility property. The Utility pays into the Forest Fire Protection Assessment (FFPA), through timber taxes on timber harvests and through the assessment fees of the total acreage owned. WADNR and Utility staff also work in coordination annually for fire training and preparedness.

The Utility’s Wildfire Management Guidelines features a partnership between the City Fire Department and the Public Works and Utilities Department to actively protect the drinking water supply and Utility assets.

The City of Bremerton Fire Response Map is shown in Figure 26.

Wellhead Protection Areas

The Safe Drinking Water Act requires every state to develop a wellhead protection program. The State Department of Health (DOH) administers the wellhead protection program in Washington. Washington’s wellhead protection requirements are designed to prevent contamination of groundwater used for drinking water. Public water systems must work with local governments and regulatory agencies to develop and implement their own local wellhead protection programs. In Washington, local wellhead protection programs must include the delineation of wellhead protection areas that account for movement of water to the well. These areas are divided into concentric zones based upon time of travel (time it would take for a contaminant to reach the well); typically, 6 Months, 1 Year, 5 Years and 10 Years. The Utility is required to impose restrictions upon any potential pollutant-generating activities within these zones.

The Utility updated its Wellhead Protection Program Plan in conjunction with the 2020 Water System Plan update, resulting in updated wellhead protection area delineations. Figure 27 shows the location of the Utility’s drinking water production wells and associated wellhead protection areas within the ownership managed under this plan. Bremerton’s Critical Areas ordinance (BMC 20.14) and Public Works and Utilities Policy Application of Pesticides, Herbicides, or Fertilizer in Critical Aquifer Recharge Areas establish prohibited, restricted, and allowed activities in these areas to ensure sufficient protection of groundwater supply sources.

There are also numerous monitoring wells within the ownership, and each wellhead requires protection from contamination. Prior to any activity, the location of all wells within the area must be documented and appropriate measures taken to prevent contamination.

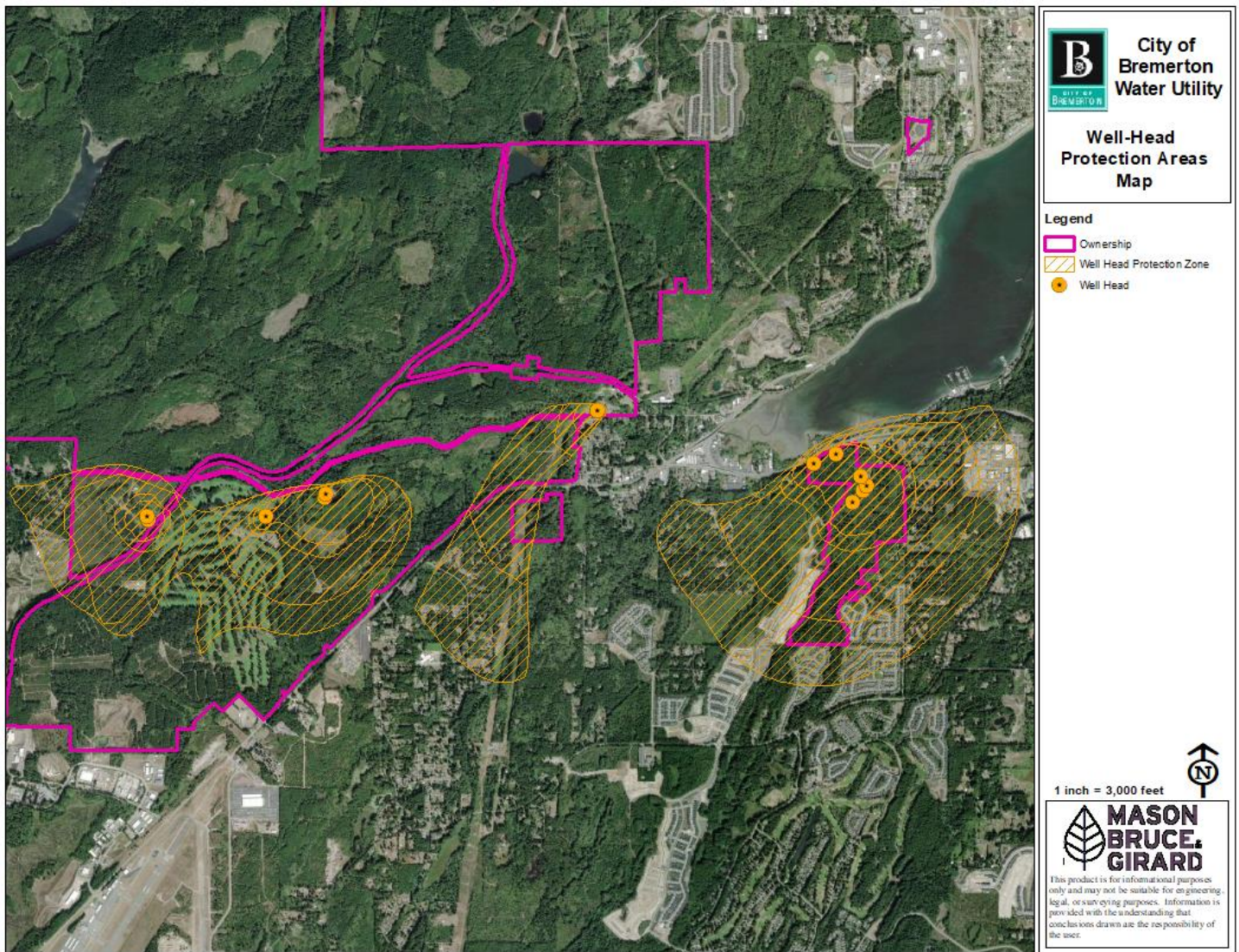


Figure 27. Utility Wells and Wellhead Protection Areas

Utility Uses

Activities that cause land disturbance such as road construction and maintenance or timber harvest are governed by Forest Practice Act Rules. Compliance with these rules and the best management practices stipulated in the Forest Practices Board Manual, as well as City codes and policies, will ensure resources are sufficiently protected. Activities in all sensitive areas such as riparian areas, wellhead protection zones, and steep slope areas should be limited.

The City of Bremerton Integrated Vegetation Management Plan (Bremerton 2022a) outlines mechanical, biological, chemical, and cultural methods for assessing, managing, and evaluating pest species within the Utility land that ensures any chemical controls are used in accordance with all environmental rules and in accordance with manufacturer instructions. The Utility ensures that all staff and contractors are properly licensed for pesticide application. Chemical and fungicide methods of treatment for pest species are restricted adjacent to waterways, within wellhead protection zones, and within 1,600 feet of Twin Lakes.

The Utility conducts soil, surface water, and groundwater monitoring as directed by the biosolids application permit; however, required monitoring under the application permit may not capture contaminants of emerging concern not yet regulated in biosolids such as polyfluoroalkyl substances (PFAS) that may pose a risk to the groundwater sources in those areas.

Non-Utility Related Uses

Special Uses

There is relatively little risk from existing special uses assuming users remain in compliance with governing rules and regulations.

The lease agreement with the Department of Parks and Recreation for the Gold Mountain Golf Course includes comprehensive and regulating conditions on water use and chemical use to ensure surface and groundwater sources are protected.

Likewise, the lease agreement with the Bremerton Police Department for the firearms training facility includes provisions to ensure line-of-sight firings, prohibit timber as backstops, prohibit shooting at trees, ensure no off-site incidents, require miscellaneous firing precautions, and berm maintenance/lead recovery to protect wellhead protection areas.

The lease agreement with the Suquamish Tribe also provides specific provisions related to fish rearing activities on site and general facility operation and maintenance.

Right-of-way and licensing agreements with regional power and natural gas providers and communication tower companies include provisions governing environmental protections, site and right-of-way maintenance, and site restoration, when necessary.

Increased non-utility use can bring increased risk to water and forest resources and increased need for monitoring and management. The Utility must carefully consider potential impacts when reviewing any requests for special use of Utility land. Appendix C provides guidance for considering new uses of Utility land.

Adjacent Land Uses

Utility property is adjacent to a variety of landowners with a range of purposes and goals. Most adjacent land ownership includes timber, rural residential properties, and Green Mountain State Forest. This diverse set of owners creates a mix of risks, impacts, and security concerns, particularly in areas adjacent to residential owners. Risks of fire, road degradation, and sanitary issues can all have a negative impact on water quality and thus, security and forest management measures must be considered to reduce the risk of negative impact (see Adjacent Land Use Special Topic Memo in Appendix B).

Transportation Corridors

Where the Utility ownership is split by West Belfair Valley Road, Highway 3, and the US Navy railroad, major incidents (spills, releases of chemicals, etc.) pose a risk to Utility and natural resources. The Utility should coordinate routinely with county, state, and federal emergency management personnel to ensure all parties are aware of the sensitive resources in the area and any potential spills or emergencies. Signs should be prominently posted along the rail and roadways to indicate Utility land ownership and sensitive resources.

Security

Adequately protecting and securing forest landscapes can vary dramatically based on landowner objectives. The Utility is responsible for the security and protection of approximately 7,940 acres of Utility lands, the forest ecosystems within those lands, and the quality of drinking water provided to Bremerton water customers. The specific details of the current

security processes and procedures can be found in the Security Processes and Procedures Special Topic Memo in Appendix B.

Implementation Plan

As it is the primary land management goal of the Utility to protect the unfiltered status of its surface water supply and to provide protection of groundwater supplies, it is critical that the Forestry Division continue to monitor all aspects of natural resource management and implement best management practices on Utility land to ensure water quality over time.

Forestry Staff and Equipment Resource Planning

Having a robust and knowledgeable staff that can actively maintain and monitor the current forest landscape and infrastructure, and implement future plans, is essential for continued stewardship of Utility property. With ever increasing regulation and complexity, it is important to annually review staff levels, performance, and production. Equipment must be consistently maintained or purchased as necessary to ensure staff have the tools they need to effectively maintain and manage the resources of Utility lands. All equipment resources should be evaluated annually as directed by the forestry manager to determine if the equipment is adequate. All staffing needs should be evaluated annually or as directed by the forestry manager. All Forestry buildings and structures should be evaluated annually or as directed by the forestry manager to determine maintenance required. An annual evaluation of the Capital plan must be done to ensure current and future needs are being met. All resource planning must include current and future staffing needs as described in the Staffing Special Topic Memo in Appendix B.

Harvest Planning

Harvest planning must be undertaken in the context of Bremerton's Goals for Utility lands:

1. The McKenna Falls Intake Subbasin will be managed to maintain the "unfiltered" water source status in conjunction with maintaining the forest health.
2. The other Utility lands will be actively and adaptively managed to sustainably protect surface and groundwater resources and maintain forest health and resiliency while also generating revenue to reduce costs for utility rate payers.

Considering these goals, there will be less harvest in the McKenna Falls Intake Subbasin than on other Utility lands. Sustainable harvest levels for each area are described in the Sustainable Harvest Level section and should be used as a guide when selecting and laying out harvest areas.

Harvest Method Options

The harvest methods below are included with the assumption that Utility lands are managed with an even-age management approach. The Utility may determine which method is best for harvest while also maintaining water resource quality.

Clearcut: All merchantable trees in harvest units are harvested at one time, except for trees left for wildlife or visual purposes. Unmerchantable trees are often also felled to eliminate competition with the regeneration. Regeneration of tree species is by the artificial process of hand planting seedlings. Clearcutting is the most cost efficient, productive method for the management of Douglas-fir.

Shelterwood: The mature stand is removed in a series of two or three cuts. The early cuts are designed to improve vigor and seed production of the remaining trees while preparing the site for new seedlings (seed cut). Mechanical ground scarification and site preparation (felling of sub-merchantable sized stems) are common, associated silvicultural practices especially when regenerating mid-tolerant species. The final harvest occurs when a sufficient amount of desirable

reproduction has become established and before the regeneration has reached 20 percent of its rotation age (Smith 1986). This method provides a partial cover of either large or small trees. When the shelter becomes a hindrance to the growth of the seedlings, rather than a benefit, it is necessary to remove the remainder of the mature stand (removal cut). This method should be considered if the goal is to promote natural regeneration or if clearcut aesthetics are an issue. The downside to the shelterwood method is that the trees left standing until the final cut are susceptible to wind, and it is more costly and inefficient to reenter the stand multiple times.

Commercial Thinning/Pole Harvest: A portion of the stand is removed and when the harvest is complete a healthy, durable stand remains for the future. To make a thinning efficient and profitable, it is necessary to balance cutting only defective timber to promote a healthy stand and cutting enough valuable timber to meet revenue goals. When targeting trees to harvest for utility or transmission poles, it is important to work within a prescribed outcome for the stand in terms of basal area and tree spacing, so large gaps in the stand do not develop.

Salvage: Only dead, dying, or downed trees are harvested. This can take place in conjunction with a nearby harvest or as a stand-alone project. Salvage operations work best in areas where the trees are consolidated. Traveling long distances between salvage trees is inefficient and oftentimes unworkable.

McKenna Falls Intake Subbasin

Timber volume from the McKenna Falls Intake Subbasin will be harvested in the form of salvage, small clearcuts, and thinning. As protection of the water resource is the primary management priority in the watershed, harvests must be planned to avoid soil impact and sediment delivery to streams and the reservoir. This can be done by considering low impact timber harvest methods such as pre-determined skid trail planning, cable logging systems on steep slopes, directional felling, and helicopter logging within high value areas. Harvests in the Subbasin should take place during the typically dry time of the year and strictly administered to ensure resource protection.

Other Utility Lands

Timber volume from other Utility lands may also be harvested in the form of salvage, small clearcuts, and thinning, but there will be greater flexibility in terms of timing and harvest size, and more of the volume will come from clearcuts. Most of the Utility land harvest volume and revenue will come from other Utility lands.

Planning Guidelines

A five-year harvest plan should be developed and then updated each year that considers the goals and objectives of the Utility lands and accounts for the following:

- Resource Protection
- Forest Health
- Site Conditions
- Revenue goals
- Log Markets
- Forest Inventory
- Silviculture
- Recent Harvests
- Forest Practice Rules

Forest Inventory

Updates to the Utility's forest inventory are critical for accurate decision making and forest planning processes, including harvest planning, silviculture, forest health monitoring, and budgeting. An inventory cruise should occur a minimum of

every 10-years in order to have accurate inventory information for planning purposes and the update of the Management Plan. The updated inventory will account for tree growth, changes in species composition, harvest updates, potential acquisition, forest health changes, and changes in overall stand value.

Property Boundaries

Accurate identification of property boundaries is critical for defining the land base, preventing disputes with neighbors, ensuring sustainable harvest practices, compliance with forest practice rules, accurate timber assessments, and for the protection of the forest resource. Identification of accurate property boundaries are best determined by a licensed surveyor. It is recommended that the Utility formally survey property boundaries, when necessary, as part of the timber sale process or when other operations occur near property boundaries. All surveys should be officially recorded with the County Surveyor. Field inspections and updates to the monumentation of property lines should be conducted every 3 to 5 years, or as needed, with fresh paint, flagging tape, boundary tags, and boundary posts.

Reforestation

As mentioned in the Silviculture section, reforestation is one of the most important aspects of sustainable forest management, as it is establishing the forest life cycle and will in large part determine the success of a forest landscape. Planning starts before timber harvest occurs. Early in the harvest planning process, plans should be made for procurement of seedlings. Seedlings may be purchased on the open market, ready to plant, or sown at the nursery from seed, depending on seedling availability and the harvest planning timeline.

Once the unit is harvested, conduct any necessary site preparation to prepare the site for planting. Planting should occur as soon as the site is ready. If herbicides are not used to control brush it is essential to plant the unit as soon as possible as the trees will be in competition with shrubs and grass that also occupy the site. The typical planting season for western Washington is January to April but is subject to change depending on weather and elevation. Below is a checklist to aid in reforestation planning and implementation.

Reforestation Planning Tips for Success

Before Harvest

- Contact nursery and initiate sowing request.
- Choose tree species and seed zones that are suited to the following site conditions:
 - Elevation
 - Precipitation
 - Aspect
 - Site Preparation
 - Disease/Insects Potential

After Harvest

- Site preparation as needed.
- Selection of planting contractor to plant the harvest area.
- Reforest during the first planting season after harvest if possible (January-April).
- Use forester or trusted contractor to oversee proper seedling storage, seedling handling, and planting procedures.
- Install animal damage protection if necessary.
- Generally, plant no less than 300 trees per acre, evenly spaced to account for mortality.
- Monitor reforestation units annually. Units should be considered free to grow if they have adequate stocking for two consecutive years.

Nonnative Species Treatment

To protect water quality on Utility lands, the Forestry Division limits the use of chemical treatment for nonnative species. This has resulted in an ongoing challenge with Scotch broom dominating certain regeneration units within Utility lands. Scotch broom is a nonnative species that was introduced to the west in the 1800's from Europe as a means for erosion control and for ornamental purposes. Scotch broom rapidly and frequently outcompetes native trees and plants, especially in disturbed areas. Scotch broom typically blooms in June and spreads by seed dispersal. Seeds can be dispersed up to 20 feet and each plant can spread as many as 10,000 seeds a year. The seed can remain viable in the soil from 5 to 60 years. (King County 2013) Once established, Scotch broom is incredibly difficult to remove from the landscape.

The Utility's primary method of treating Scotch broom is in the form of mechanical slashing. This requires a hand crew to manually cut each stalk of the plant off at the base with a chainsaw. This method of treatment is very labor intensive and costly compared to chemical treatment. Multiple treatments are usually required before the planted trees are able to outcompete the nonnative Scotch broom within a site. The average cost of mechanical slashing can range from \$150-\$250 per acre depending on the amount of Scotch broom, site, terrain, access, etc. This should be considered when selecting harvest units and factored into the annual silviculture plan and budget. Silviculture budgeting should also include future treatments in areas where there is Scotch broom nearby or close to public roads. Note that herbicide treatments are allowed only in certain areas of the Utility ownership. Refer to the City of Bremerton Integrated Vegetation Management Plan for further details.

Road Maintenance

As the landowner, road maintenance is the ongoing responsibility of the Utility. Using Best Management Practices (BMPs) and ensuring ditches, culverts, water bars, road surface material, and energy dissipaters are functioning is crucial for resource protection and longevity of the road infrastructure. Other BMPs for maintaining a functioning road system may include the use of locked gates to prevent unwanted use or access, not road grading during excessively wet or dry periods, installing or replacing culverts during the dry season, inspecting road surfaces prior to increased traffic, marking culverts before road work, limiting road use during extreme weather events, controlling roadside vegetation, and minimizing exposed soil. Paying particular attention to these issues before, during, and after forest activity is critical. Maintaining road access throughout the Utility ownership is particularly crucial for adequate fire and emergency response.

Bridge and Culvert Monitoring, Maintenance, and Replacement

All culverts and bridges should be marked in the field as is appropriate with paint, flagging, or a t-post. A semiannual inventory/inspection should be conducted on all culverts and an annual inventory/inspection should be conducted on all bridges. The typical lifespan of a railcar style bridge is approximately 50 years with proper maintenance. Material type, volume of traffic, design, and weather conditions can significantly extend or reduce the typical lifespan of a forest bridge. Monitoring of any previous culvert project or any new road construction or reconstruction activities should be done annually and after major weather events. A large amount of Utility land culverts are corrugated metal pipes that were installed pre-RMAP (before 2001) and are reaching the end of life. The typical lifespan of a plastic culvert pipe is 50 to 75 years. Proper installation, regular maintenance, and traffic loads can significantly alter the average life span of a typical high-density polyethylene (HDPE) corrugated pipe.

Any structures in or over fish bearing streams must be designed to ensure proper fish passage, erosion control, and long-term structural integrity, and to withstand 100-year flood events. All stream crossing structure construction requires a Forest Practices Application/Notification (FPA/N), through WADNR. Any installation or removal of a structure over a fish bearing stream requires engineered plans be submitted with the FPA/N. Typically, an FPA/N takes 30 days for approval, while some hydrologic plans may take an additional 30 days for approval, following review from WDFW. Planning around these review timelines and instream work periods must be considered when planning bridge or culvert maintenance and

replacement. Further details and requirements about crossing maintenance and replacement can be found in the Washington Forest Practice rules.

Stream Typing

Water typing is used by the WADNR to properly classify streams and other water bodies. This process is used to determine fish presence, permanent flow, and stream or waterbody size. The WADNR forest practice division maintains and updates all water type maps and data to show both field-verified, and non-field verified water data. The stream data used and maintained by the WADNR is derived from a combination of computer modeling and field observations. The model is based on multiple feature attributes such as stream slope, fish presence, modeled habitat, size, and drainage basin size.

It is the responsibility of the Utility as the forest landowner to determine in the field, the type of any regulated waters as identified in the forest practice rules within 200 feet of the proposed activity, prior to submitting an FPA/N (WADNR 2021). This is also the case with any installation or replacement of any stream crossing structure for road construction or maintenance. All stream types must be evaluated in the field prior to any forest activities that requires an FPA/N from WADNR. It would also benefit the Utility to field verify and GPS streams within the McKenna Falls Intake Subbasin to assist with planning and water monitoring.

Biosolids Management

The Utility continues to utilize the biosolids program that was established in 1992, with the Forestry Division overseeing the application and management of biosolids. This program provides the Utility with multiple benefits including increased tree growth within the application site and significant reduction in the cost of disposal of solids from wastewater treatment, saving the Wastewater Utility approximately \$100,000-\$200,000 per year. Unless determined to not be beneficial at some future time, this plan should continue to be implemented annually by the Forestry Division at the established application rates that are monitored by the Environmental Protection Agency (EPA) and Washington State Department of Ecology. The current allowable rates and application sites can be found in the 2024 Biosolids Annual Report (Department of Ecology 2025). The application rates are site specific and are applied in specific application areas within the biosolid sites.

Managing the stands within the biosolids application area will likely have an altered harvest schedule and silviculture plan. Due to the increased time invested in stand management, adaptive harvest scheduling should be used. This should include potentially extending rotation ages within the application areas due to historic and planned thinning, maximizing nutrient retention within application sites, and maximizing application areas within the permitted biosolid site. Other considerations for harvest scheduling of the biosolids area may include timing of applications, adjacency issues within the application area, and an increase in the complexity of harvest planning. Further research should also be undertaken to look at increased carbon storage by extending rotation age and continuing to apply biosolids.

Due to increased nitrogen from biosolids applications, a dramatic increase in competing brush and vegetation is likely to occur. Delaying biosolids application until after the new stand has been well established post-harvest will likely dictate the level of reforestation success. Since managing competing vegetation is limited to mostly mechanical treatment, increased planning well in advance of reforestation will be necessary. Planting trees in the planting season immediately following harvest will increase the likelihood of survival and bolster the establishment of the planted seedlings.

To optimize the biosolids program, additional considerations around stand management must be considered annually when determining the harvest schedule, reforestation plan, vegetation management, and application plan.

Building Construction and Maintenance

There are several buildings that the Forestry Division utilizes and for which it is responsible. These include the McKenna Falls Office located at 9600 McKenna Falls Rd, the biosolids ponds and structures, the Roll-Up building at the Utility pipe yard located at 4398 W. Belfair Valley Rd, and the Forestry Storage Building located at 4320 W. Belfair Valley Rd. These buildings are used by the Department of Public Works and the Forestry Division. For all buildings that are the responsibility of the Forestry Division, building improvements and new building construction have been budgeted and are identified in the Capital Improvement Plan section and 20-year Capital Improvement Plan Special Topic Memo in Appendix B.

Ongoing Gap Analysis

An ongoing gap analysis utilizing clear, realistic goals and asset management, should be conducted annually by the Forestry Division. This will allow the Forestry Division to identify any discrepancies where implementation, resources, or systems fall short of expectations laid out in the forest management plan. This process will help to develop solutions by creating targeted strategies to address gaps, such as through training, process improvements, or resource allocation. This process will monitor progress, evaluate the effectiveness of corrective measures, determine necessary adjustments, and ensure alignment with the Utility's goals. The ongoing nature of the analysis ensures that the Utility remain adaptable and proactive with their forest management.

The annual results of the analysis will help to inform the Forestry Division in the planning stages of the annual harvest schedules, road maintenance/construction plans, silviculture planning, capital improvement planning, and staffing resource allocations.

Adaptive Management Options

Adaptive management, as defined by the Washington Forest Protection Association as “a process of gathering and using scientific information to evaluate and improve forest management decisions and practices on the ground. It is a way of monitoring best management practices and regulations to ensure the objectives of restoring wildlife habitat and protecting water quality are being met. If these objectives are not met through existing practices, changes will be made based on scientific research” (WFPA n.d.). While adaptive management is being done at the state level with tools like the Washington Forest Practice Act, Forest and Fish Law, and continued forest management research conducted in federal, state and private landscapes, the Utility should regularly review their own management strategies in the context of their primary objectives. This can be done by ensuring forestry staff completes continuing education and research on current forestry topics such as climate change and advancing technology, and by reviewing measurable outcomes of management decisions.

The Forest Practices Act states, “The adaptive management process shall incorporate best available science and information, include protocols and standards, regular monitoring, a scientific peer review process, and provide recommendations to the board on proposed changes to forest practices rules to meet timber industry viability and salmon recovery” (RCW 76.09.370(7)).

Implementation of adaptive management into Utility forest management will be the result of problem solving with best management practices. By prioritizing items such as management plan updates every 10 years, continuing education, collaboration with federal, state, and private forest managers, and monitoring and adapting to the changing forest landscapes, adaptive management will become engrained in Utility land management.

Forestry Capital Improvement Plan

Capital improvement planning is critical for Utility land management to effectively manage, assess, and develop assets and infrastructure. Within the Utility's ownership there is a robust road system, biosolids storage sites and trails, forestry

equipment, storage facilities, office space, a Forestry Division compound, forest gates, and other assets that the Forestry Division manages and maintains. Forestry capital cost and future planning is done through the Forestry Division. All capital costs associated with Water Utility-owned properties and facilities, including forestry assets, are part of the master 20-year Water Utility Capital Improvement Plan (CIP) contained in the Water System Plan. The 20-year plan developed within the Capital Improvement Plan Special Topic Memo in Appendix B includes only those assets associated with the Forestry Division.

Water Rate Analysis

A water rate analysis was conducted to evaluate rates by rate modeling, assumptions, and future needs. A financial plan was developed as a multi-year rate strategy that generates sufficient revenue to cover Utility operating costs and execute the capital program. The water utility financial plan developed as part of the 2022 rate study update was used as the foundation for the financial evaluation completed as part of this plan. Refer to the Revenue and Water Rate Impacts Special Topic Memo in Appendix B for more information on data updates to the Forestry CIP and impacts to revenue from different harvest levels.

Forest Roads

The Utility Forestry Division is responsible for the maintenance and management of approximately 56.6 miles of rock and dirt spur forest roads. There is also a total of 26.4 miles of biosolids trails located on Utility property. To maintain this road system, annual strategic planning must occur, based on the Utility's existing RMAP and CIP, while considering the amount of funds that are available from the timber program. Road usage, upcoming forest activities, and achieving management objectives should all be considered when planning for annual capital improvements.

Forest Culverts

There are approximately 256 mapped culverts on Utility lands, varying in size from 18 to 66-inches in diameter. The Utility maintains culvert and bridge data including latitude and longitude, road location, elevation, diameter, length, and culvert-type. There is a total of 36 culverts that are identified to be replaced due to being undersized or ineffective. As mentioned in the roads and RMAP section, a large portion of the culverts are corrugated metal pipes installed pre-RMAP (before 2001). They are currently not identified as needing to be replaced but will likely require replacement in the near future. Annual updates must occur to culvert inventories and culvert status to strategically plan replacements or maintenance. Annual or semiannual updates to the culvert inventory will allow the Forestry Division to prioritize maintenance or repairs needed, along with any timber harvest-related culvert work.

Forestry Buildings

There are currently seven buildings the Forestry Division manages. The McKenna Falls Forestry Office, Pump Station #1 Storage Building located at 4320 W. Belfair Valley Rd, the Roll Up building at the Utility Pipe Yard, and four Biosolid Storage ponds with roof covers. Any improvements or maintenance that may need to occur within the next 20 years on these buildings, along with any future plans for new construction can be found within the Capital Improvement Plan Special Topic Memo in Appendix B.

Forestry Gates and Additional Security Measures

The Forestry Division currently manages 37 gates within the Utility's property. Each gate has specific cost maintenance and an upkeep amount based on use. High-traffic gates and gates that are near dense urban areas will likely have larger and more frequent maintenance costs and will need to be replaced more often. Annual tracking and updating of the status and condition of all the forestry gates, along with projected use, will allow the Forestry Division to better budget and plan for future maintenance and replacement needs. Additional security measures may become necessary to sufficiently secure Utility land and assets. This may include additional fencing, specifically around high traffic areas or areas of concern.

Fence construction and maintenance is labor intensive and costly. More detail can be found within the Security Processes and Procedures Special Topic Memo in Appendix B.

Forest Bridges

The Forestry Division is responsible for a total of nine bridges. The bridges vary in size, age, and bridge type. Annual assessment should be completed by the Forestry Division to ensure maintenance is scheduled, and to maximize the longevity of the bridge. More information about the bridges the Forestry Division manages and about the recommended bridge maintenance and replacement can be found in the Capital Improvement Plan Special Topic Memo in Appendix B.

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APPENDIX A

Stand Examination Plan

Standlister Document Excluded from this Appendix for Confidentiality

City of Bremerton

2024 Inventory Cruise Instructions

INTRODUCTION

MB&G will cruise a specified list of stands within the City of Bremerton's forestland. The purpose of the cruise is to create a stand-based forest inventory for all stands on the property, which will yield statistically sound estimates of typical forest inventory metrics and provide the information necessary to calculate sustainable harvest levels.

CRUISE DESIGN

Cruise Map and Plot Layout

MB&G will provide a vicinity map for the property to aid in general location of the stands, and individual stand maps are provided to show the plot locations. Each cruise map includes plots, roads, water features, sections, townships, contour lines, and stand boundaries.

Stands 1 to 24 years old

At each plot, collect data for all live trees/seedlings using a fixed radius plot. Choose a plot size that renders an average of 5-8 trees per fixed radius plot (Table 1). Count trees by species and diameter class, and unless there are major differences, record the average height for the species/diameter group. For those trees less than 4.5 feet tall, record a diameter class of zero. For hardwood clumps, record the three most dominant sprouts on a stump. Ignore large trees left from a previous harvest.

Table 1. Fixed Radius Plot Sizes

Fixed Plot	Radius (ft)
1/100th acre	11.8
1/75th acre	13.6
1/50th acre	16.7
1/20th acre	26.3

>>>> Do not establish fixed radius plots in distinguishable, but unmapped leave areas.

If it is necessary to relocate a mapped plot to avoid a conflict with this rule, the cruiser must backtrack the appropriate distance along the direction of travel and make note of the new plot location.

Stands greater than or equal to 25 years old

Tree data will be collected on a variable radius plot. Using an American Scale Relaskop, choose a BAF for the stand that renders an average of 5-8 trees per variable radius plot. Only one BAF may be used within a stand, although the BAF can change from stand to stand. Each plot will be a full circle sweep, sighting trees at DBH. The “prism sweep” should proceed from due north in a clockwise manner, recording all “in” trees in the order they are encountered. Record all live trees 5.0 inches DBH and larger.

For trees less than 5.0-inches DBH, use a 1/100th-acre fixed-radius-plot. Count trees by species and diameter class, and unless there are major differences, record the average height for the species/diameter group. For those trees less than 4.5 feet tall, record a diameter class of zero. For hardwood clumps, record the three most dominant sprouts on a stump.

Borderline Trees

If a tree is not obviously in or out of a plot, the cruiser will measure horizontal distance from plot center to the estimated center of the tree. The limiting distance should be calculated using the plot radius factor (PRF) corresponding to the appropriate BAF (Table 2). Multiply the PRF by DBH to calculate the limiting distance. If the calculated limiting distance is greater than the distance from plot center to the center of the tree, the tree is considered an “in” tree.

Table 2. Basal area factors (BAF) and their associated plot radius factors (PRF).

BAF	PRF
20	1.945
22.50	1.833
27.78	1.650
33.61	1.500
40	1.375
46.94	1.269
54.44	1.179
62.50	1.100
71.11	1.031
80.27	0.971
LD = DBH * PRF	

Roads and Streams

Plots will not be established in mapped roads or road right of ways. If a plot falls within a mapped road or road right of way, drop the plot. Note that the plot was dropped because it was within a mapped road or road right of way. If a plot falls within the forested part of a stand but is within one tree-length of a mapped road right of way, then the plot should be measured using the Edge Plot specifications described below.

Most major streams have been delineated from the stand boundaries so there should be minimal occurrence of plots falling in a stream. Plots that do fall in or near streams within stand boundaries should be considered valid plots and measured accordingly.

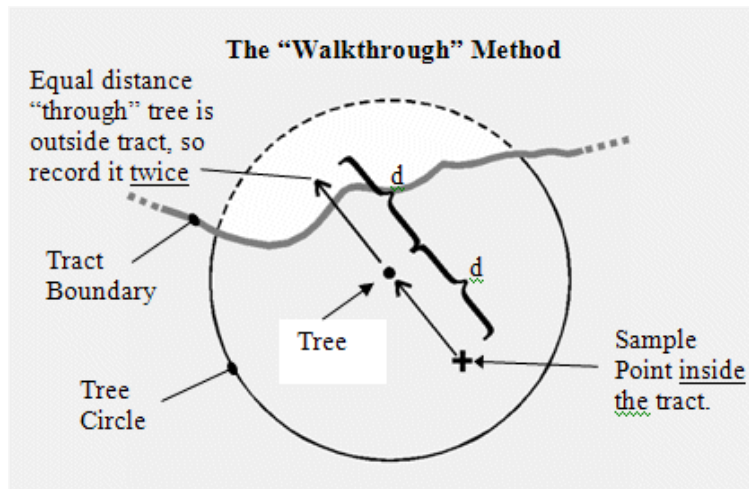
Edge Plots

If edge plots occur, do *not* avoid them, as the edge represents a considerable portion of any stand. For example, in a square 40-acre (20-chains x 20-chains) area, 20% of the total 40-acres is within one chain from the stand edge. Trees growing near the edge of a stand (such as near a road) grow differently than trees within the stand, especially if the surrounding area is non-forested. It is important to sample these trees during a cruise. If a plot falls on or near the edge, use the Walkthrough Method to establish the plot. Do not move the plot if it is on or near the edge of the stand.

The Walkthrough Method

- Establish the plot exactly where the plot center falls and measure and record all trees falling in the plot that are inside the stand boundary.
- For any “in” tree, measure the distance (“d” in Figure 1 below) from the sample point to the tree.
- Duplicate the distance, “d,” on the other side of the tree towards the stand boundary.
- If you are outside the stand boundary at the end of this duplicated distance, record the tree twice. If you are inside the stand boundary at the end of this duplicated distance, record the tree once.

Figure 1: The Walkthrough Method



Monumentation

Plot centers will be monumented with a pink wire flag firmly placed in the ground. Four strips of red-and-white-striped flagging shall be hung over the plot and the following information should be recorded on one of the flags, in indelible ink:

- Stand #
- Plot #
- Date
- Cruiser Initials

CRUISE MEASUREMENTS

Tree Data

Table 3. Tree data to be collected on fixed-radius-plots.

Item	Frequency	Notes
Species	Every tree	2-character code (Table 8)
Tally	Every tree	Tally the number of trees by species and diameter class – Maximum of 10
Diameter Class	Every diameter class	Group tally to the nearest 1-inch diameter class. For trees less than 4.5 feet tall, record a diameter of zero-inches.
Component Code	Every tree	See Table 5
Average Height	Every species/diameter class	Determine the average height of each species/diameter class combination.
Live Crown Ratio	Every tree greater than or equal to 4.5 feet tall	Determine the average crown ratio by species and diameter class for trees that are greater than or equal to 4.5 feet tall.

Table 4. Tree data to be collected on variable radius plots.

Item	Frequency	Notes
Species	Every tree	2-character code (Table 8)
Tally	Every tree	Only enter value greater than 1 for Edge-Plot trees.
DBH	Every tree	Nearest Inch
Component Code	Every Tree	See Table 5
Live Crown Ratio	Same trees as measured for total height	Nearest 10% ocular estimate
Total Height	<u>1st and 3rd trees per species on each plot</u> and trees with defect, which impacts total height.	Measure total heights across the range of diameter classes for all species to the nearest 1.0-foot.

Item	Frequency	Notes
Broken Top Height	All trees with a broken top	Record in the Total height column to the nearest 1.0-foot
% Defect & Breakage by Tree Thirds (Bottom, Middle, Top)	Every tree with defect (<i>No total height necessary</i>)	Nearest 10% Minimum Piece = 12-feet Merchantable Top = 5-inches

Table 5. Tree Component Codes

Comp Code	Description	Remarks
..	Typical Live Tree	
C.	100% Cull Tree	Every log in the tree will be assigned to cull by the cruise compilation software, resulting in zero net volume.
BT	Broken Top Tree	Record height to point of breakage in the total height column.

Broken Top Trees

If a broken top has re-grown to a diameter at least half that of the diameter at the break, the tree should no longer be considered a broken top tree. Record defect related to the break accordingly. For trees with an actual broken top, enter a Component Code of BT and measure the height to the point where the top broke.

Defect & Breakage

Collect defect and breakage by tree thirds on all trees that contain defect or may potentially lose merchantable volume by breaking in the tree felling process.

When determining defect, do not think in terms of *merchantability*, but rather in terms of *recovery*. If portions of a tree will remain in the woods after harvest, subtract volume from the tree as defect. Examples of this situation are tops that will break when felled, or straight, but short “long-butts” that are left when defect is cut out above the sound wood, and what remains is a “long-butt” section that is too short to haul to the mill as a sawlog. Wood that is short or crooked, but sound enough for pulp must also be treated as cull material (i.e., “Pulp is cull”). Minimum piece = 12’, Merch Top = 5”

QUALITY CONTROL

Data Control

Cruise data must be appropriately relayed from the field to the field supervisor in a timely manner, in order to prevent any data loss or misplacement.

Check-Cruising

Quality is best achieved through check-cruising, to ensure that data are collected consistently and accurately throughout the duration of the project. Check-cruising will be done early in the project to identify and remedy any training deficiencies before they become a problem and will be conducted periodically throughout the project to ensure quality standards are always being met. Check-cruising is to be used as a teaching tool to ensure that the cruise instructions, measurement standards and other protocols are understood, and that work is consistent from cruiser to cruiser.

Cruisers are not told when their work will be checked and understand that their work may be checked at any time. The check-cruiser will visit each cruiser's established plots and conduct their own field measurements.

It is important to note that tree by tree and plot by plot comparisons are difficult to use when deciding if a cruiser's work is acceptable or unacceptable. For example, both the cruiser and check-cruiser must be on the exact same plot center and some observations such a percent defect are subjective. Therefore, while tree-by-tree and plot-by-plot comparisons are useful for teaching and training purposes, a cruiser's work will be considered acceptable if the work is within the tolerances outlined in Tables 6 and 7, for a batch of five plots.

Plot Location Tolerance

The first plot established in a stand must be within 100 feet (horizontal) radius of the location as depicted on the stand map. All other plots must be located within plus or minus 20% of the plot spacing, in terms of both the linear distance and the lateral distance perpendicular to the plot line.

Table 6. Cruising tolerances and acceptable rates of error.

<i>Measurement</i>	<i>Tolerance (+/-)</i>	<i>Maximum Rate of Error</i>
Number of tally trees	Correct tally of trees within plot	0%
Tree Species	Correct species identification	0%
DBH	Diameters measured with an accuracy of +/- 1.0 in.	5%
Total tree height	Heights measured with an accuracy of +/- 10%.	10%
Broken top height	Heights measured with an accuracy of +/- 10%.	10%
Tree Component code	Correct tree component code	0%
% defect	Record % defect with an accuracy of +/- 10%	10%

Table 7. Per Acre Check-Cruise Tolerances

<i>Per Acre Attribute</i>	<i>Tolerance (+/-)</i>
Live trees, by species	5%
Live basal area, by species	5%
Net volume, by species	5%

In the event of substandard work by any cruiser, the following steps will be taken:

- On-site training and review of the instructions and protocols
- Visit plots where measurements disagreed and discuss remedial action.
- Return to cruise plots to redo some or all of the measurements.

The check-cruiser will determine how much of a cruisers work may need to be redone. If substandard work continues, the check-cruiser and Project Manager will decide if a cruiser needs to be removed from the project.

Table 8. Species Codes

Code	Species
AC	Alaska Yellow Cedar
BC	Cottonwood Species
BM	Bigleaf Maple
CA	Cascara
CH	Cherry Species
CQ	Chinquapin
CX	Other Conifer
DF	Douglas-Fir
GF	Grand Fir
HX	Other Hardwood
MA	Madrone
MH	Mountain Hemlock
NF	Noble Fir
OA	Oregon Ash
OO	Oak species
PC	Port Orford Cedar
PD	Pacific Dogwood
PP	Ponderosa Pine
PY	Pacific Yew
QA	Quaking Aspen
RA	Red Alder
RC	Western Red Cedar
SF	Silver Fir
SS	Sitka Spruce
WF	White Fir
WH	Western Hemlock
WI	Willow
WL	Western Larch
XX	Unknown Species

Stand Lister Cheat Sheet

This “cheat sheet” was created to explain the various columns within the Stand Lister. The columns are defined as follows.

- **Shape***- The geometric form of a geographic feature, represented by a set of coordinates defining its boundaries. All stands are Polygons.
- **OBJECTID** - A unique, not null integer field used to uniquely identify rows in tables in a geodatabase assigned within GIS. ObjectID is an arbitrary number within the stand lister.
- **Stand_ID** – A unique integer used to identify the various stands within the stand lister/stands shapefile. Every stand has a unique stand id.
- **Gross_AC** - The total land area within a defined boundary, including all feature acres.
- **Net_AC** - The total land area within a defined boundary, excluding road acres.
- **Land_Use** – The functional description of how the land is classified, based on main use.
- **Timber_Use** – The classification of harvestable or non-harvestable. All typed land use of “forest” is assumed to be harvestable.
- **Timber_Type** – A stand type category classified into “regen, pre-merch, and merchantable” for forested stands, non-forest, and RMA buffer.
- **Area** – A classification of what geographic region the stand lies in within the Utility basins.
- **Harvest_Year** – The year the stand was last harvested, if known. Derived from provided data from the Utility or from aerial imagery/GIS.
- **Year_Planted** – The year the stand was planted, if known. Derived from provided data from the Utility.
- **Stocking** – The estimated stocking level of a stand if the timber type is classified “regen or pre-merch”. Classified as fully stocked, under stocked, overstocked, or no stocking. Stocking levels were derived from provided TPA data from the utility or from field verification.
- **PCT_YEAR** – The year the stand was pre commercially thinned, if known. Derived from provided data from the Utility.
- **Silviculture** – Any relative silviculture notes or recorded activities and year they were conducted. Derived from provided data from the Utility or field verification.
- **Cruise_Date** – The record date of the last know cruise. If <Null>, the stand was not cruised in the 2024 inventory update.
- **Major_SP** – The major two species within that stand type. Data derived from inventory results.
- **PGBYR** – Recorded birth year. Derived from provided data from the utility, inventory results, and stand age estimates.
- **Age**- Estimated stand age in years. Derived from provided data from the utility, inventory results, and stand age estimates.
- **TPA_UNDER_5”** – Trees per acre under 5 inches in diameter. Derived from inventory results.

- **TPA_OVER_8"** - Trees per acre over 8 inches in diameter. Derived from inventory results.
- **Update_YR** - The year stand information was updated. All stands show an updated year of 2024.
- **BdFtAc** - Board feet per acre. Derived from cruise results. If stand was not cruised, volume data was copied over from a similar stand type.
- **VAC_DFIR** – Total calculated DF volume (mbf). Derived from cruise results.
- **VAC_WhWD** - Total calculated WH volume (mbf). Derived from cruise results.
- **VAC_CEDAR** - Total calculated RC volume (mbf). Derived from cruise results.
- **VAC_PINE** - Total calculated WP volume (mbf). Derived from cruise results.
- **VAC_ALD** - Total calculated RA volume (mbf). Derived from cruise results.
- **VAC_HDWD** - Total calculated other hardwood volume (mbf). Derived from cruise results.
- **VAC_SPRUCE** - Total calculated SS volume (mbf). Derived from cruise results.
- **DFIR_VOL** – Board feet per acre of DF. Derived from cruise results.
- **WhWD_VOL** - Board feet per acre of WH. Derived from cruise results.
- **CEDAR_VOL** - Board feet per acre of RC. Derived from cruise results.
- **PINE_VOL** - Board feet per acre of WP. Derived from cruise results.
- **ALD_VOL** - Board feet per acre of RA. Derived from cruise results.
- **HDWD_VOL** - Board feet per acre of other hardwood. Derived from cruise results.
- **SPRUCE_VOL** – Board feet per acre of SS. Derived from cruise results.
- **TotMBF** – The total combined volume of all species within the stand (mbf).
- **Data_Sourc** – The source of the stand data. Either cruised in 2024, estimated by field verification, estimated from GIS/aerial imagery, or copied over from similar stands that were cruised.

APPENDIX B

Special Topic Memorandums

Security Processes and Procedures Special Topic Memorandum excluded from this Appendix for Confidentiality

To: City of Bremerton
From: Mason, Bruce & Girard, Inc.
Date: 5/27/2025
Re: Special Topic: Adjacent Land Use

Introduction

The City of Bremerton Utility Lands (Utility Lands) are centrally located, east of the town of Gorst, Washington, in Kitsap County, Townships 23 and 24-North and Ranges 1-West and 1-East. Of the 7,940 acres of Utility Lands, approximately 7,713-acres are in a central block, surrounding the McKenna Falls Intake Subbasin and Union River Reservoir. Approximately 180 acres of Utility land surround the Anderson Creek Wellfield. This wellfield also provides a significant source of clean drinking water to the City of Bremerton. Restriction of public access to the City's ownership of the water source is critical for protection and effective management of clean drinking water for the City of Bremerton. This memo will discuss adjacent land use and what steps the Utility can take to continue to protect and steward their land base and drinking water.

Background Information

The City's Utility Lands have a variety of adjacent landowners, varying in land use and management. The bulk of the adjacent ownership includes a mix of industrial timber properties and Green Mountain State Forest, which is managed by the Washington Department of Natural Resources (DNR). There is a component of rural residential properties, primarily located adjacent to the southern and eastern border of the Utility lands. These developed residential areas, specifically around the Anderson Creek Wellfield and North of Heins Lake, pose higher risks of potential trespassing, damage to utility property, and fire risk due to a greater element of Wildland Urban Interface (WUI).

Most of the adjacent landowners near the McKenna Falls Intake Subbasin are industrial timber properties and Washington DNR lands. This adds a wider layer of protection around the Union River Reservoir. Though the neighboring ownership is outside the Utility's control, it consists of a larger contiguous block of forest ownership that the Utility can effectively collaborate with for the continued protection and stewardship of clean drinking water.

The area directly south of the Union River Basin is primarily rural residential properties. The neighboring property northeast of Heins lake, north of Jarstad Park, and surrounding Anderson Creek Wellfield consist of high-density suburban homes. Figure 1 shows the adjacent lands surrounding the main block of the Utility Lands. The areas to the South and East of the Utility lands will become increasingly challenging for the City's forestry division due to multiple neighbors, mixed use properties, and varying levels of partnership between landowners.

The 180-acre block of Utility land that surrounds the Anderson Creek Well field is primarily high-density residential properties and also has the potential for increased risk of trespassing, vandalism, wildfire, and damage to utility infrastructure. Increased security evaluations near this area are necessary to ensure the same level of protection as the McKenna Falls Intake Subbasin.

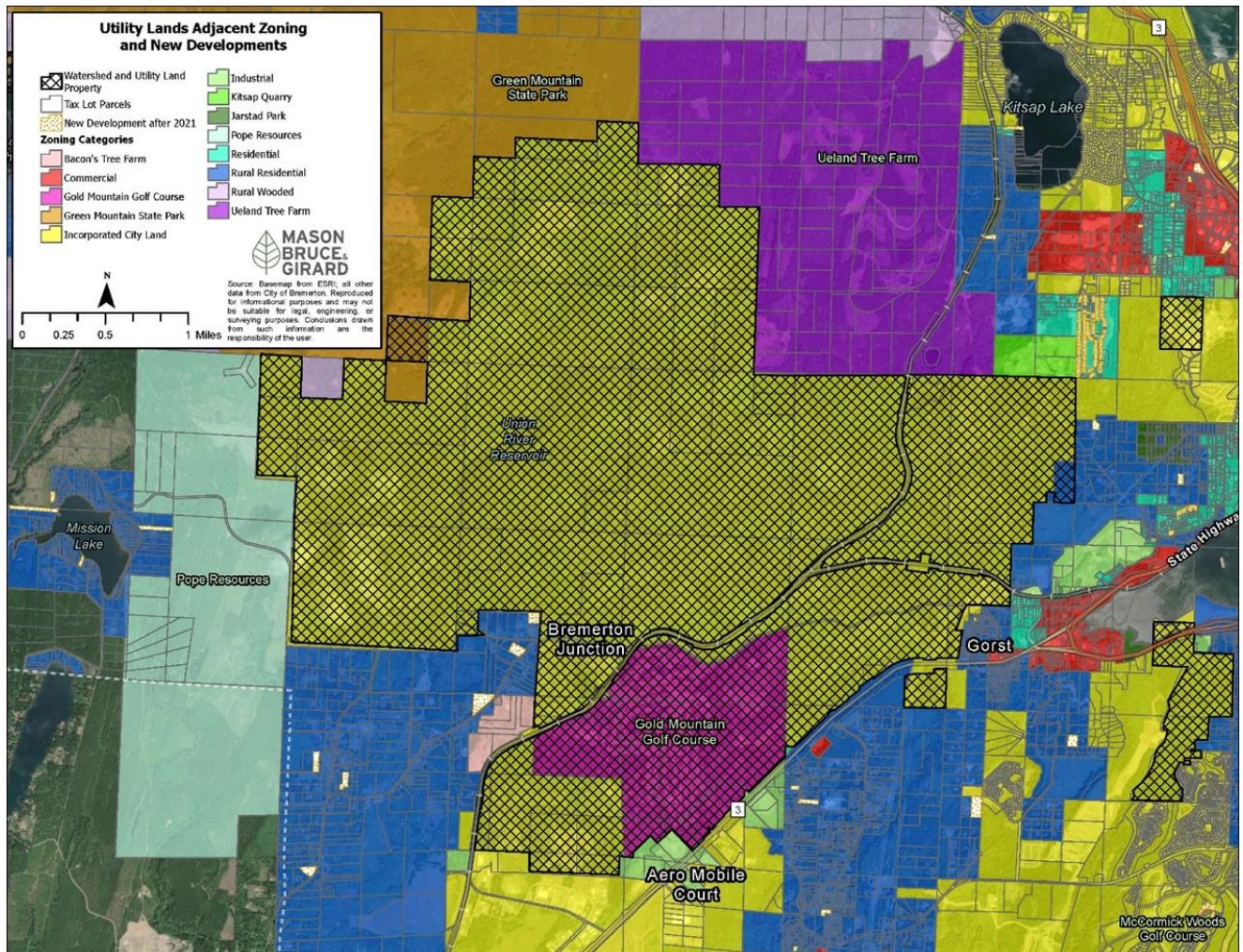


Figure 1. Owners Adjacent to City Property

Issue Assessment

The current land base protection and policies set in place by the Forestry Division and Water Utility Watershed Control Program will continue to ensure execution of the key management objective of drinking water protection. Potential future issues may include changes to the land use and development surrounding the Utility Lands, which could result in increased urban development. An increase in WUI poses several potential problems for the City of Bremerton. The uptick in development adjacent to the Utility Lands is problematic due to the likelihood for increased issues with trespassing, vandalism, theft, threat of wildfire, dumping, and other human activity associated with the WUI.

Forest Management in the WUI is an ever-increasing challenge for land managers. As more of the public engages with and establishes residences in and around rural areas, managing for the increased wildfire risk becomes particularly important. There are many different methods that can be utilized to mitigate the increased wildfire risk caused by an increase in WUI. Many of these methods are already being utilized by the Forestry Division such as public access restrictions, security patrols, locked gates, maintenance of established roads and infrastructure for greater access and better response time and having an established fire protection plan as outlined in the Water Utility's Watershed Control Program. Other recommendations to manage for WUI are defensible space on utility land, neighbor education and collaboration, and education on home and community defensible space near Utility lands.

While changing land use laws and increased urban development may be objectives of the City and County, it will create major challenges for the protection and stewardship of the Utility Lands and water supply as landowners within the Interface have conflicting objectives. An increase in WUI and development around the Utility lands will require additional security and updates to infrastructure (as mentioned in the security special topic). Figures 2 and 3 show a newer housing development (Soundview Estates) that borders Utility Lands, northeast of Heins Lake. This single development site currently has more than 300 lots within 900 yards of a main access point to Utility lands. Ongoing community outreach will be crucial to educate the public on watershed management and the importance of watershed protection, and to collaborate on security in terms of reporting trespassing and suspicious activities.



Figure 2. County Tax lot Map of Soundview Estates and Surrounding Landowners.



Figure 3. Photo of an access gate leading into Soundview Estates.

Findings and Recommendations

The forestry division should continue to collaborate with their neighbors in the context of watershed management, where the main priority is protection of the clean drinking water supply that the McKenna Falls Intake Subbasin and Anderson Creek Wellfield provides for the City of Bremerton. This includes working with the Washington DNR, industrial tree farms, Department of Defense, utility companies, tribal entities, and all rural/urban residential areas near Utility Lands. Education plays a very important role with all landowners, especially within the residential areas of the WUI. Figure 4 shows (purple) highlighted properties that are deemed “developable”. These specific properties should be considered for acquisition if possible.

Figure 4 Removed for Confidentiality

Figure 4. Map of “Developable” Properties that abut Utility Property

All neighboring lands abutting utility property should be monitored for potential land acquisition, which would expand the Utility lands and increase security and resource protection and provide for more effective watershed management. Acquiring neighboring properties, via land trades or direct purchase, is the most effective way to control and predict activity within and near the Bremerton Utility Lands, with an emphasis on properties near McKenna Falls Intake Subbasin and Anderson Creek Wellfield.

To: City of Bremerton
From: Mason, Bruce & Girard, Inc.
Date: 5/27/2025
Re: Special Topic: Kitsap Lake to Jarstad Park Trail

Introduction

A shared-use trail was proposed between the south end of Kitsap Lake in Kitsap County to Otto Jarstad Park in Bremerton (See Figure 1). This memorandum reviews the potential impacts the proposed trail route would have on security, the City's unfiltered surface water status, current operations, and staffing. This special topic memorandum also identifies security enhancements that must be considered should the City and the County choose to construct the trail.

Background Information

The initial location of this proposed trail was put forth in 2013, in the County's Non-Motorized Facility Plan, by the Kitsap County Non-Motorized Committee and the West Sound Cycle Club. The total proposed trail is roughly 3.16 miles. Approximately 1.99 miles of the proposed trail bisects City of Bremerton Utility Lands. Kitsap County led a preliminary feasibility study, performed by Fischer Bouma Partnership (FBP) in 2018, which included a City liaison who sat on the committee. The study was to better understand the proposed area, determine best planned route, and investigate alternatives and costs for the proposal. Many of the details in this Special Topic paper are referencing the findings of the 2018 Feasibility Study.

The 2018 Feasibility Study proposed a design strategy that the authors felt would minimize costs and disturbance to the Utility Lands. To achieve these goals, the study adopted the strategy of using existing logging roads (2000 Road) as the base of the shared-use path. The proposed path would be designed for an 18-mph speed, be either 10 or 14-feet wide, paved with a 2% maximum cross slope, and two-foot soft surface shoulders (typically gravel). Areas of disturbance in the corridor would range from 14-feet to 40-feet in width per the 2018 Feasibility Study by FBP. The project would also require the installation of a bridge.

The cost estimate of \$4 million dollars did not include any grant funding but did account for the construction and design of the trail in such a way to maintain eligibility for grant funding in the future. Grant funding qualifications included specific maintenance, security/enforcement, and operations specifications, and a management plan.

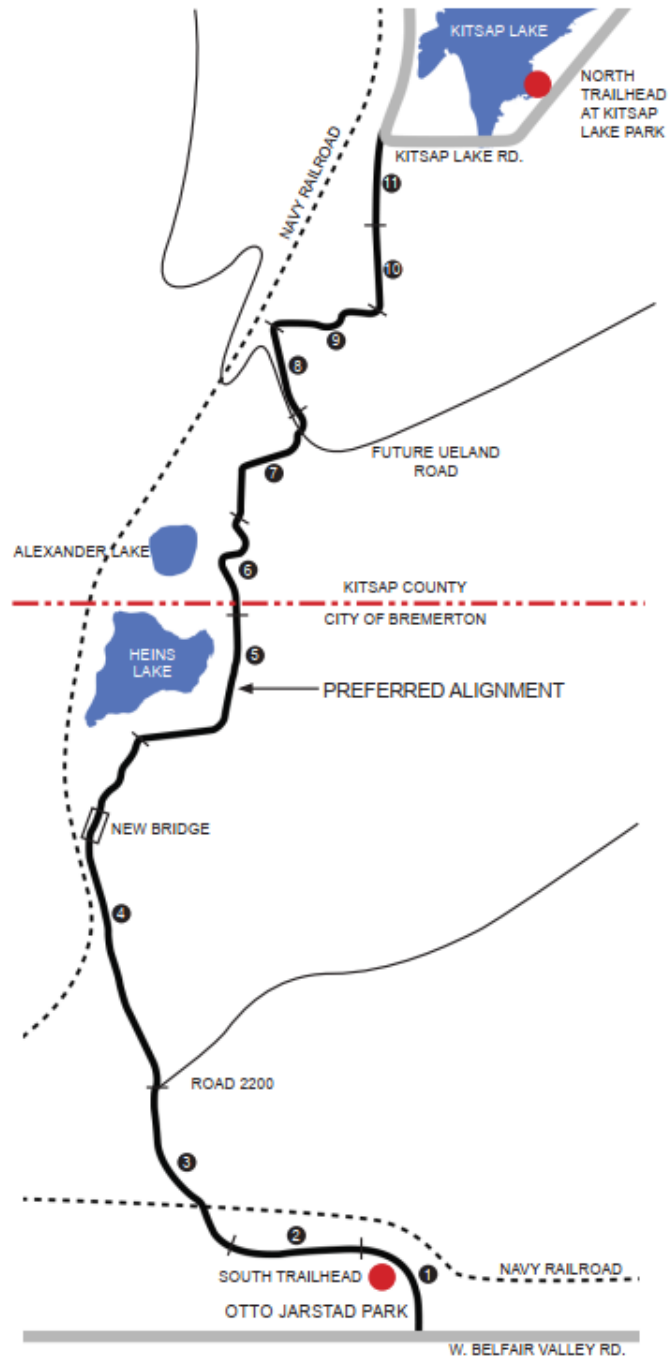


Figure 1. 2018 Feasibility Study Proposed Trail

Issue Assessment

Conflicting Use:

The 2018 Feasibility study noted some potential issues with the proposed trail system. Some of these issues specific to the City Utility Lands include the shared road/path on existing logging roads, the need for additional survey work, Navy right-of-way easements, conflicts with forestry operations, potential for needed transfer of ownership, upgraded facilities, increased staff and maintenance and potentially other unforeseen costs which are discussed in more detail under Cost.

Unfortunately, the study did not consider all the uses of the 2000 Road and major utility infrastructure that is aligned with, adjacent to, or crosses the road. The 2000 Road provides access to Water Utility staff for environmental monitoring, street spoils hauling, and communication tower access. This access is used frequently throughout all times of year. Major utility infrastructure that would require access for maintenance (everything from minor vegetation management to major capital repairs) include Cascade Natural Gas line, Bonneville Power Association power lines, Puget Sound Energy power lines and the 18-inch transition main that carries water from Pump Station 17 (pipe layout yard) to the Kitsap Lake area. The main is flushed and cleaned every year (pigging) with a pig port located on the proposed pathway between Alexander and Heins Lakes. Lastly, the south end of the proposed trail bisects the Suquamish Tribe Fisheries operation.

Security

Another significant issue with the proposed trail is the increase in security that would be required to try to prevent trespass onto Utility Land. This may include, but is not limited to, more police patrols, signage, security cameras, gates, fencing, and additional labor hours. A solid barrier between the trail and the Utility Lands has a high likelihood of keeping most of the public from illegally entering the Utility Lands. However, fence breaching through cutting or climbing are observed in other fenced utility properties and would be expected here at least occasionally. Additionally, fencing cannot block Navy railroad crossings, allowing trespassers easy access to Utility Lands at those crossings.

Threat to Unfiltered Source Water Status:

The existing controlled access points along the outer perimeter of the Utility Land **are** the access points to the City's unfiltered source of drinking water. There is no interior secured perimeter around the Union River Reservoir or McKenna Falls Intake Subbasin. Utility Land that surrounds the McKenna Falls Intake Subbasin inside the existing secure perimeter were acquired for buffering purposes to maximize the separation between the McKenna Falls Intake Subbasin and potential pollutant-generating activity (includes transportation and recreational activity such as hiking and biking) and risks associated with the Wildland Urban Interface. Acquiring additional buffer property is a top strategy identified in the Watershed Control Program Plan - a requirement under WAC 246-290-690(3)(e) to remain unfiltered - and has been utilized in the past to increase separation and improve level of protection. To allow a shared-use trail as proposed through the buffer area will reduce the buffer width. Fencing may be effective in keeping most trespassers out of the watershed, but it can do nothing to prevent other effects of moving

the WUI risks closer to the McKenna Falls Intake Subbasin such as wildfire risk from a carelessly discarded cigarette butt or illegal camping.

This proposed land use change of the buffer property and movement of potential risk closer to the McKenna Falls Subbasin could be viewed by regulatory agencies as a negative change in security posture and a reduction in protection of the unfiltered source (See Attached Department of Health Letter). This could result in the City's loss of unfiltered status and a significant cost to drinking water ratepayers as discussed in the Cost section below.

Comprehensive Planning Consistency/Environmental Considerations:

Any development or activity must be compatible with other City comprehensive plans. The Gorst Subarea Plan, led by Kitsap County and the City in partnership with state, federal and tribal agencies and adopted by City Council (Ordinance 5237, 2013), sets out a 20-year land use plan for the future of Gorst. The three-part study included an in-depth assessment of the ecological resources within the Gorst Creek Watershed (*Gorst Creek Watershed Characterization and Framework Plan, 2012*). The purpose of the subarea plan was, as stated in the plan, a *"cooperative planning effort...to develop a land use plan that is based on the ecological values and functions of the Gorst Creek Watershed in southeast Kitsap County."*

The characterization identified critical functions the Gorst Creek Watershed provides locally and within the context of the greater Puget Sound Region, and categorized subbasins within the watershed based upon each subbasins' function and importance. Those areas of the watershed that were zoned for maximum protection (Protection Zone) are delineated in Figure 2 and encompass nearly the entire proposed trail route through the Utility Lands. The report states, *"The **Protection Zone** supports recharge, discharge and storage processes which are critical to sustain a natural range of flows in Gorst Creek, including adequate low flows during summer and fall. Because recharge and discharge processes are sensitive to development and would be significantly degraded by impervious surfaces, buildings, roads, and drainage infrastructure, such development should be restricted in this zone."* (Page 4-2)

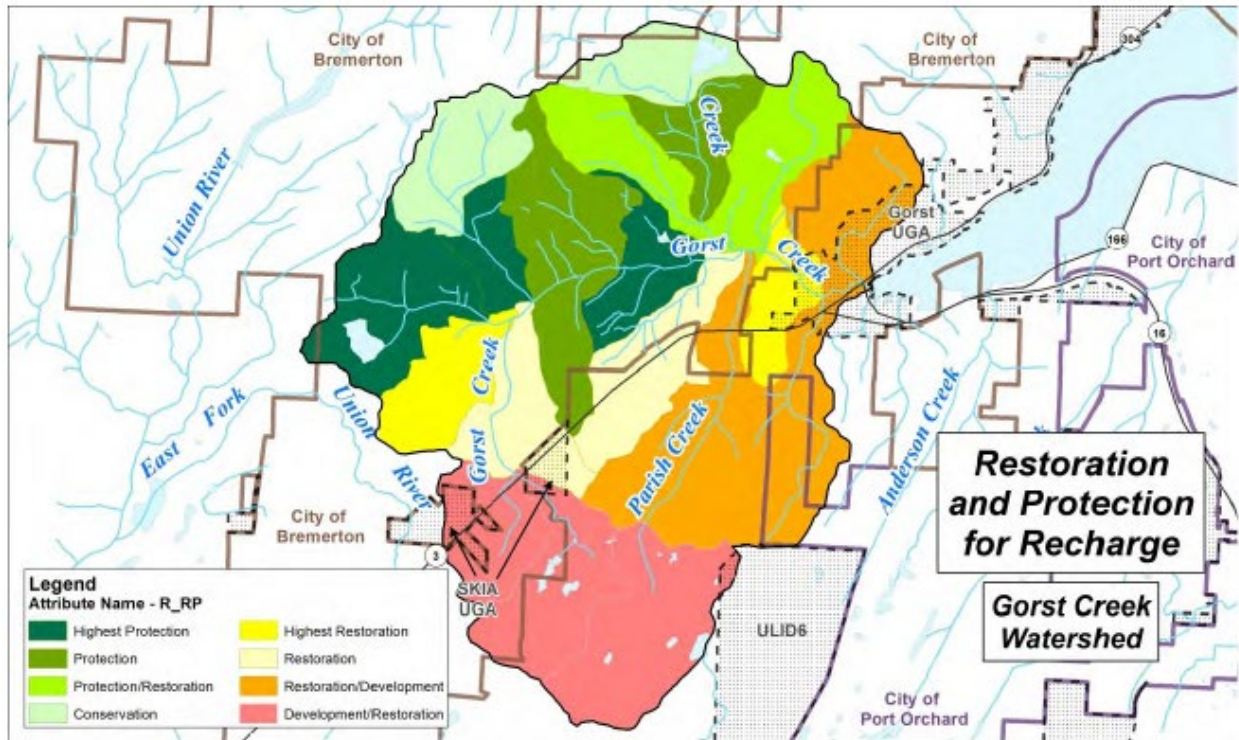


Figure 2. Gorst Creek Watershed Restoration and Protection Zones (taken from Gorst Subarea Plan – Gorst Creek Watershed Characterization and Framework Plan, page 3-6)

The characterization also highlighted the following critical watershed functions identified in May and Peterson’s *Landscape Assessment and Conservation Prioritization of Freshwater and Nearshore Salmonid Habitat in Kitsap County* (2003):

The Gorst Creek Watershed is described as “one of the largest and most productive watersheds in the east WRIA-15 subregion” and “above river mile 1.0, is rated 23rd out of 95 salmonid refugia areas within Kitsap County”.

The forested area that comprises the north and central portion of the Gorst Creek Watershed is publicly owned and lies within a contiguous area that also contains Green Mountain and Tahuya State Forest. Taken together, this area comprises the largest open-space block in the Puget Trough Ecoregion of the Puget Sound Basin.

Adding a trail with facilities and services such as additional parking areas, benches, handicap accessibility, and restrooms at trail heads may disturb salmon refugia areas, and security fencing along the length of the trail would truncate a significant portion of the open space in terms of movement of terrestrial species.

Cost:

All costs associated with the construction, maintenance, security and other needs including staffing associated with the proposed trail *cannot* be funded by the Water Utility as the trail does not support the

provision of drinking water. Therefore, all costs described here will be a General Fund expenditure. The only potential cost to the Water Utility, though it be by far the largest, would be the cost of implementing filtration should the proposed use result in the loss of unfiltered source status.

The project costs in today's dollars are almost certainly higher than the estimated \$4 million in the 2018 Feasibility Study, which included engineering, construction, management, right-of-way easement cost, design, and a 20% contingency. Outside the estimated cost breakdown within the 2018 Feasibility Study, there are additional unforeseen costs. One major cost would be from the increase in staffing necessary to successfully maintain and operate a connecting trail of this size and to manage the complexity of the multi-use proposal. Duties related to the proposed trail would include coordination with utility operations on scheduling, security, community education/engagement, maintenance contractors, litter patrol, and other needs. This position would also closely work with Kitsap County, Bremerton Police, and Bremerton Fire.

There could also be a large amount of unforeseen cost needed for improved infrastructure. This could include facilities and services such as additional parking areas, benches, handicap accessibility, restrooms at trail heads, maps and kiosks, garbage service, adequate lighting at trailheads and parking lots.

A cost estimate to fence off either side of the trail with an 8-foot-tall standard cyclone fence is approximately \$30 per linear foot, not including gates. This would be a total approximate cost of \$650,000 to fence either side of the 1.99 miles of proposed trail across Utility lands. This cost does not include yearly maintenance of the fence line for down trees/branches, vandalism, etc. Additional gates may have to be installed along the fence for access and maintenance. The average cost of a new forestry gate installed is approximately \$10,000, not including any road work associated with the gate. The typical forestry security camera is a heavy-duty cellular trail camera, secured by a steel beer box and lock. These would be strategically placed near main access points or high traffic areas of trespassing. The average cost of a typical security camera set up is approximately \$500 per camera including accessories. These are only the minimal security measures identified; more may be necessary if these are not sufficient.

The greatest potential cost is associated with the loss of the unfiltered status of the drinking water supply if this action results in system failure to meet the criteria for unfiltered systems as detailed in WAC 246-290-691 or if the regulatory body determines that this action results in increased risk that cannot be sufficiently mitigated. Losing the ability to remain unfiltered would require the City of Bremerton to construct filtration facilities, either conventional coagulation/flocculation/filtration or membrane filtration. Either approach could cost the utility ratepayers 10's to 100's of millions of dollars for construction and over a million dollars or more a year to operate and maintain.

Recommendations

It is our recommendation that a comprehensive feasibility assessment, taking all issues discussed above into consideration, be completed before pursuing a project of this nature. Given the costliest potential impact, loss of unfiltered status of the drinking water supply, it is imperative that the City consult closely

with the State Department of Health to determine if equal or better protection of the water supply is reasonably achievable.



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
SOUTHWEST DRINKING WATER OPERATIONS
P.O. Box 47823 Olympia, Washington 98504-7823
PHONE (360) 236-3030 FAX (360) 236-3029

April 2, 2025

Cami Apfelbeck
City of Bremerton
100 Oyster Bay Avenue North
Bremerton, Washington 98312

Subject: City of Bremerton, ID #08200R, Kitsap County; Surface Water Treatment Rule (SWTR) – Union River Treatment Facility and Watershed Inspection 2025

Dear Cami Apfelbeck:

On March 25, 2025, Steve Deem and I conducted the annual inspection of the Union River watershed, McKenna Falls Intake, and Advanced Disinfection Facility (ADF), as required by WAC 246-290-691(3)(c). The inspection did not identify any deficiencies that would affect the City of Bremerton's (City) unfiltered status for the Union River supply.

During the inspection, we toured the watershed including an area that burned in a 2018 fire and the catchment area for the City's seasonal surface water source (S02, West Branch Union River). We also toured the Casad Dam, West Branch Intake, McKenna Falls Intake, and the Advanced Disinfection Facility (ADF). We discussed forestry management, security, safety, and concerns for future development.

The City's water system and watershed are well-managed, and the City proactively makes improvements. For example, we were pleased to see that the City completed two new bridge projects allowing larger fire-fighting vehicles to access more areas of the watershed. This will improve fire-fighting effectiveness and reduce the risk to the watershed. Another recently completed project was adding communication fiber to your facilities to improve communication reliability and security.

Based on the inspection and supporting documentation, our recommendations are:

1. We understand the City is considering adding a bicycle and pedestrian trail through the eastern part of the city-owned watershed control area. Although the proposed public access path is outside the hydrologic boundary of the surface water source, we have significant concerns about reducing the protective buffer that keeps people out of this valuable water supply. People, both well-meaning and not, present a risk to water quality. The primary concern is human started fire. We are also concerned the increased access may encourage people to attempt to access areas within the watershed and may make future development ideas seem more acceptable. Our recommendation is to find an


alternate alignment for the proposed trail that does not pass through the watershed control area. If the City chooses to construct the trail, you should carefully consider how you will mitigate the risks to the watershed. While we understand there would be public benefit to providing a safe pedestrian path, please do not undervalue the unfiltered status of this water supply when considering the accompanying risks.

2. We also discussed preparing a Harmful Algal Bloom Response Plan. Although you currently have low susceptibility to algal blooms, this may change as the climate trends warmer and drier. We recommend getting ahead of the issue by preparing a plan as outlined in our publication [331-654 Dealing with Cyanobacteria: Time to Make a Plan](#).

We continue to be impressed with the City's commitment to excellence in water system operations and watershed maintenance. Active management of the watershed is critical for maintaining both high water quality and stable watershed conditions.

If you have any questions, please contact me by phone at (564) 669-3170 or by e-mail at candida.granillo-dodds@doh.wa.gov.

Sincerely,



Candida Granillo-Dodds, P.E.
Office of Drinking Water, Regional Engineer

cc: Kitsap Public Health District
Jolyn Leslie, ODW
Scott Pollock, ODW



To: City of Bremerton
From: Mason, Bruce & Girard, Inc. Technical Team
Date: May 26, 2025
Re: Special Topic: Water Filtration Plant Rate Impacts

Introduction

The special topics memo on the Kitsap Lake to Jarstad Park Trail evaluated potential impacts of the proposed trail on security, the City's unfiltered surface water status, and current operating and maintenance costs. Given input from the Washington State Department of Health, the conclusion is that the proposed land use change could jeopardize the unfiltered status of the City's surface water source resulting in the requirement to construct a water filtration plant (WFP). Considering this potential impact on water system operations, the City contracted with Consor Engineers to develop budget level estimates of capital and operating costs for a WFP; see attached.

Since the type and size of contaminant to be removed determines the type of filtration facility required, the selection of treatment process must be preceded by a thorough water quality characterization, pilot testing, and alternatives analysis. As it is not possible to predict a specific contaminant but rather a suite of potential contaminants, this cost assessment considers both conventional filtration (low end costs) and membrane filtration (high end costs). These costs were then used to estimate resulting rate impacts.

Key Assumptions

The Current Harvest Financial Plan developed to evaluate the Timber Harvest Alternatives was used as the basis to complete the water filtration plant rate impacts evaluation. All financial assumptions remain the same with the exception of the following:

- Additional Annual operating costs will begin the year after construction (2031)
 - » Low alternative operating costs = \$1.320 million per year
 - » High alternative operating costs = \$16.060 million per year
- Capital Costs – construction to begin in 2026
 - » 30% design year 1 and year 2, costs split equally
 - » 70% construction year 3 through 5, costs split equally
 - » Low alternative capital costs = \$ 84.7 million
 - » High alternative capital costs = \$459.8 million
- Revenue bonds with a term of 20 years, 5.0 percent interest, 1.0 percent issuance costs assumed for all new debt proceeds required

Water Filtration Plant Alternatives

Two WFP alternatives were evaluated – low and high operating and capital costs. As noted previously the operating costs will begin the year after construction and total design and construction of the WFP will span five years. The capital funding approach is to use available resources first such as beginning reserve balances, rate funding and general facility charges before assuming new debt service. Due to the larger capital costs of a water filtration plant, new debt will be required for both alternatives.

Water Filtration Plant – Low Cost

This alternative assumes \$1.320 million in additional operating costs beginning in 2031. Capital costs of \$84.7 million (\$96.4 escalated to year of construction) are spread over the five years with 30 percent for design averaging \$13.5 million per year over the initial two years. The construction costs are spread over the final three years at an average of \$23.1 million per year. The WFP low cost option requires external funding of \$112 million, assumed as revenue bonds (4 issues in 2026, 2029, 2032 and 2035). The corresponding annual debt service ranges from a low of \$4.4 million to a high of \$9.9 million. The ten year change in rates is \$39.09 (\$72.43 less \$33.34) or an average of \$3.91 annual monthly change in rates. The rate impacts are front loaded during the design and construction of the WFP.

	Current	Projected									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Impact		20.00%	12.00%	12.00%	12.00%	7.00%	7.00%	3.00%	3.00%	3.00%	3.00%
SF Mo. Bill	\$ 33.34	\$ 40.01	\$ 44.81	\$ 50.19	\$ 56.21	\$ 60.14	\$ 64.35	\$ 66.28	\$ 68.27	\$ 70.32	\$ 72.43
Change (\$)		\$ 6.67	\$ 4.80	\$ 5.38	\$ 6.02	\$ 3.93	\$ 4.21	\$ 1.93	\$ 1.99	\$ 2.05	\$ 2.11

Table 1. Sample Single Family Monthly Bill – WFP Low Cost

Water Filtration – High Cost

This alternative assumes \$16.060 million in additional annual operating costs beginning in 2031. Capital costs of \$459.8 million are spread over the five years with 30 percent for design averaging \$68.9 million per year over the initial two years. The construction costs are spread over the final three years at an average of \$107.3 million per year. The WFP high cost option requires external funding of \$396.4 million, assumed here as revenue bonds (3 issues in 2026, 2028, 2030). The corresponding annual debt service ranges from a low of \$10.8 million to a high of \$35.0 million. Due to the level of new debt proceeds required under this scenario, meeting the 1.50 debt service coverage ratio becomes a rate driver. This level of debt service coverage or higher may be needed to secure favorable bond interest rates, bond rating and to provide financial assurance that the City will meet the annual debt service payments. The ten year change in rates is \$177.39 (\$210.73 less \$33.34). The initial six years during WFP design and construction have the largest annual impact before returning to more moderate rate changes.

	Current	Projected									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Impact		77.50%	50.00%	50.00%	15.00%	15.00%	15.00%	1.00%	1.00%	1.00%	1.00%
SF Mo. Bill	\$ 33.34	\$ 59.18	\$ 88.77	\$ 133.15	\$ 153.12	\$ 176.09	\$ 202.51	\$ 204.53	\$ 206.58	\$ 208.64	\$ 210.73
Change (\$)		\$ 25.84	\$ 29.59	\$ 44.38	\$ 19.97	\$ 22.97	\$ 26.41	\$ 2.03	\$ 2.05	\$ 2.07	\$ 2.09

Table 2. Sample Single Family Monthly Bill – WFP High Cost

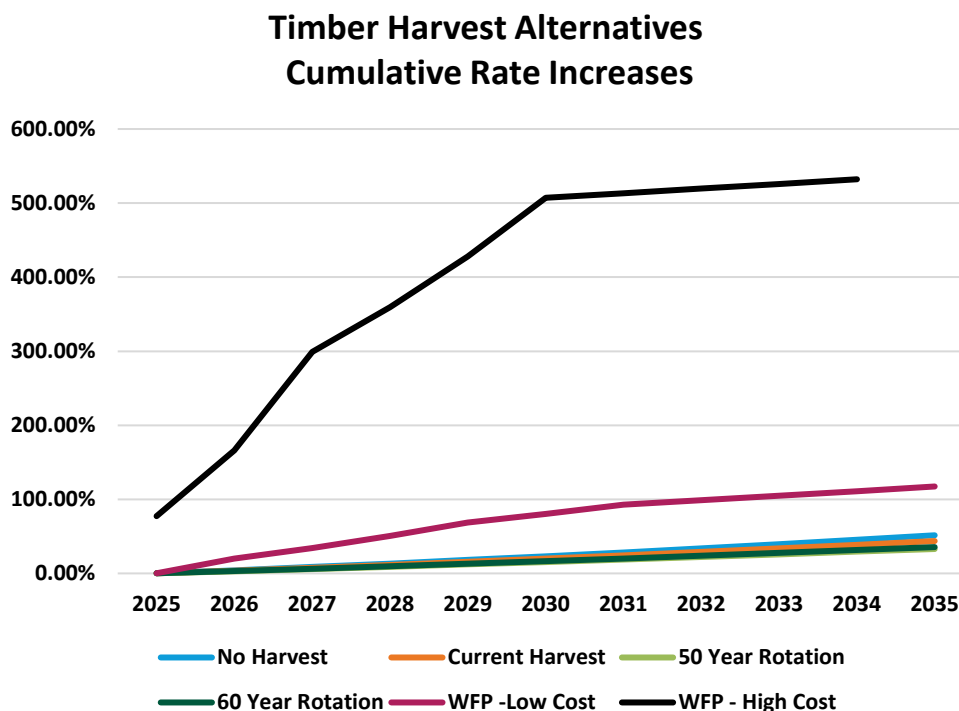
Comparison of Alternatives

Table 3 provides a summary of the monthly single family rate impacts for each Timber Harvest Alternative and WFP alternatives for comparison purposes. The main difference in the Timber Harvest Alternatives is the level of timber harvest revenue assumed. The last two scenarios assume the current harvest alternative with the addition of the water filtration plant operating and capital costs.

	Current		Projected									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
No Harvest	\$ 33.34	\$ 34.76	\$ 36.23	\$ 37.77	\$ 39.38	\$ 41.05	\$ 42.80	\$ 44.62	\$ 46.51	\$ 48.49	\$ 50.55	
Current Harvest	\$ 33.34	\$ 34.57	\$ 35.85	\$ 37.18	\$ 38.55	\$ 39.98	\$ 41.46	\$ 42.99	\$ 44.59	\$ 46.24	\$ 47.95	
50-Yr Rotation	\$ 33.34	\$ 34.31	\$ 35.30	\$ 36.33	\$ 37.38	\$ 38.46	\$ 39.58	\$ 40.73	\$ 41.91	\$ 43.12	\$ 44.37	
60-Yr Rotation	\$ 33.34	\$ 34.37	\$ 35.44	\$ 36.54	\$ 37.67	\$ 38.84	\$ 40.04	\$ 41.28	\$ 42.56	\$ 43.88	\$ 45.24	
WFP -Low Cost	\$ 33.34	\$ 40.01	\$ 44.81	\$ 50.19	\$ 56.21	\$ 60.14	\$ 64.35	\$ 66.28	\$ 68.27	\$ 70.32	\$ 72.43	
WFP - High Cost	\$ 33.34	\$ 59.18	\$ 88.77	\$ 133.15	\$ 153.12	\$ 176.09	\$ 202.51	\$ 204.53	\$ 206.58	\$ 208.64	\$ 210.73	

Table 3. Summary of Timber Harvest and WFP Alternatives Monthly Bill Impacts

In addition to the monthly single family bill impacts, a graph of the cumulative rate increases is provided to show the range and spread of the timber harvest alternatives over time. As shown, the alternatives show a cumulative rate impact ranging from a low of 33 percent to a high of over 500 percent.



Summary

The City relies on the McKenna Falls surface supply for approximately 2/3 of our drinking water; this source is very high quality, and the capacity available is critical to meet our peak demands. Replacing the surface supply with additional wells is impractical and may not be possible.

The loss of unfiltered status for the City would bring large financial impacts to the water utility. The low construction cost estimate for the water filtration plant would over double (2.17x) the current rate. The high construction cost estimate would be over six times (6.32x) the existing water rates by 2035.



To: City of Bremerton
From: Mason, Bruce & Girard
Date: 12/9/2024
Re: Special Topic: Staffing

Introduction

The City's Forestry Division manages all aspects of forestry on the 7,940 acres of Utility Lands. This includes but is not limited to road maintenance, silviculture, harvest layout, contract administration, budgeting, harvest scheduling, wildlife management, biosolids applications, security, and other functions. The Forestry Division works closely with the Water Utility Manager on security management and drinking water source protection and works collaboratively with other City divisions on various projects as needed.

Background Information

There are currently a staff of four full time positions and one seasonal position within the Forestry Division. This includes a Forestry Manager, a Forestry Service Specialist Supervisor, two Forestry Service Specialists/Senior positions, and a seasonal Forestry Intern. The job descriptions are as follows.

Forestry Manager

Salary Range: \$107,619.84-\$131,124.24 Annually.

This position manages the Forestry Division of the Department of Public Works and Utilities. This position is responsible for all aspects of management of the Utility Lands outside the City's urban boundaries. Some of the duties of this position include but are not limited to Forestry Division management, biosolids program management, special project management, land management, and inter-departmental/agency coordination. This position also currently provides review of forest practices permits to support the City's Department of Community Development and provides support to Utility Land leases with tree removal/management (example, Gold Mtn Golf Course).

Forestry Service Specialist Supervisor

Salary Range: \$45.36-\$53.50 Hourly

This position works under the supervision of the Forestry Manager and manages on-the-ground operations. Some of the duties of this position include but are not limited to managing timber harvest activities, revenue generation, security management, supervising and training forestry service specialists and interns, road maintenance, special projects, water quality protection, and biosolids application.

Forestry Service Specialist/Senior

Salary Range: \$28.20-\$38.45 Hourly

This position works under the supervision of the Forestry Service Specialist Supervisor. Some of the duties include but are not limited to operating specialized heavy equipment, road construction and maintenance,

biosolids application, timber harvest activities, revenue generation, security management, special projects, and silviculture applications.

Forestry Intern

Salary Range: \$20.00-\$25.00 Hourly, Full Time Seasonal (4-6 Months)

This position works under the supervision of the Forestry Service Specialist Supervisor. Some of the duties include but are not limited to reforestation surveys, stream survey work, GPS work, road construction and maintenance, manual labor, operating hand tools, and operating small equipment to help maintain the forestry equipment, buildings, and grounds.

The budgeted personnel cost for the entire Forestry program, including benefits, overtime and the seasonal position is \$622,649.

Issue Assessment

There are no identifiable issues with the current staffing level within the Forestry Division. Forest management by nature is extremely complex and ever changing due to multiple management objectives, advancing technology, increased or changing rules and regulations, and adjacent land use and development. The scale and level of complexity within the City's Utility Lands easily justifies the current staffing levels and cost to continue to ensure successful management of all aspects of forestry and protection of water quality. Continued use of the current staffing structure, outlined duties, and organization, and implementation of treatments and applications should ensure successful achievement of the City's management objectives.

Findings and Recommendations

It is our recommendation that the forestry staffing levels stay the same or increase based on the current needs of the forestry division. An increase in staff, specifically having two separate positions, a Forestry Equipment Specialist/Senior, and a Forestry Specialist/Senior, would create a more effective and self-contained workflow for the forestry division. Fitting staff to specific roles would allow individuals to focus on developing and mastering certain specialized skills versus a more general role where skills become less refined. This recommendation would improve the overall management of the watershed and improve the protection and stewardship of clean drinking water and successful fulfillment of the City's other management objectives.

The City should continue to actively monitor current pay scales for similar forestry positions within the region to stay competitive in terms of wages, specifically within other City divisions. This will help to minimize staff turnover and increase longevity and cumulative forestry experience within the Forestry Division staff.

We recommend increasing the minimum qualifying education and forestry specific experience, required for the Forestry Service Specialist position. This will ensure proper knowledge and experience when hiring new staff and will reduce the amount of training necessary during onboarding, which will reduce the workload of the Forestry Service Specialist Supervisor and Forestry Manager.



To: City of Bremerton
From: Mason, Bruce & Girard, Inc. Technical Team
Date: 5/27/2025
Re: Special Topic: 20-Year Capital Improvement Plan

Introduction

A critical aspect of forest management is the development and management of the infrastructure necessary to execute the forest operations that are conducted to achieve the overall goals for the forest, including resource protection. The main infrastructure on any forest property is the road system, which includes culverts, bridges, and the actual roads and road surfaces. Other infrastructure may include gates, fencing, security systems, and buildings. The Forestry Division is responsible for the installation, maintenance and upkeep of infrastructure, including working with the City Facilities Division to maintain the Forestry Division office and buildings at the City of Bremerton Pipe Yard located on Belfair Valley Road.

All capital costs associated with Water Utility-owned properties and facilities, including Forestry assets, are part of the master 20-year Water Utility Capital Improvement Plan (CIP). The 20-year plan developed here will include only those assets associated with the Forestry Division.

Background Information

City of Bremerton owned forest lands contain a robust and well-maintained road system. Most roads are rocked, all season roads, with a small component of trails and dirt spur-roads that are appropriate for seasonal use. There is a total of 64.9-miles of mapped roads within the City's Utility Lands, not including trails and minor spur-roads. This road system includes a total of nine bridges, all of which have been field verified and confirmed to be currently sound and functional. There are 256 mapped culverts on the City's Utility Lands, varying in size from 18 to 66-inches in diameter (See Figure-1). Other assets include but are not limited to the biosolids storage sites and trails, forestry equipment and equipment storage facilities, the forestry division office building and compound, and forest gates. Table-1 shows planned capital improvements and costs from 2025 to 2045.

Table 1: Planned and Proposed 20-year Capital Improvements

Capital Asset Projects	Proposed Improvement	Estimated Total Project Budget	Description
Forestry Bridge Load Rating/Repairs	Bridge Assessments	\$ 350,000.00	Biannual assessment from a licensed Engineer inspect all Forestry Bridges and provide recommendations on repairs or replacement. Also includes additional funds to have Forestry Staff conduct maintenance as recommended by Engineer.
2000 Road Culvert Replacement	Replace Culvert	\$ 335,000.00	Replace undersized culvert that was recently determined to be Fish passable. This project is to replace it either with bridge or larger culvert depending on what contracted Engineer determines.
McKenna Falls Forestry Office Major Improvements	Roof Replacement	\$ 20,000.00	Roof replacement for Forestry Office. Projects like this for Forestry managed structures are identified by the City's Facility Division and paid for out of the Water Capital budget.
Roll up building at City Pipe Yard(4398 W. Belfair Valley RD) Major Improvements	Fire Alarm Installation	\$ 20,000.00	Installation of Fire Alarm system.
Biosolids Pond Roof Cover Structural Assessments & Repairs *	Assessment and Repairs	\$ 80,000.00	Structural Engineer assessing all 3 Biosolid Pond Roof Covers and making recommendations for repairs.
Biosolids Pond Vehicle New Storage Buildings *	Building Construction	\$ 240,000.00	Construction of three pole barn like structures that will be used for vehicle storage at the Biosolid Ponds.
Watershed / Utility Security Evaluation Plan and Enhancements	Security Evaluation, Proposed Gate Improvements	\$ 2,150,000.00	To conduct the 5 Year Security Evaluation Plan as required by regulations. These funds are also available for Security improvements such as gate repairs/construction, new security cameras or other upgrades suggested by the plan.
Utility Land Management Plan	Utility Land Management Plan Update	\$ 771,112.00	Updates to the Utility Land Management Plan every 10 years as necessary.
Forest Management Plan	Forest Management Plan Updates	\$ 800,000.00	Updating the Forest Management Plan based upon recommendations from the Utility Land Management Plan Updates.
Union River Drainage Stream Mapping	Stream Mapping Assessment	\$ 60,000.00	Have a consultant GPS and inventory all streams that feed into the Union River Reservoir on City of Bremerton Property.
Forest Bridge Replacement*	Replace 5400 Rd Bridge	\$ 200,000.00	Licensed engineer to develop plans and installation of concrete bridge.
Culvert Replacement*	Replace Culverts	\$ 15,000.00	Replace 6 culverts, flagged for replacement by forestry division.
Forestry Machinery/ Equipment	Equipment Funds	\$ 525,000.00	Annual funds available for accessories or small equipment needed for Forestry owned equipment.
*New Proposed Projects			

2025 - 2045 Total

\$ 5,566,112.00

Issue Assessment

The culverts on City Utility Lands have been well maintained, are currently in good overall condition, and should be monitored periodically to ensure they are replaced when appropriate. Periodic culvert installation or replacement could be considered part of road maintenance and not necessarily a capital improvement as it is a relatively minor expense.

Bridges are a significant expense and improvement to the Utility Lands and should be considered a capital improvement. Out of the nine bridges on Utility Lands, one will need to be updated or replaced within the next 20-years. Bridge #9 (5400-Road Bridge) is located roughly one-half mile north of Union Reservoir (See Figures 2, 3, 4).

Timing and Cost

The bridge that will need to be replaced is currently functional and does not require immediate attention, but the replacement should be completed within the next 20-years as determined by the Forestry Manager. The cost for this replacement can fluctuate greatly as material costs can change dramatically over time. Bridge #9 is roughly 60-feet long and currently composed of wood and steel. We recommend replacing with concrete, which will be more durable than steel. The estimated cost of a single concrete bridge, including installation is approximately \$175,000.00. In addition to the actual infrastructure cost, engineered plans will need to be developed by a licensed engineer as part of the permit process. The cost estimate for these plans is \$15,000.00.

Figure-1. City of Bremerton Roads and Infrastructure Map

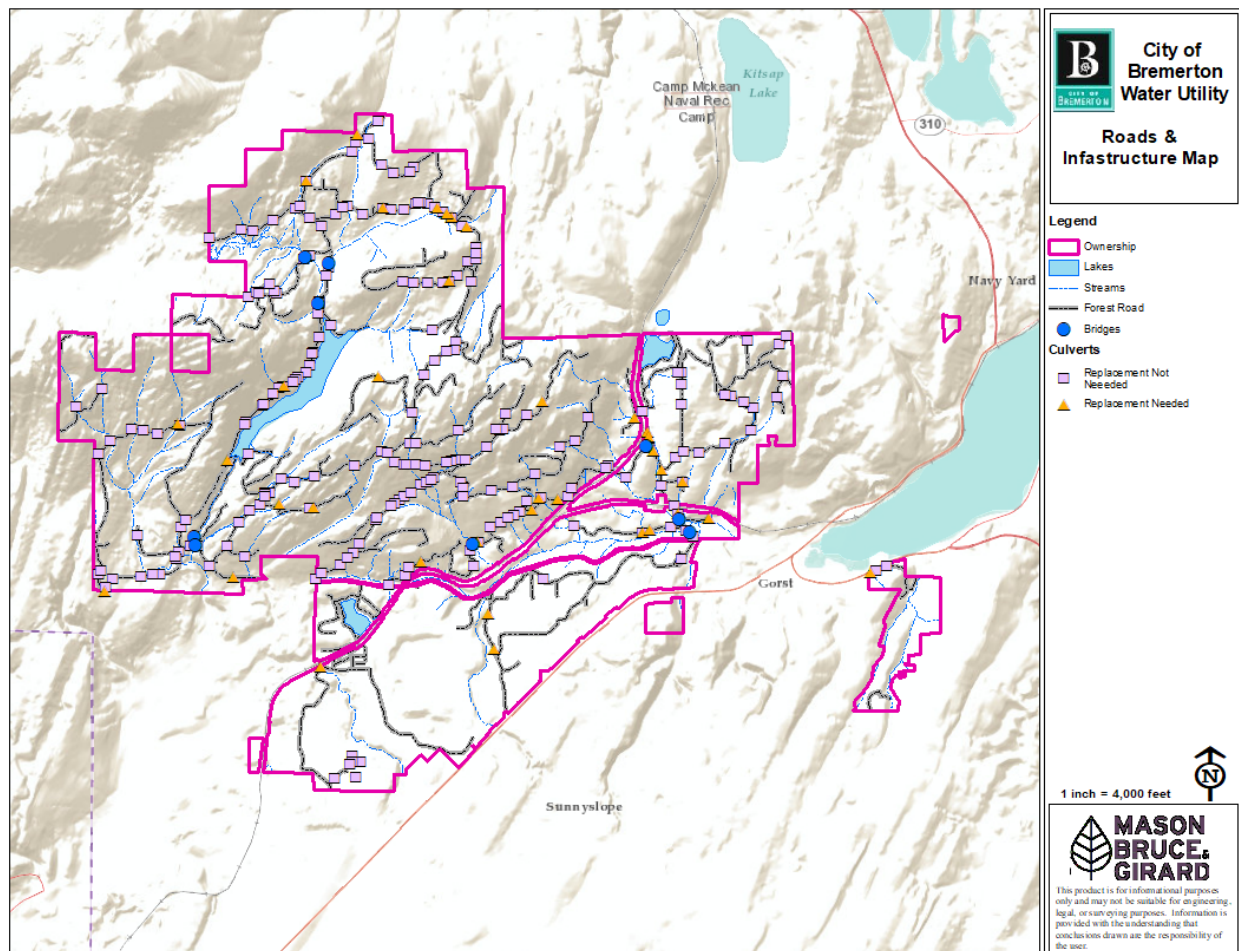


Figure-2. Map of Proposed Bridge Replacement

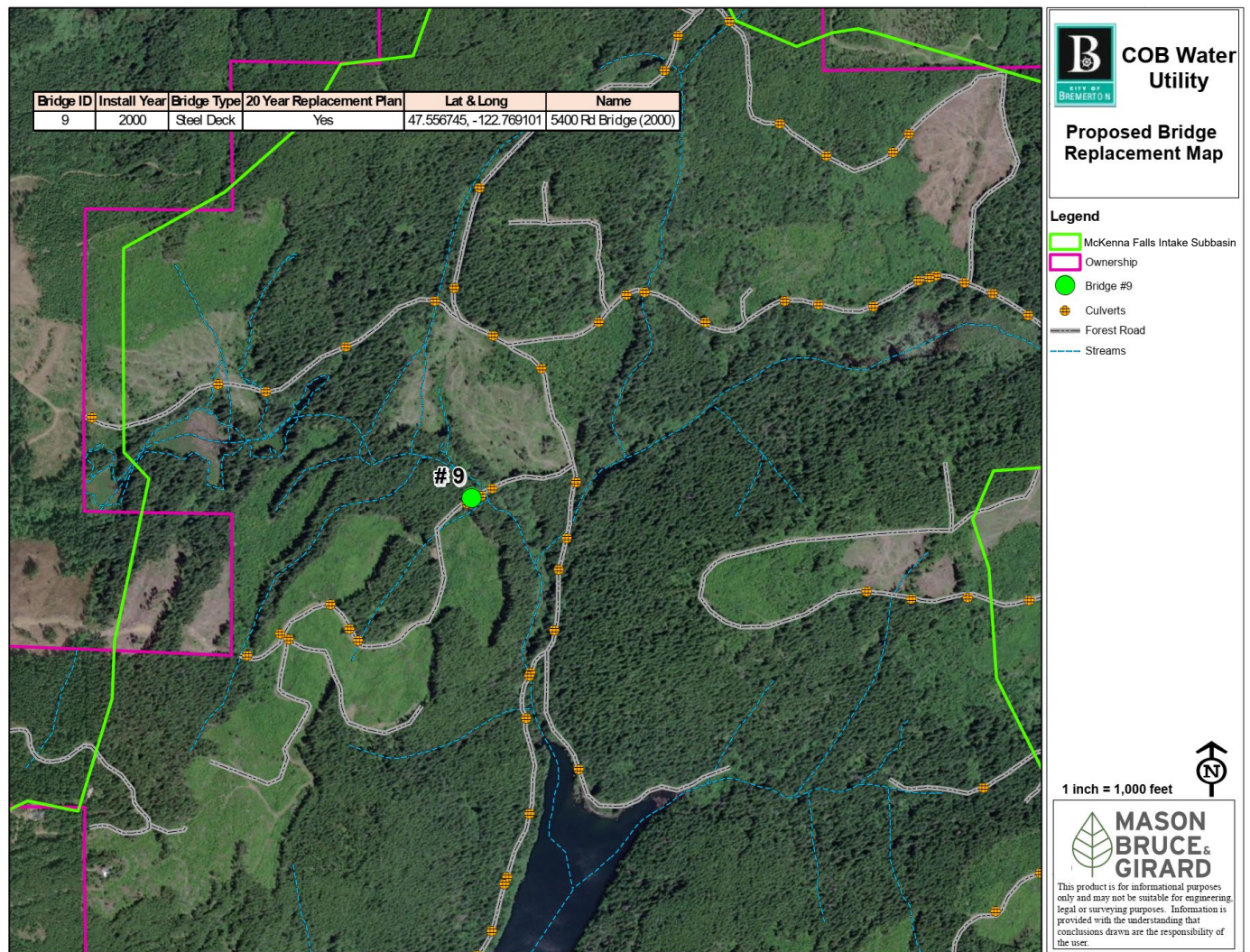


Figure-3. Bridge-9



Figure-4. Bridge-9



Figure-5. Bridge-9



To: City of Bremerton
From: Mason, Bruce & Girard, Inc. Technical Team
Date: 2/18/2025
Re: Special Topic: Carbon Project Considerations

Introduction

Carbon projects on forest lands provide land managers an option for generating revenue by increasing carbon stored in the forest. This memo provides background information on forest carbon projects, identifies key considerations for land managers interested in assessing carbon project opportunities, and provides a high-level assessment of the likelihood that a carbon project would result in additional revenue to the City of Bremerton.

How do carbon projects work?

Carbon projects, whether forest based or not, generate revenue through the creation and sale of “carbon credits.” A carbon credit represents one metric ton of carbon dioxide equivalent or CO₂e.¹ The number of carbon credits generated by a forest project depends on multiple factors including the scale of the project, the growth rate of the forest in the project area, and the baseline condition which the project is assessed against. The baseline condition is defined by a “protocol.” Under a carbon project, forest managers implement practices that result in forest carbon stocks higher than the baseline. In carbon project terms, the project provides “additionality.” Land managers engage a carbon developer (such as Anew, FiniteCarbon, or The Climate Trust) to develop a carbon project. The developer then works with a carbon registry (such as Verra or American Carbon Registry) to show compliance with the protocol. The developer then facilitates the sale of carbon credits on the carbon market.

Carbon credits are traded on two broad types of markets: compliance markets and voluntary markets. Currently, forest carbon projects in Washington State are eligible for both types of markets, if the project meets the requirements of eligible protocols for a given market.

Forest carbon projects have different commitment periods. Projects designed for the compliance market require a commitment of 100 years. Voluntary market projects generally have a duration of 20-years or more. These periods typically extend from the time of credit generation. As a result, a project that generates credits, for example, five years after the project starts will have to last at least 25-years. Projects can be structured to generate credits at different times. In most cases, revenue from the credits is

¹ Equivalent in the sense of equivalent climate change impact as 1 metric ton of CO₂.

generated following storage of carbon by the project, however, some projects can be structured so payments occur prior to carbon storage at a discounted price.

The price of a carbon credit depends on the market. Carbon credit prices from the auction in the second quarter 2024 for the Washington State compliance market were \$29.92 per credit. This price is down from \$63.03 per credit in the third quarter of 2023. Forest carbon projects in Washington are eligible to sell credits in the California carbon market, the largest U.S. compliance market. In that market, prices at the August 2024 auction were \$30.24 per credit. In 2023, voluntary market-improved-forest-management-projects had an average carbon price of \$12.34,² though prices vary by project and protocol.

Forest carbon projects require monitoring and reporting, which would be an additional cost for the City and additional time for the Forestry Division to manage. This monitoring includes the establishment and remeasurement of permanent forest inventory plots. The protocol defines the density of the plots across the property and the frequency of measurement needed to meet protocol-determined accuracy targets. These inventories are usually more intensive than those commonly used by forest land managers. Reporting requirements are defined by the protocol, but typical reporting includes high-level annual reports and periodic in-forest carbon re-measurement. The cost of the inventory depends on the complexity of the land base. Lands with a variety of different forest types will be most expensive. The cost can be estimated during project development.

Project Scale

Projects usually must exceed 3,000 to 5,000 acres³ to generate enough credits to generate sufficient revenue to cover costs associated with the project, with better opportunities for revenue from projects over 10,000 acres. An exception to this would be protocols that allow aggregation of properties with different owners into a carbon project. However, no such protocol is applicable to Washington forest lands.

MB&G knows of one carbon project on municipal lands of similar scale to the City of Bremerton Utility Lands. The City of Astoria entered 3,700 acres in the city's Bear Creek watershed, the city's drinking water source, into a carbon project under an American Carbon Registry improved forest management protocol. Astoria reports generating \$1,055,000 in net revenue in the first five years of the project to 2020, with expected future expenses of \$108,500.⁴

² <https://www.newprivatemarkets.com/data-snapshot-pricing-on-the-voluntary-carbon-market/>

³ E.g., a 3,500 acre project developed by the climate trust in coastal Oregon
<https://climatetrust.org/projects/coastal-edge-forest/>

⁴ The American Carbon Registry improved forest management protocol as been updated since Astoria developed a carbon project. These changes could affect both the potential revenue and potential costs of a carbon project. Astoria's costs and revenue projections may not be representative costs and revenue under other projects due to these changes in the protocol and site-specific considerations such as timber volume and growth rate.

Protocol Options

Two types of protocols are applicable to forested lands – improved forest management and avoided conversion protocols.⁵ Of these, improved forest management is the only protocol potentially applicable to the City of Bremerton Utility Lands, since the lands have no risk of conversion to other use due to the need to protect the City’s drinking water resource.

The improved forest management protocols do not specify particular management regimes for a project area, just the baseline. Forest managers then develop plans to manage in a manner to increase carbon storage on the property or maintain already existing carbon stocks above baseline levels. In the Pacific Northwest, extending harvest rotations is the most common method to do this.

Developing a Project

Land managers, in conjunction with a carbon project developer, can assess multiple potential management regimes against the baseline to calculate the number of credits that could be generated. Once a management regime is selected the land manager and project developer work with a “carbon registry” to get the project approved and credits issued. The registry ensures the proposed project complies with the protocol and that the additionality calculation is accurate for the project area. The registry also tracks ownership, issuance, retirement, and transfer of carbon credits.

Carbon Project Potential on City of Bremerton Utility Lands

In order to fully assess the potential of City of Bremerton Utility Lands for a carbon project, an in-depth analysis is needed. However, a preliminary analysis indicates that the net revenue generating potential of a carbon project on the Utility Lands is low. The total area of the Utility Lands is at or near the breakeven point beyond which the project would become profitable. In addition, as a public land manager, the baseline for these lands is likely to assume higher forest carbon stocks than for private lands in western Washington. The current harvest intensity on Bremerton’s lands is relatively low. As a result, the potential additional carbon storage is lower than on more intensively harvested lands. Less potential additionality reduces the number of credits that can be generated and therefore the total potential revenue.

Certain changes to carbon protocols or carbon markets could increase the potential revenue from a project on in the Bremerton Utility Lands. For example, if carbon protocols that allow project aggregation for monitoring are introduced in Washington, the cost of project implementation could be reduced. Alternatively, a significantly increased carbon unit price would increase the revenue potential. If, or when, these protocol and market changes may occur is unknown.

⁵ Afforestation protocols also exist but these are applicable to lands that have lost forest cover due to natural disturbance or conversion to another land use and would store more carbon if planted with trees.

Attachment 1

Follow-up questions from Advisory Committee Meeting #3, September 9, 2024

- 1) Initiative 2117 would repeal the 2021 Washington State Climate Commitment Act. It would prohibit state agencies from implementing any cap and trade or cap and tax programs. If the initiative passes, would a carbon credit program even be possible on the City's lands?

Yes. The City could develop a carbon program for the voluntary market or the California compliance market.

- 2) Is a carbon project permanent? Is there potential for the City to need to harvest for forest health in the future and then not be able to?

Carbon projects are not permanent. Projects have terms that generally range from 20 to 100 years depending on the protocol and market. Carbon projects are not strictly no harvest programs. The protocols allow for harvest to continue, though this does affect the number of carbon credits generated for sale. In the case of a forest health issue that would be resolved through harvest, if the harvest exceeds what can be done under the project, the number credits generated would be reduced or penalties may be incurred. The exact details would depend on the situation.

- 3) Is there research into what we could be doing to increase carbon sequestration or is the science still fairly new?

There is science available regarding carbon sequestration in forests and wood products and potential impacts of forestry on atmospheric carbon. The results differ depending on the scope of the analysis and the timescale. Significant research continues on this topic.

To: City of Bremerton
From: Mason, Bruce & Girard
Date: 05/27/2025
Re: Special Topic: Sustainable Timber Harvest Alternatives and Associated Revenue and Water Rate Impacts

Introduction

Sustainable harvest is defined as the volume of timber that can be harvested annually from a given land base on a perpetual basis without reducing the total merchantable volume. A sustainable harvest can be boiled down to mean: “harvest equals growth”. A key factor that must be considered when determining the sustainable harvest level is the rotation age. The lower the rotation age, the higher the annual harvest. Industrial forest owners that are tasked with maximizing net present value generally harvest when the discount rate exceeds the timber's growth rate, which occurs around age 40. Forest owners with values and goals that are not strictly driven by economics will set older rotation ages, which results in lower annual yields.

In order for the City of Bremerton to determine the appropriate level of harvest from their forestland, it is important to understand the options for harvest in the context of sustainability and other goals, and how decisions on harvest levels will affect associated revenue and impact water-rates. While the focus of this memorandum is sustainable harvest, serious consideration must also be given to how the harvest level and location of harvests will affect resource protection and the unfiltered surface water status of the City's drinking water.

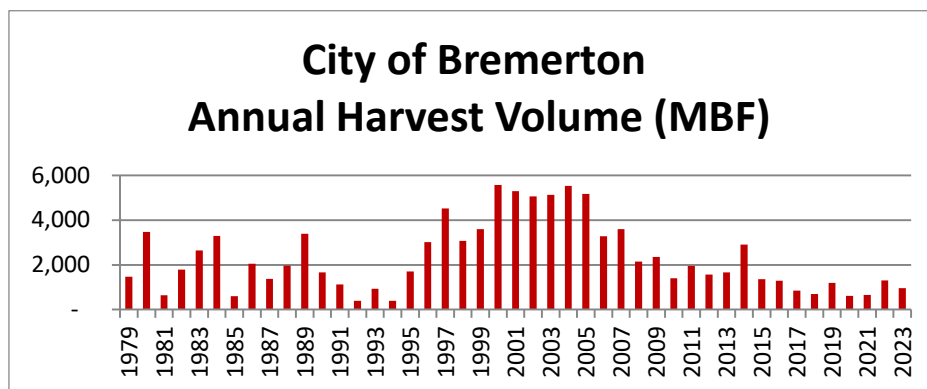
Background Information

Historic Harvest and Revenue Levels

Since 1979, the median¹ annual harvest level for the City of Bremerton is 1.8-million board feet (mmbf). Most of this volume has come from land outside the McKenna Falls Intake Subbasin, which is the catchment area that produces drinking water for the City. In the Subbasin, protection of the resource is the primary goal, while harvest goals are secondary. Figure-1 illustrates the annual harvest levels since 1979.

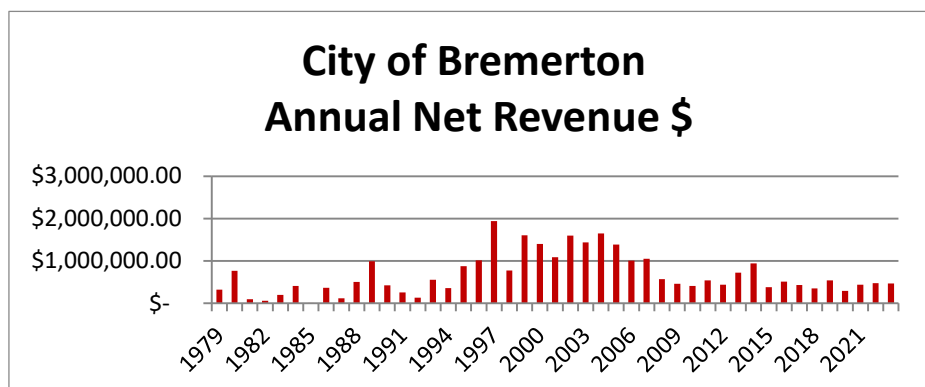
¹ Median instead of mean (average) values are used throughout this memo as the median is less sensitive to outliers and extreme values, which exist over the 45-year set of data.

Figure-1. Annual Harvest Volume² Since 1979



Since 1979, the median annual net revenue level for the City of Bremerton is \$507,000.00 (nominal dollars). Figure-2 illustrates the annual net revenue levels since 1979.

Figure-2. Annual Net Revenue Since 1979



² MBF = Thousand Board Feet

In the last 10-years the median annual harvest volume and median annual net revenue levels have been 1.1-mmbf and \$452,000.00, respectively. Figures 3 and 4 illustrate the fluctuation of harvest and revenue level by decade. Fluctuations were mainly a result of varying demands for revenue.

Figure-3. Median Annual Harvest Volume by Decade

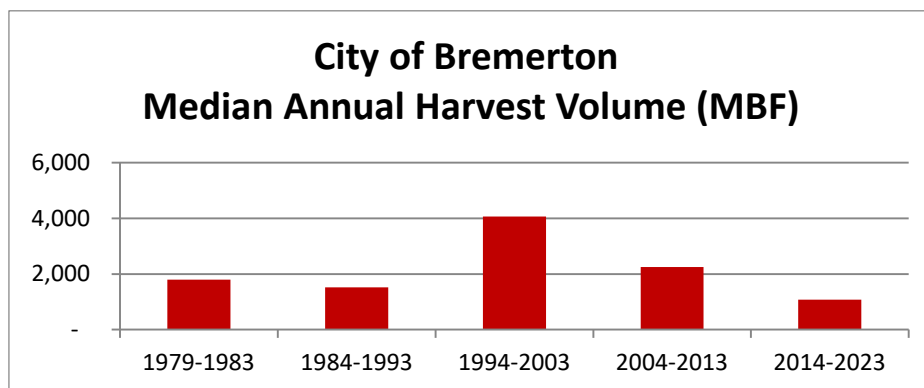
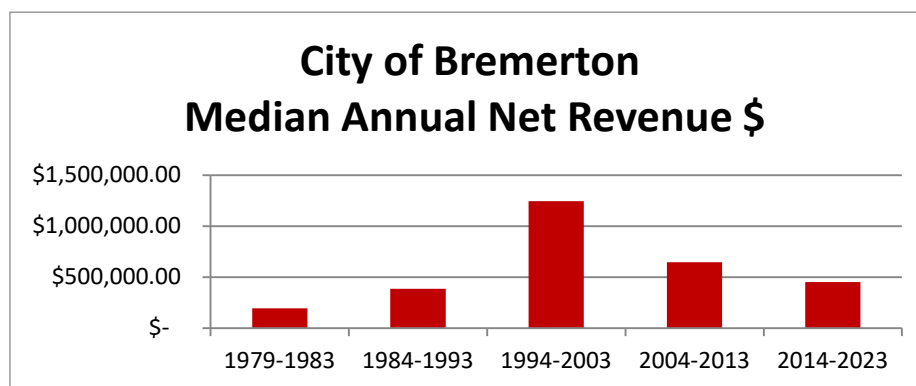


Figure-4. Median Annual Net Revenue by Decade



Historic Sustainable Harvest Calculations

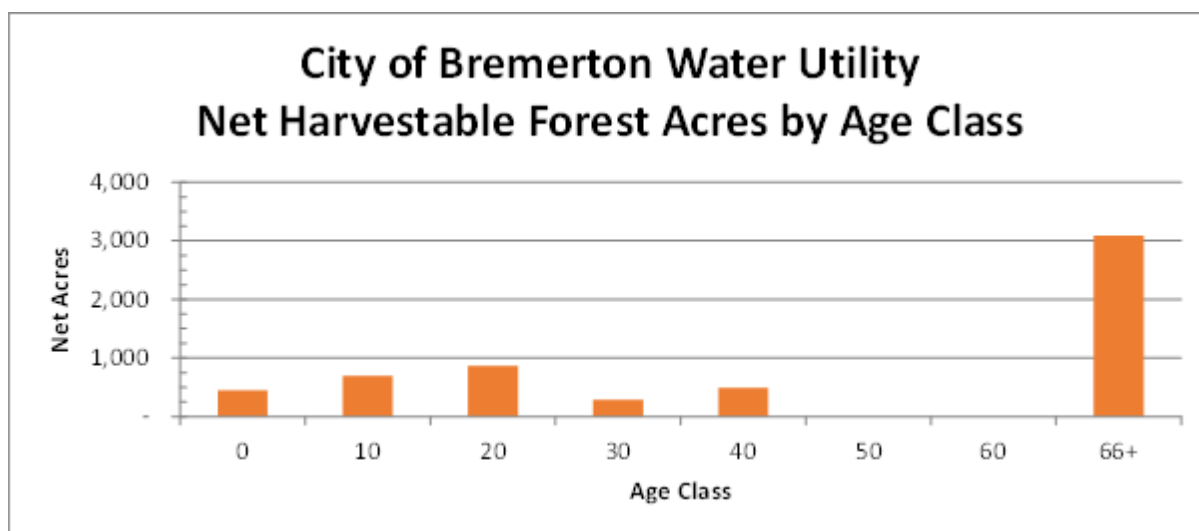
A 2006 analysis by the University of Washington (UW) College of Forest Resources, in conjunction with Washington Timber Management, Inc, using Landscape Management System (a forestry modeling program), provided the City with two separate guidelines for harvest from their timberlands. For land within the McKenna Falls Intake Subbasin watershed, where water production is the main priority, the annual harvest level would be set at 500,000 board feet or 30% of the annual growth of 1.7-mmbf. Based on the 2005 inventory, this equates to a 100-year rotation within the actual watershed. For lands outside the watershed the annual sustainable harvest level was set conservatively at 2.4-mmbf, which was based on modeling that showed sustainable average annual harvest volumes outside the watershed could range from 2.5-3.0 mmbf.

A 2016 analysis by Lusignan Forestry provided 10-year guidelines for sustainable harvest levels for all harvestable timber owned by the City, based on either a 50 or 60-year rotation. The analysis assumed that all acres 30-years of age and greater were merchantable, and that all those acres would be cut in a given timeframe. The results were sustainable annual harvests of 2.6 and 3.1-mmbf for 60 and 50-year rotations respectively.

2024 Sustainable Timber Harvest Alternatives

There are 5,864 total net harvestable forest acres owned by the City. Harvestable forest is defined as that which can be potentially harvested and excludes roads, riparian areas, and non-forested areas. There are 3,573-acres older than 35 years of age, which are considered merchantable for the purpose of analyzing the sustainable harvest level. Figure-5 shows a breakdown of the net harvestable acres by age class. Note that the inventory shows no new stands were established (following a clearcut) from 1956 through 1979, which is why there is a gap between the 40 and 66+ year age classes.

Figure-5. City of Bremerton Net Commercial Forest Acres by Age Class



There is 115.5-mmbf of volume in the merchantable category, greater than 35-years of age.

Based on the current merchantable and harvestable acreage of 3,573-acres, and a current total volume within that acreage of 115.5-mmbf, the even-flow sustainable harvest per year, across all harvestable Utility timberland, for the next ten years would be:

- **Based on a 60-year rotation: 3.2-mmbf per year**
- **Based on a 50-year rotation: 3.8-mmbf per year**

If we check these sustainable harvest levels against the “harvest equals growth” definition of sustainable harvest, the available ‘commercial forest’ acres would need to be growing 539 thousand board feet (mbf) per acre per year for sustainable annual harvest of 3.2-mmbf on a 60-year rotation. For a 50-year rotation with a sustainable annual harvest of 3.8-mmbf, growth would need to be 647-mbf per acre per year. Based on the research done as part of the 2006 report, the Current Annual Increment (CAI) for all available acres

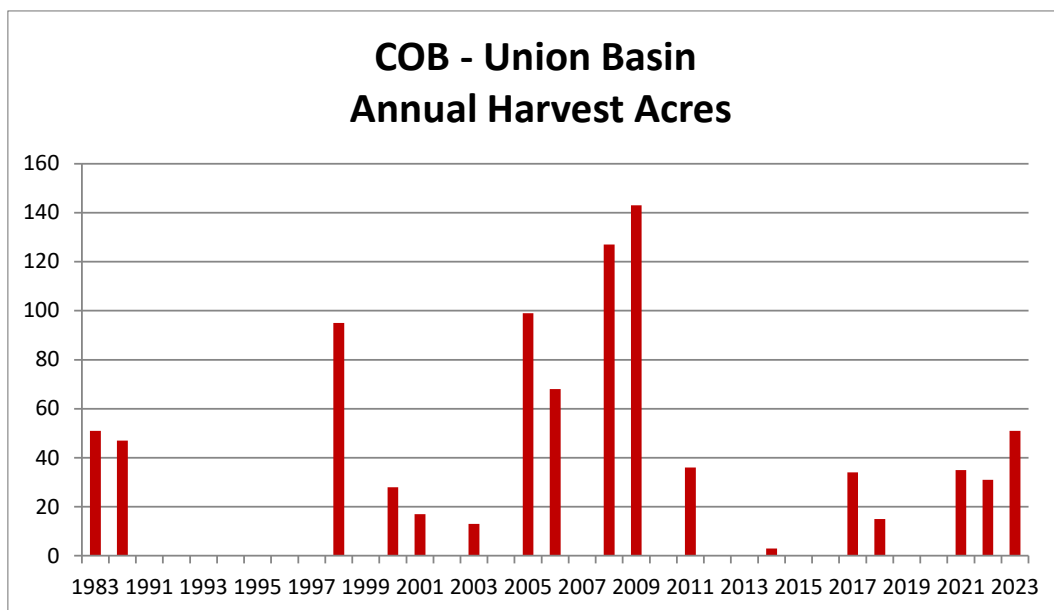
is 724 board feet per acre per year. Therefore, the even-flow sustainable harvest levels for either a 50 or 60-year rotation shown above are well within the annual growth level of the City's available 'harvestable forest' lands.

Harvest Levels in Union River Basin and Other Utility Lands

The McKenna Falls Subbasin contains 2,811 acres of 'harvestable forest', which is 48% of the total 'harvestable forest' acres owned by the City, and contains 1,968-acres that are greater than 35-years of age, which is 55% of the total 'harvestable forest' acres owned by the City that are greater than 35-years of age. If harvest occurred in the Union River Basin proportionally over the next 10-years, 1.5 to 1.8-mmbf would be harvested from land within the Union River Basin. This would more than triple the 500-mbf annual harvest level recommended in the 2006 UW report. Historically the City has harvested an average of roughly 25-acres per year within the Union River Basin, as shown in Figure 6. This represents an annual harvest within the Basin of roughly 750-mbf. Harvests within the Basin have been compatible with the resource protection necessary to maintain unfiltered surface water status of the City's drinking water. If the City continues to average 25-acres of harvest within the Union River Basin, and the goal for the Other Utility Lands remains either a 50 or 60-year rotation, the even-flow sustainable harvest per year for the next ten years would be:

- **Other Utility Lands 60-year rotation: 1.6-mmbf per year**
- **Other Utility Lands 50-year rotation: 2.0-mmbf per year**
- **Union River Basin Fixed Harvest Level: 25-acres per year (0.75-mmbf per year)**

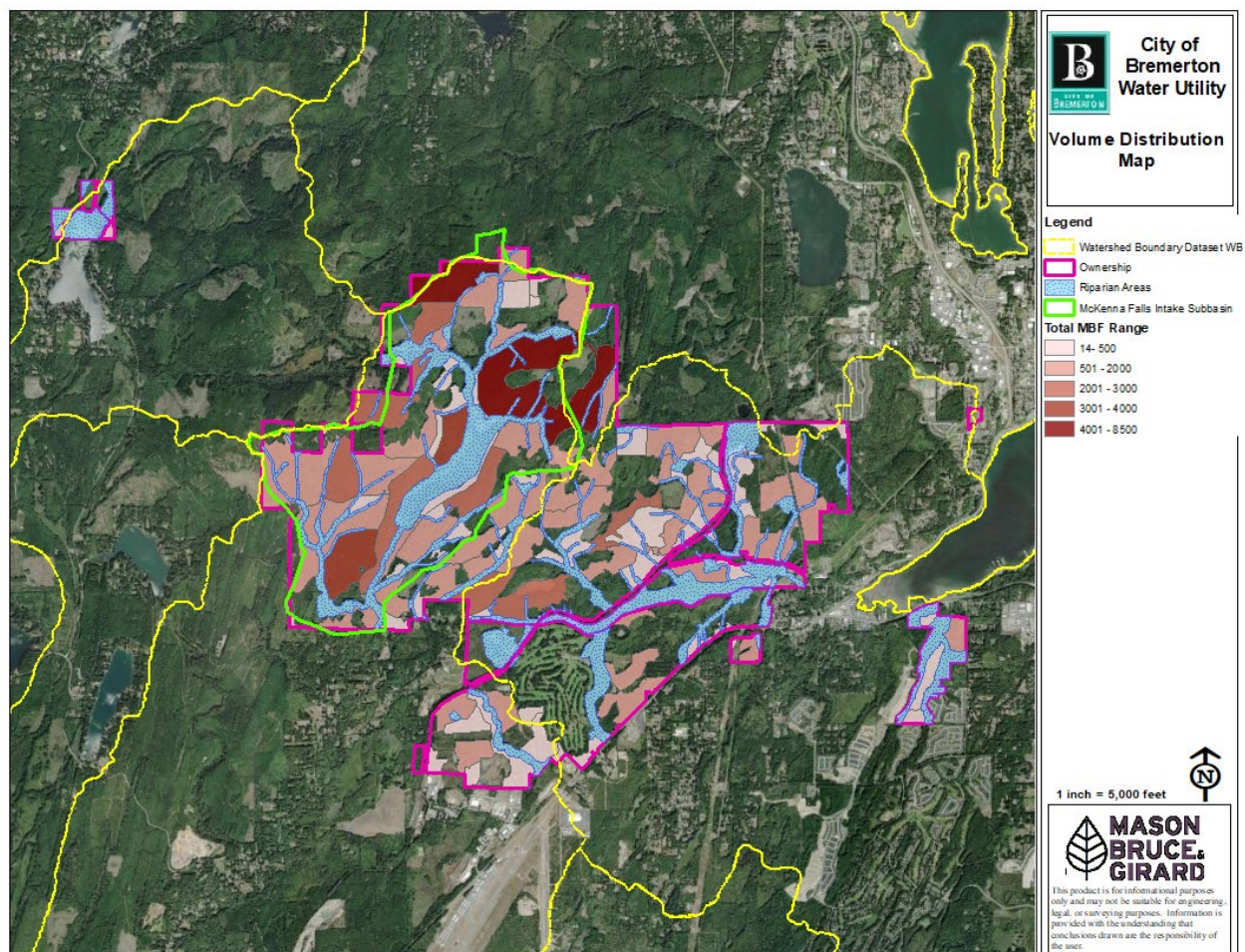
Figure-6. City of Bremerton Union River Basin Annual Harvest Acres



Harvest Alternatives and Revenue Impacts

Figure-7 shows the location of merchantable volume across City of Bremerton Utility Lands. There is a roughly equal distribution of merchantable volume within the McKenna Falls Intake Subbasin and outside the Subbasin on other Utility Lands.

Figure-7. Merchantable Volume Distribution Across Bremerton Utility Lands



Below are alternatives for the City to consider when planning the future direction of timber harvesting on their Utility Lands. The alternatives in Table-1 include those which limit the harvest volume within the McKenna Falls Intake Subbasin to 25-acres annually and lands outside the Subbasin are harvested on either a 50 or 60-year rotation. It is assumed that the value of the volume will equal the median per MBF value of the last 10-years, which is \$465 per MBF.

Table-1. Bremerton Utility Lands Sustainable Harvest Alternatives

Sustainable Alternative	Annual Volume (MBF)	Annual Estimated Net Revenue
No Harvest	0	\$ 0
Current Program	1,100	\$ 511,500
50yr Rotation Limited McKenna Falls Intake Subbasin Harvest	2,750	\$ 1,278,750
60yr Rotation Limited McKenna Falls Intake Subbasin Harvest	2,350	\$ 1,092,750

Water Rate Impacts

The City has engaged FCS Group as a part of the MB&G Team to specifically assess the potential impacts of the alternative sustainable harvest levels on water rates. The water rate assessment will be completed by FCS Group based on the alternatives presented here as well as other economic data and assumptions explored during development of the revised Utility and Forest Land Management Plan (UFLMP). Results will be presented concurrently with the draft UFLMP.



To: City of Bremerton
From: Mason, Bruce & Girard, Inc. Technical Team
Date: April 18, 2025
Re: Special Topic: Revenue and Water Rate Impacts

Introduction

The City of Bremerton's (City) water utility is an enterprise fund responsible for funding all of its related costs through user fees. The primary source of funding for the water utility is derived from ongoing charges billed every month for service, with additional revenues coming from facilities leases, water connections, timber sales, other service charges and other miscellaneous fees. The City controls the level of user charges by ordinance, and subject to statutory authority, can adjust user charges as needed to meet financial objectives.

A key component of the Utility Land Management Plan (ULMP) Update is to understand the revenue and/or expense impacts that result from the timber harvest alternatives identified in the ULMP.

Background Information

The City evaluates rates on an annual basis. Every 5 to 7 years, the City also engages a consultant to review the rate model, assumptions, and future needs to ensure that the rate projections developed remain adequate. Any significant changes are incorporated into the financial plan and future rates are adjusted as needed.

The primary goal of the financial plan is to develop a multi-year rate strategy that generates sufficient revenue to cover the total operating costs of the water system and execute the capital program. The plan focuses on defining the amount of revenue needed to meet the water system's financial obligations including:

- Operation and maintenance costs
- Administrative and overhead costs
- Policy-based needs (e.g., reserve funding)
- Capital costs
- Existing/new debt service obligations

The water utility financial plan developed as part of the 2022 rate study update was used as the foundation for the financial evaluation completed as part of the ULMP. The following data were updated in the financial plan to ensure impacts reflect the current operations of the water system:

- Budget 2025 operating and capital beginning fund balances
- Actual 2024 and budget 2025 detailed line-item expenditures
- Actual 2024 general water sales and budget 2025 sales revenue - future years projected revenue based on 0.60 percent annual growth
- Annual debt service obligations including new loan draws and anticipated new debt issues
- 2025-2030 Water System Capital Improvement Plan , prior five year average used for 2031-2034

In addition to the updated components of the financial plan, any recommendations identified in the seven (7) special topic memoranda were incorporated. A summary of the findings and recommendations incorporated in the financial plan are as follows:

Special Topic Memorandum	Financial Impact
1. Carbon Project Considerations	N/A at this time
2. Adjacent Land Use	N/A at this time; consider reserve funding for future potential acquisitions
3. Kitsap Lake to Jarstad Park Trail	N/A; comprehensive feasibility assessment needed
4. Security Processes and Procedures	N/A; Included in current budget/capital plans
5. Staffing	N/A; remain at current staffing levels
6. 20-Year Capital Improvement Plan	\$5.566M total identified; \$4.151M is included in master 20-year water capital plan; additional \$1.415M included in alternatives evaluation.
7. Sustainable Timber Harvest Alternatives (Net Revenue Presented)	<p>4 alternatives evaluated</p> <p>No harvest - \$0 revenue/yr.</p> <p>Current program - \$511,500 revenue/yr.</p> <p>50-year rotation - \$1,278,750 revenue/yr.</p> <p>60-year rotation - \$1,092,750 revenue/yr.</p> <p><i>Note – commercial timber landowners typically plan on a 30 to 40 year rotation</i></p>

Table 1: Summary of Special Topic Memoranda Financial Considerations

Issue Assessment

For over 45 years, the City has used revenue from timber sales to help fund essential projects that protect and maintain critical infrastructure in the Union River Watershed. The financial assessment evaluates the water rate impacts resulting from maintaining or changing timber harvest levels. The ULMP recommendations and alternatives under consideration are summarized in Table 1. The financial impacts

are determined by including known costs and revenue changes and determining the water rates that are required to cover current operating and capital needs, additional costs and/or revenue changes identified and maintaining the City’s fiscal policy requirements.

Timber Harvest Alternatives

The timber harvest alternatives and resulting water rate impacts were calculated using the existing 20-year financial plan completed during the 2022 Rate Update. As noted previously, all key financial components have been updated to 2025 budget values. All the alternatives evaluated use consistent financial information and include the additional \$1.415 million in Forestry Division capital projects identified in the Capital Improvement Special Topic Memo. Each year with the budget, the City reviews and approves a 6-year Capital Improvement Plan (CIP) for the Water fund. Expenditures for the first two years of the CIP are consistent with the Water Capital budget, and the remaining 4 years are a forecast that is used to evaluate the required future revenue. The current capital plan covers the period of 2025 – 2030. To remain consist with the 10-year time period the ULMP will be in effect, the annual CIP for 2031-2035 used the prior five-year annual average as an estimate (\$5.9 million per year). The varying levels of timber harvest revenue under each alternative are expressed as “net” revenue, meaning the revenue generated is after associated logging costs and contractor costs are accounted for. The 10-year time period of 2026-2035 is the time period used to evaluate the rate impacts for each of the timber harvest alternatives.

Current Harvest

This alternative assumes the current level of \$511,500 per year in timber sales revenue. The difference for this alternative compared to the current program is the addition of the \$1.415 million in Forestry Division capital not currently accounted for in the 20-year water system capital plan. This alternative is slightly higher than the current rate projection due to the noted capital additions that are assumed to be cash financed. The ten year change in rates is \$14.61 (\$47.95 less \$33.34) or an average of \$1.46 monthly change in rates.

	Current					Projected					
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Impact		3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
SF Mo. Bill	\$ 33.34	\$ 34.57	\$ 35.85	\$ 37.18	\$ 38.55	\$ 39.98	\$ 41.46	\$ 42.99	\$ 44.59	\$ 46.24	\$ 47.95
Change (\$)		\$ 1.23	\$ 1.28	\$ 1.33	\$ 1.38	\$ 1.43	\$ 1.48	\$ 1.53	\$ 1.59	\$ 1.65	\$ 1.71

Table 2. Sample Single Family Monthly Bill – Current Harvest

No Harvest

This alternative assumes no revenue is generated from timber sales, leaving less revenue to cover operating costs. This alternative has the largest rate impact of the alternatives due to the loss of \$511,500 per year or \$5.1 million for the ten year period. The ten year change in rates is \$17.21 (\$50.55 less \$33.34) or an average of \$1.72 monthly change in rates.

	Current		Projected								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Impact		4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
SF Mo. Bill	\$ 33.34	\$ 34.76	\$ 36.23	\$ 37.77	\$ 39.38	\$ 41.05	\$ 42.80	\$ 44.62	\$ 46.51	\$ 48.49	\$ 50.55
Change (\$)		\$ 1.42	\$ 1.48	\$ 1.54	\$ 1.61	\$ 1.67	\$ 1.74	\$ 1.82	\$ 1.90	\$ 1.98	\$ 2.06

Table 3. Sample Single Family Monthly Bill – No Harvest

50-Year Rotation

This alternative assumes a timber harvest of 2,750 million board feet (MBF), limited Union Basin Harvest and a 50-year rotation. The annual estimated revenue is \$1.3 million (\$1,278,750). This is significant as it is over double the current annual timber sales revenue planned to be received by the City. This alternative has the lowest rate impact due to the level of additional revenue assumed (\$12.8 million during 2026-2035). The ten year change in rates is \$11.03 (\$44.37 less \$33.34) or an average of \$1.10 monthly change in rates. This rate is \$2.66 lower than the City's current projected 2035 rate of \$47.03.

	Current		Projected								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Impact		2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
SF Mo. Bill	\$ 33.34	\$ 34.31	\$ 35.30	\$ 36.33	\$ 37.38	\$ 38.46	\$ 39.58	\$ 40.73	\$ 41.91	\$ 43.12	\$ 44.37
Change (\$)		\$ 0.97	\$ 0.99	\$ 1.02	\$ 1.05	\$ 1.08	\$ 1.12	\$ 1.15	\$ 1.18	\$ 1.22	\$ 1.25

Table 4. Sample Single Family Monthly Bill – 50-Year Rotation

60-Year Rotation

This alternative assumes a timber harvest of 2,350 MBF, limited Union Basin Harvest and a 60-year rotation. The annual estimated revenue is \$1.1 million (\$1,092,750). The 60-year rotation assumes less MBF per year than the 50-year rotation. The resulting revenue is slightly over double (2.13 times) the current Timber sales revenue planned to be received annually by the City. The ten year change in rates is \$11.90 or an average of \$1.19 monthly change in rates. This alternative is also below the current rate projection of the City with the addition of nearly \$11.0 million in revenue during 2026-2035.

	Current		Projected								
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Rate Impact		3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
SF Mo. Bill	\$ 33.34	\$ 34.37	\$ 35.44	\$ 36.54	\$ 37.67	\$ 38.84	\$ 40.04	\$ 41.28	\$ 42.56	\$ 43.88	\$ 45.24
Change (\$)		\$ 1.03	\$ 1.07	\$ 1.10	\$ 1.13	\$ 1.17	\$ 1.20	\$ 1.24	\$ 1.28	\$ 1.32	\$ 1.36

Table 5. Sample Single Family Monthly Bill – 60-Year Rotation

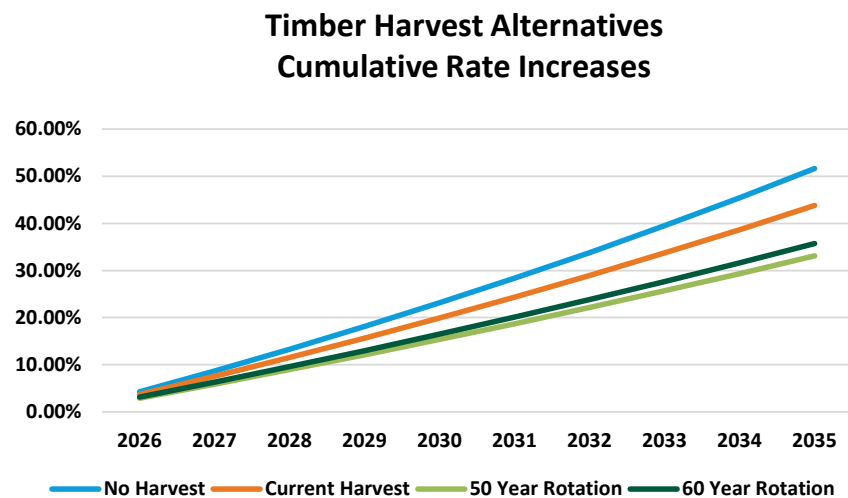
Comparison of Timber Harvest Alternatives

Table 7 provides a summary of the monthly single family rate impacts for each alternative for comparison purposes. The main difference in alternatives is the level of timber harvest revenue assumed. The water rate impacts range from a high of \$50.55 in 2035 (no harvest) to a low of \$44.37 (50-year rotation and max revenue potential). The rate difference between the alternatives is \$6.18 in 2035. As indicated in the table, any timber harvest revenue received will help lower future water rates.

	Current		Projected									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
No Harvest	\$ 33.34	\$ 34.76	\$ 36.23	\$ 37.77	\$ 39.38	\$ 41.05	\$ 42.80	\$ 44.62	\$ 46.51	\$ 48.49	\$ 50.55	
Current Harvest	\$ 33.34	\$ 34.57	\$ 35.85	\$ 37.18	\$ 38.55	\$ 39.98	\$ 41.46	\$ 42.99	\$ 44.59	\$ 46.24	\$ 47.95	
50-Yr Rotation	\$ 33.34	\$ 34.31	\$ 35.30	\$ 36.33	\$ 37.38	\$ 38.46	\$ 39.58	\$ 40.73	\$ 41.91	\$ 43.12	\$ 44.37	
60-Yr Rotation	\$ 33.34	\$ 34.37	\$ 35.44	\$ 36.54	\$ 37.67	\$ 38.84	\$ 40.04	\$ 41.28	\$ 42.56	\$ 43.88	\$ 45.24	

Table 6. Summary of Timber Harvest Alternatives Monthly Bill Impacts

In addition to the monthly single family bill impacts, a graph of the cumulative rate increases is provided to show the range and spread of the timber harvest alternatives over time. As shown, the alternatives show a cumulative rate impact ranging from a low of 33 percent to a high of 52 percent.



Summary

The water rate impacts were calculated using the existing 20-year financial plan completed during the 2022 Rate Update. The rate evaluation used the 2026-2035 time period for consistency with the time horizon of the ULMP. Updated 2025 financial data and consistent capital cost assumptions were used in each alternative. All alternatives developed meet total water system annual operating expenses, planned and recommended capital needs, and debt service obligations. In addition, all alternatives maintain minimum operating fund balance targets (44 days of O&M) and capital fund target of two percent of asset value.

For over 45 years, the City has used revenue from timber sales to help fund essential projects that protect and maintain critical infrastructure in the Union River Watershed. Maintaining existing harvest revenue levels or increasing revenue will continue to help lower future water rates, and contribute to increased reserves, allowing for flexibility in possible land acquisition if/when it may be available.



City of Bremerton

Water Rate Study

Summary

50-Year Rotation

Revenue Requirement	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues											
Rate Revenues Under Existing Rates	\$ 15,461,969	\$ 15,554,740	\$ 15,648,069	\$ 15,741,957	\$ 15,836,409	\$ 15,931,427	\$ 16,027,016	\$ 16,123,178	\$ 16,219,917	\$ 16,317,237	\$ 16,415,140
Timber Sales	511,500	1,278,750	1,278,750	1,278,750	1,278,750	1,278,750	1,278,750	1,278,750	1,278,750	1,278,750	1,278,750
Non-Rate Revenues	2,860,466	2,428,308	2,355,589	2,427,487	2,502,449	2,580,548	2,661,920	2,746,708	2,853,760	2,945,845	3,041,807
Total Revenues	\$ 18,833,935	\$ 19,261,798	\$ 19,282,408	\$ 19,448,194	\$ 19,617,608	\$ 19,790,725	\$ 19,967,686	\$ 20,148,636	\$ 20,352,427	\$ 20,541,831	\$ 20,735,697
Expenses											
Cash Operating Expenses	\$ 15,075,914	\$ 15,759,610	\$ 16,246,500	\$ 16,784,930	\$ 17,352,483	\$ 17,951,355	\$ 18,583,947	\$ 19,252,883	\$ 19,964,248	\$ 20,714,717	\$ 21,510,925
Existing Debt Service	589,046	587,287	585,099	582,481	581,347	425,029	425,251	419,967	419,376	423,279	226,983
New Debt Service	116,396	295,643	295,643	295,643	313,573	385,292	385,292	1,320,235	1,320,235	1,320,235	1,761,246
Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 15,781,356	\$ 16,642,540	\$ 17,127,242	\$ 17,663,054	\$ 18,247,404	\$ 18,761,677	\$ 19,394,491	\$ 20,993,085	\$ 21,703,860	\$ 22,458,232	\$ 23,499,155
Net Surplus (Deficiency)	\$ 3,052,579	\$ 2,619,258	\$ 2,155,166	\$ 1,785,141	\$ 1,370,205	\$ 1,029,049	\$ 573,194	\$ (844,450)	\$ (1,351,432)	\$ (1,916,401)	\$ (2,763,457)
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	\$ 3,052,579	\$ 2,619,258	\$ 2,155,166	\$ 1,785,141	\$ 1,370,205	\$ 1,029,049	\$ 573,194	\$ (844,450)	\$ (1,351,432)	\$ (1,916,401)	\$ (2,763,457)
% of Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.24%	8.33%	11.74%	16.83%
Annual Rate Adjustment	0.00%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%	2.90%
Cumulative Annual Rate Adjustment	0.00%	2.90%	5.88%	8.95%	12.11%	15.37%	18.71%	22.15%	25.70%	29.34%	33.09%
Rate Revenues After Rate Increase	\$ 15,461,969	\$ 16,005,828	\$ 16,568,817	\$ 17,151,608	\$ 17,754,899	\$ 18,379,410	\$ 19,025,887	\$ 19,695,104	\$ 20,387,859	\$ 21,104,982	\$ 21,847,329
Additional In-Lieu of Taxes from Rate Increase	\$ -	\$ 92,604	\$ 189,020	\$ 289,387	\$ 393,847	\$ 502,546	\$ 615,638	\$ 733,281	\$ 855,637	\$ 982,876	\$ 1,115,174
Net Cash Flow After Rate Increase	\$ 3,052,579	\$ 2,977,742	\$ 2,886,894	\$ 2,905,404	\$ 2,894,848	\$ 2,974,485	\$ 2,956,427	\$ 1,994,195	\$ 1,960,873	\$ 1,888,468	\$ 1,553,557
Coverage After Rate Increases	23.75	22.21	22.59	22.88	22.97	23.14	23.31	6.67	6.83	6.78	5.49
Sample Residential Monthly Bill (5/8" Meter, x 6 ccf)	\$ 33.34	\$ 34.31	\$ 35.30	\$ 36.33	\$ 37.38	\$ 38.46	\$ 39.58	\$ 40.73	\$ 41.91	\$ 43.12	\$ 44.37
Monthly Average Increase (\$)	\$	\$ 0.97	\$ 0.99	\$ 1.02	\$ 1.05	\$ 1.08	\$ 1.12	\$ 1.15	\$ 1.18	\$ 1.22	\$ 1.25



City of Bremerton
Water Rate Study
Summary
50-Year Rotation

Fund Balance	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Reserve											
Beginning Balance	\$ 8,754,254	\$ 10,206,833	\$ 1,899,789	\$ 1,958,482	\$ 2,023,389	\$ 2,091,806	\$ 2,163,999	\$ 2,240,257	\$ 2,320,895	\$ 2,406,649	\$ 2,497,117
plus: Net Cash Flow after Rate Increase	3,052,579	2,977,742	2,886,894	2,905,404	2,894,848	2,974,485	2,956,427	1,994,195	1,960,873	1,888,468	1,553,557
less: Transfer of Surplus to Capital Fund	(1,600,000)	(11,284,786)	(2,828,200)	(2,840,498)	(2,826,430)	(2,902,292)	(2,880,170)	(1,913,556)	(1,875,119)	(1,798,001)	(1,457,576)
Ending Balance	\$ 10,206,833	\$ 1,899,789	\$ 1,958,482	\$ 2,023,389	\$ 2,091,806	\$ 2,163,999	\$ 2,240,257	\$ 2,320,895	\$ 2,406,649	\$ 2,497,117	\$ 2,593,098
O&M Target Balance	\$ 1,817,370	\$ 1,899,789	\$ 1,958,482	\$ 2,023,389	\$ 2,091,806	\$ 2,163,999	\$ 2,240,257	\$ 2,320,895	\$ 2,406,649	\$ 2,497,117	\$ 2,593,098
Days	247	44	44	44	44	44	44	44	44	44	44
Capital Reserve											
Beginning Balance	\$ 5,642,811	\$ 5,393,512	\$ 13,709,050	\$ 14,030,906	\$ 12,529,963	\$ 10,111,453	\$ 9,878,432	\$ 7,067,350	\$ 13,608,459	\$ 9,408,471	\$ 4,805,056
plus: Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from Operating Fund	1,600,000	11,284,786	2,828,200	2,840,498	2,826,430	2,902,292	2,880,170	1,913,556	1,875,119	1,798,001	1,457,576
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	460,600	2,000,024	600	600	200,600	800,600	600	600	600	600	600
plus: General Facilities Charge Revenue	1,850,000	1,355,508	1,418,187	1,483,764	1,552,373	1,624,154	1,699,255	1,777,829	1,860,036	1,946,044	2,036,029
less: General Facilities Charge Towards Debt	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	1,335,101	2,999,135	-	-	300,000	1,200,000	-	10,600,000	-	-	5,000,000
plus: Interest Earnings	400,000	94,386	274,181	280,618	250,599	202,229	197,569	141,347	272,169	188,169	96,101
Total Funding Sources	\$ 11,288,512	\$ 23,127,351	\$ 18,230,218	\$ 18,636,385	\$ 17,659,965	\$ 16,840,728	\$ 14,656,026	\$ 21,500,682	\$ 17,616,383	\$ 13,341,285	\$ 13,395,362
less: Capital Expenditures	(5,895,000)	(9,418,301)	(4,199,312)	(6,106,422)	(7,548,512)	(6,962,296)	(7,588,676)	(7,892,223)	(8,207,912)	(8,536,229)	(8,877,678)
Ending Working Capital Balance	\$ 5,393,512	\$ 13,709,050	\$ 14,030,906	\$ 12,529,963	\$ 10,111,453	\$ 9,878,432	\$ 7,067,350	\$ 13,608,459	\$ 9,408,471	\$ 4,805,056	\$ 4,517,684
Minimum Target Balance	\$ 2,876,048	\$ 3,064,414	\$ 3,148,401	\$ 3,270,529	\$ 3,421,499	\$ 3,560,745	\$ 3,712,519	\$ 3,870,363	\$ 4,034,521	\$ 4,205,246	\$ 4,382,800
COMBINED BEGINNING FUND BALANCE											
COMBINED BEGINNING FUND BALANCE	\$ 14,397,065	\$ 15,600,345	\$ 15,608,838	\$ 15,989,388	\$ 14,553,352	\$ 12,203,259	\$ 12,042,431	\$ 9,307,606	\$ 15,929,354	\$ 11,815,120	\$ 7,302,173
COMBINED ENDING FUND BALANCE	\$ 15,600,345	\$ 15,608,838	\$ 15,989,388	\$ 14,553,352	\$ 12,203,259	\$ 12,042,431	\$ 9,307,606	\$ 15,929,354	\$ 11,815,120	\$ 7,302,173	\$ 7,110,782



City of Bremerton

Water Rate Study

Summary

60-Year Rotation

Revenue Requirement	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues											
Rate Revenues Under Existing Rates	\$ 15,461,969	\$ 15,554,740	\$ 15,648,069	\$ 15,741,957	\$ 15,836,409	\$ 15,931,427	\$ 16,027,016	\$ 16,123,178	\$ 16,219,917	\$ 16,317,237	\$ 16,415,140
Timber Sales	511,500	1,092,750	1,092,750	1,092,750	1,092,750	1,092,750	1,092,750	1,092,750	1,092,750	1,092,750	1,092,750
Non-Rate Revenues	2,860,466	2,428,308	2,355,530	2,427,428	2,502,390	2,580,489	2,661,860	2,746,648	2,853,701	2,945,785	3,041,748
Total Revenues	\$ 18,833,935	\$ 19,075,798	\$ 19,096,349	\$ 19,262,135	\$ 19,431,549	\$ 19,604,666	\$ 19,781,626	\$ 19,962,576	\$ 20,166,368	\$ 20,355,772	\$ 20,549,638
Expenses											
Cash Operating Expenses	\$ 15,075,914	\$ 15,735,059	\$ 16,221,938	\$ 16,760,369	\$ 17,327,922	\$ 17,926,794	\$ 18,559,386	\$ 19,228,322	\$ 19,939,687	\$ 20,690,156	\$ 21,486,364
Existing Debt Service	589,046	587,287	585,099	582,481	581,347	425,029	425,251	419,967	419,376	423,279	226,983
New Debt Service	116,396	295,643	295,643	295,643	313,573	385,292	385,292	1,320,235	1,320,235	1,320,235	1,761,246
Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 15,781,356	\$ 16,617,989	\$ 17,102,680	\$ 17,638,492	\$ 18,222,843	\$ 18,737,115	\$ 19,369,930	\$ 20,968,524	\$ 21,679,299	\$ 22,433,671	\$ 23,474,593
Net Surplus (Deficiency)	\$ 3,052,579	\$ 2,457,809	\$ 1,993,668	\$ 1,623,643	\$ 1,208,707	\$ 867,551	\$ 411,696	\$ (1,005,948)	\$ (1,512,930)	\$ (2,077,899)	\$ (2,924,955)
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	\$ 3,052,579	\$ 2,457,809	\$ 1,993,668	\$ 1,623,643	\$ 1,208,707	\$ 867,551	\$ 411,696	\$ (1,005,948)	\$ (1,512,930)	\$ (2,077,899)	\$ (2,924,955)
% of Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.24%	9.33%	12.73%	17.82%
Annual Rate Adjustment	0.00%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Cumulative Annual Rate Adjustment	0.00%	3.10%	6.30%	9.59%	12.99%	16.49%	20.10%	23.83%	27.66%	31.62%	35.70%
Rate Revenues After Rate Increase	\$ 15,461,969	\$ 16,036,937	\$ 16,633,287	\$ 17,251,812	\$ 17,893,338	\$ 18,558,720	\$ 19,248,844	\$ 19,964,632	\$ 20,707,037	\$ 21,477,049	\$ 22,275,694
Additional In-Lieu of Taxes from Rate Increase	\$ -	\$ 98,990	\$ 202,255	\$ 309,958	\$ 422,267	\$ 539,357	\$ 661,409	\$ 788,612	\$ 921,161	\$ 1,059,258	\$ 1,203,113
Net Cash Flow After Rate Increase	\$ 3,052,579	\$ 2,841,016	\$ 2,776,631	\$ 2,823,540	\$ 2,843,369	\$ 2,955,486	\$ 2,972,116	\$ 2,046,894	\$ 2,053,028	\$ 2,022,655	\$ 1,732,486
Coverage After Rate Increases	23.75	21.80	22.24	22.61	22.77	23.02	23.29	6.69	6.89	6.87	5.59
Sample Residential Monthly Bill (5/8" Meter, x 6 ccf)	\$ 33.34	\$ 34.37	\$ 35.44	\$ 36.54	\$ 37.67	\$ 38.84	\$ 40.04	\$ 41.28	\$ 42.56	\$ 43.88	\$ 45.24
Monthly Average Increase (\$)	\$	\$ 1.03	\$ 1.07	\$ 1.10	\$ 1.13	\$ 1.17	\$ 1.20	\$ 1.24	\$ 1.28	\$ 1.32	\$ 1.36



City of Bremerton
Water Rate Study
Summary
60-Year Rotation

Fund Balance	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Reserve											
Beginning Balance	\$ 8,754,254	\$ 10,206,833	\$ 1,896,829	\$ 1,955,521	\$ 2,020,428	\$ 2,088,845	\$ 2,161,038	\$ 2,237,296	\$ 2,317,935	\$ 2,403,688	\$ 2,494,156
plus: Net Cash Flow after Rate Increase	3,052,579	2,841,016	2,776,631	2,823,540	2,843,369	2,955,486	2,972,116	2,046,894	2,053,028	2,022,655	1,732,486
less: Transfer of Surplus to Capital Fund	(1,600,000)	(11,151,019)	(2,717,938)	(2,758,633)	(2,774,951)	(2,883,293)	(2,895,858)	(1,966,255)	(1,967,275)	(1,932,188)	(1,636,505)
Ending Balance	\$ 10,206,833	\$ 1,896,829	\$ 1,955,521	\$ 2,020,428	\$ 2,088,845	\$ 2,161,038	\$ 2,237,296	\$ 2,317,935	\$ 2,403,688	\$ 2,494,156	\$ 2,590,137
O&M Target Balance	\$ 1,817,370	\$ 1,896,829	\$ 1,955,521	\$ 2,020,428	\$ 2,088,845	\$ 2,161,038	\$ 2,237,296	\$ 2,317,935	\$ 2,403,688	\$ 2,494,156	\$ 2,590,137
Days	247	44	44	44	44	44	44	44	44	44	44
Capital Reserve											
Beginning Balance	\$ 5,642,811	\$ 5,393,512	\$ 13,575,283	\$ 13,784,202	\$ 12,196,461	\$ 9,719,801	\$ 9,459,949	\$ 6,656,185	\$ 13,241,770	\$ 9,126,604	\$ 4,651,739
plus: Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from Operating Fund	1,600,000	11,151,019	2,717,938	2,758,633	2,774,951	2,883,293	2,895,858	1,966,255	1,967,275	1,932,188	1,636,505
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	460,600	2,000,024	600	600	200,600	800,600	600	600	600	600	600
plus: General Facilities Charge Revenue	1,850,000	1,355,508	1,418,187	1,483,764	1,552,373	1,624,154	1,699,255	1,777,829	1,860,036	1,946,044	2,036,029
less: General Facilities Charge Towards Debt	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	1,335,101	2,999,135	-	-	300,000	1,200,000	-	10,600,000	-	-	5,000,000
plus: Interest Earnings	400,000	94,386	271,506	275,684	243,929	194,396	189,199	133,124	264,835	182,532	93,035
Total Funding Sources	\$ 11,288,512	\$ 22,993,585	\$ 17,983,514	\$ 18,302,883	\$ 17,268,314	\$ 16,422,245	\$ 14,244,861	\$ 21,133,993	\$ 17,334,516	\$ 13,187,968	\$ 13,417,907
less: Capital Expenditures	(5,895,000)	(9,418,301)	(4,199,312)	(6,106,422)	(7,548,512)	(6,962,296)	(7,588,676)	(7,892,223)	(8,207,912)	(8,536,229)	(8,877,678)
Ending Working Capital Balance	\$ 5,393,512	\$ 13,575,283	\$ 13,784,202	\$ 12,196,461	\$ 9,719,801	\$ 9,459,949	\$ 6,656,185	\$ 13,241,770	\$ 9,126,604	\$ 4,651,739	\$ 4,540,229
Minimum Target Balance	\$ 2,876,048	\$ 3,064,414	\$ 3,148,401	\$ 3,270,529	\$ 3,421,499	\$ 3,560,745	\$ 3,712,519	\$ 3,870,363	\$ 4,034,521	\$ 4,205,246	\$ 4,382,800
COMBINED BEGINNING FUND BALANCE											
COMBINED BEGINNING FUND BALANCE	\$ 14,397,065	\$ 15,600,345	\$ 15,472,112	\$ 15,739,724	\$ 14,216,889	\$ 11,808,647	\$ 11,620,987	\$ 8,893,481	\$ 15,559,705	\$ 11,530,292	\$ 7,145,895
COMBINED ENDING FUND BALANCE	\$ 15,600,345	\$ 15,472,112	\$ 15,739,724	\$ 14,216,889	\$ 11,808,647	\$ 11,620,987	\$ 8,893,481	\$ 15,559,705	\$ 11,530,292	\$ 7,145,895	\$ 7,130,366



City of Bremerton Water Rate Study

Summary Current Harvest

Revenue Requirement	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues											
Rate Revenues Under Existing Rates	\$ 15,461,969	\$ 15,554,740	\$ 15,648,069	\$ 15,741,957	\$ 15,836,409	\$ 15,931,427	\$ 16,027,016	\$ 16,123,178	\$ 16,219,917	\$ 16,317,237	\$ 16,415,140
Timber Sales	511,500	511,500	511,500	511,500	511,500	511,500	511,500	511,500	511,500	511,500	511,500
Non-Rate Revenues	2,860,466	2,428,308	2,355,345	2,427,243	2,502,205	2,580,304	2,661,675	2,746,463	2,853,516	2,945,600	3,041,563
Total Revenues	\$ 18,833,935	\$ 18,494,548	\$ 18,514,914	\$ 18,680,700	\$ 18,850,114	\$ 19,023,231	\$ 19,200,191	\$ 19,381,141	\$ 19,584,933	\$ 19,774,337	\$ 19,968,203
Expenses											
Cash Operating Expenses	\$ 15,075,914	\$ 15,658,337	\$ 16,145,184	\$ 16,683,614	\$ 17,251,168	\$ 17,850,040	\$ 18,482,632	\$ 19,151,568	\$ 19,862,933	\$ 20,613,402	\$ 21,409,610
Existing Debt Service	589,046	587,287	585,099	582,481	581,347	425,029	425,251	419,967	419,376	423,279	226,983
New Debt Service	116,396	295,643	295,643	295,643	313,573	385,292	385,292	1,320,235	1,320,235	1,320,235	1,761,246
Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 15,781,356	\$ 16,541,267	\$ 17,025,926	\$ 17,561,738	\$ 18,146,088	\$ 18,660,361	\$ 19,293,176	\$ 20,891,770	\$ 21,602,545	\$ 22,356,917	\$ 23,397,839
Net Surplus (Deficiency)	\$ 3,052,579	\$ 1,953,281	\$ 1,488,987	\$ 1,118,962	\$ 704,026	\$ 362,870	\$ (92,985)	\$ (1,510,629)	\$ (2,017,611)	\$ (2,582,580)	\$ (3,429,636)
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	\$ 3,052,579	\$ 1,953,281	\$ 1,488,987	\$ 1,118,962	\$ 704,026	\$ 362,870	\$ (92,985)	\$ (1,510,629)	\$ (2,017,611)	\$ (2,582,580)	\$ (3,429,636)
% of Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%	9.37%	12.44%	15.83%	20.89%
Annual Rate Adjustment	0.00%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
Cumulative Annual Rate Adjustment	0.00%	3.70%	7.54%	11.52%	15.64%	19.92%	24.36%	28.96%	33.73%	38.68%	43.81%
Rate Revenues After Rate Increase	\$ 15,461,969	\$ 16,130,266	\$ 16,827,448	\$ 17,554,764	\$ 18,313,516	\$ 19,105,063	\$ 19,930,822	\$ 20,792,272	\$ 21,690,955	\$ 22,628,482	\$ 23,606,530
Additional In-Lieu of Taxes from Rate Increase	\$ -	\$ 118,150	\$ 242,115	\$ 372,151	\$ 508,525	\$ 651,516	\$ 801,412	\$ 958,518	\$ 1,123,149	\$ 1,295,636	\$ 1,476,320
Net Cash Flow After Rate Increase	\$ 3,052,579	\$ 2,410,657	\$ 2,426,252	\$ 2,559,617	\$ 2,672,607	\$ 2,884,989	\$ 3,009,409	\$ 2,199,947	\$ 2,330,277	\$ 2,433,030	\$ 2,285,434
Coverage After Rate Increases	23.75	20.50	21.14	21.72	22.13	22.64	23.19	6.75	7.04	7.13	5.89
Sample Residential Monthly Bill (5/8" Meter, x 6 ccf)	\$ 33.34	\$ 34.57	\$ 35.85	\$ 37.18	\$ 38.55	\$ 39.98	\$ 41.46	\$ 42.99	\$ 44.59	\$ 46.24	\$ 47.95
Monthly Average Increase (\$)	\$	\$ 1.23	\$ 1.28	\$ 1.33	\$ 1.38	\$ 1.43	\$ 1.48	\$ 1.53	\$ 1.59	\$ 1.65	\$ 1.71



City of Bremerton Water Rate Study

Summary

Current Harvest

Fund Balance	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Reserve											
Beginning Balance	\$ 8,754,254	\$ 10,206,833	\$ 1,887,580	\$ 1,946,269	\$ 2,011,175	\$ 2,079,593	\$ 2,151,786	\$ 2,228,043	\$ 2,308,682	\$ 2,394,436	\$ 2,484,903
plus: Net Cash Flow after Rate Increase	3,052,579	2,410,657	2,426,252	2,559,617	2,672,607	2,884,989	3,009,409	2,199,947	2,330,277	2,433,030	2,285,434
less: Transfer of Surplus to Capital Fund	(1,600,000)	(10,729,909)	(2,367,563)	(2,494,711)	(2,604,190)	(2,812,797)	(2,933,151)	(2,119,308)	(2,244,524)	(2,342,563)	(2,189,452)
Ending Balance	\$ 10,206,833	\$ 1,887,580	\$ 1,946,269	\$ 2,011,175	\$ 2,079,593	\$ 2,151,786	\$ 2,228,043	\$ 2,308,682	\$ 2,394,436	\$ 2,484,903	\$ 2,580,884
O&M Target Balance	\$ 1,817,370	\$ 1,887,580	\$ 1,946,269	\$ 2,011,175	\$ 2,079,593	\$ 2,151,786	\$ 2,228,043	\$ 2,308,682	\$ 2,394,436	\$ 2,484,903	\$ 2,580,884
Days	247	44	44	44	44	44	44	44	44	44	44
Capital Reserve											
Beginning Balance	\$ 5,642,811	\$ 5,393,512	\$ 13,154,173	\$ 13,004,295	\$ 11,137,033	\$ 8,468,423	\$ 8,113,047	\$ 5,319,638	\$ 12,031,545	\$ 8,169,423	\$ 4,085,789
plus: Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from Operating Fund	1,600,000	10,729,909	2,367,563	2,494,711	2,604,190	2,812,797	2,933,151	2,119,308	2,244,524	2,342,563	2,189,452
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	460,600	2,000,024	600	600	200,600	800,600	600	600	600	600	600
plus: General Facilities Charge Revenue	1,850,000	1,355,508	1,418,187	1,483,764	1,552,373	1,624,154	1,699,255	1,777,829	1,860,036	1,946,044	2,036,029
less: General Facilities Charge Towards Debt	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	1,335,101	2,999,135	-	-	300,000	1,200,000	-	10,600,000	-	-	5,000,000
plus: Interest Earnings	400,000	94,386	263,083	260,086	222,741	169,368	162,261	106,393	240,631	163,388	81,716
Total Funding Sources	\$ 11,288,512	\$ 22,572,475	\$ 17,203,607	\$ 17,243,455	\$ 16,016,936	\$ 15,075,343	\$ 12,908,314	\$ 19,923,768	\$ 16,377,335	\$ 12,622,018	\$ 13,393,586
less: Capital Expenditures	(5,895,000)	(9,418,301)	(4,199,312)	(6,106,422)	(7,548,512)	(6,962,296)	(7,588,676)	(7,892,223)	(8,207,912)	(8,536,229)	(8,877,678)
Ending Working Capital Balance	\$ 5,393,512	\$ 13,154,173	\$ 13,004,295	\$ 11,137,033	\$ 8,468,423	\$ 8,113,047	\$ 5,319,638	\$ 12,031,545	\$ 8,169,423	\$ 4,085,789	\$ 4,515,908
Minimum Target Balance	\$ 2,876,048	\$ 3,064,414	\$ 3,148,401	\$ 3,270,529	\$ 3,421,499	\$ 3,560,745	\$ 3,712,519	\$ 3,870,363	\$ 4,034,521	\$ 4,205,246	\$ 4,382,800
COMBINED BEGINNING FUND BALANCE											
COMBINED BEGINNING FUND BALANCE	\$ 14,397,065	\$ 15,600,345	\$ 15,041,754	\$ 14,950,563	\$ 13,148,208	\$ 10,548,016	\$ 10,264,832	\$ 7,547,682	\$ 14,340,227	\$ 10,563,859	\$ 6,570,692
COMBINED ENDING FUND BALANCE	\$ 15,600,345	\$ 15,041,754	\$ 14,950,563	\$ 13,148,208	\$ 10,548,016	\$ 10,264,832	\$ 7,547,682	\$ 14,340,227	\$ 10,563,859	\$ 6,570,692	\$ 7,096,793



City of Bremerton Water Rate Study

Summary
No Harvest

Revenue Requirement	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenues											
Rate Revenues Under Existing Rates	\$ 15,461,969	\$ 15,554,740	\$ 15,648,069	\$ 15,741,957	\$ 15,836,409	\$ 15,931,427	\$ 16,027,016	\$ 16,123,178	\$ 16,219,917	\$ 16,317,237	\$ 16,415,140
Timber Sales	511,500	-	-	-	-	-	-	-	-	-	-
Non-Rate Revenues	2,860,466	2,428,308	2,355,182	2,427,080	2,502,042	2,580,141	2,661,513	2,746,300	2,853,353	2,945,437	3,041,400
Total Revenues	\$ 18,833,935	\$ 17,983,048	\$ 18,003,251	\$ 18,169,037	\$ 18,338,451	\$ 18,511,568	\$ 18,688,528	\$ 18,869,478	\$ 19,073,270	\$ 19,262,674	\$ 19,456,540
Expenses											
Cash Operating Expenses	\$ 15,075,914	\$ 15,590,821	\$ 16,077,641	\$ 16,616,071	\$ 17,183,625	\$ 17,782,496	\$ 18,415,089	\$ 19,084,024	\$ 19,795,389	\$ 20,545,858	\$ 21,342,066
Existing Debt Service	589,046	587,287	585,099	582,481	581,347	425,029	425,251	419,967	419,376	423,279	226,983
New Debt Service	116,396	295,643	295,643	295,643	313,573	385,292	385,292	1,320,235	1,320,235	1,320,235	1,761,246
Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	\$ 15,781,356	\$ 16,473,752	\$ 16,958,383	\$ 17,494,195	\$ 18,078,545	\$ 18,592,818	\$ 19,225,632	\$ 20,824,227	\$ 21,535,001	\$ 22,289,373	\$ 23,330,296
Net Surplus (Deficiency)	\$ 3,052,579	\$ 1,509,297	\$ 1,044,868	\$ 674,842	\$ 259,906	\$ (81,250)	\$ (537,104)	\$ (1,954,748)	\$ (2,461,731)	\$ (3,026,699)	\$ (3,873,755)
Additions to Meet Coverage	-	-	-	-	-	-	-	-	-	-	-
Total Surplus (Deficiency)	\$ 3,052,579	\$ 1,509,297	\$ 1,044,868	\$ 674,842	\$ 259,906	\$ (81,250)	\$ (537,104)	\$ (1,954,748)	\$ (2,461,731)	\$ (3,026,699)	\$ (3,873,755)
% of Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	3.35%	12.12%	15.18%	18.55%	23.60%
Annual Rate Adjustment	0.00%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Cumulative Annual Rate Adjustment	0.00%	4.25%	8.68%	13.30%	18.11%	23.13%	28.37%	33.82%	39.51%	45.44%	51.62%
Rate Revenues After Rate Increase	\$ 15,461,969	\$ 16,215,817	\$ 17,006,419	\$ 17,835,567	\$ 18,705,140	\$ 19,617,109	\$ 20,573,541	\$ 21,576,604	\$ 22,628,572	\$ 23,731,828	\$ 24,888,873
Additional In-Lieu of Taxes from Rate Increase	\$ -	\$ 135,712	\$ 278,856	\$ 429,797	\$ 588,922	\$ 756,634	\$ 933,356	\$ 1,119,534	\$ 1,315,633	\$ 1,522,141	\$ 1,739,573
Net Cash Flow After Rate Increase	\$ 3,052,579	\$ 2,034,661	\$ 2,124,362	\$ 2,338,655	\$ 2,539,715	\$ 2,847,798	\$ 3,076,065	\$ 2,379,144	\$ 2,631,291	\$ 2,865,751	\$ 2,860,405
Coverage After Rate Increases	23.75	19.37	20.19	20.97	21.61	22.37	23.19	6.84	7.23	7.42	6.22
Sample Residential Monthly Bill (5/8" Meter, x 6 ccf)	\$ 33.34	\$ 34.76	\$ 36.23	\$ 37.77	\$ 39.38	\$ 41.05	\$ 42.80	\$ 44.62	\$ 46.51	\$ 48.49	\$ 50.55
Monthly Average Increase (\$)	\$	\$ 1.42	\$ 1.48	\$ 1.54	\$ 1.61	\$ 1.67	\$ 1.74	\$ 1.82	\$ 1.90	\$ 1.98	\$ 2.06



City of Bremerton Water Rate Study

Summary
No Harvest

Fund Balance	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Reserve											
Beginning Balance	\$ 8,754,254	\$ 10,206,833	\$ 1,879,441	\$ 1,938,127	\$ 2,003,033	\$ 2,071,451	\$ 2,143,643	\$ 2,219,901	\$ 2,300,540	\$ 2,386,293	\$ 2,476,761
plus: Net Cash Flow after Rate Increase	3,052,579	2,034,661	2,124,362	2,338,655	2,539,715	2,847,798	3,076,065	2,379,144	2,631,291	2,865,751	2,860,405
less: Transfer of Surplus to Capital Fund	(1,600,000)	(10,362,052)	(2,065,677)	(2,273,748)	(2,471,298)	(2,775,606)	(2,999,807)	(2,298,505)	(2,545,537)	(2,775,283)	(2,764,424)
Ending Balance	\$ 10,206,833	\$ 1,879,441	\$ 1,938,127	\$ 2,003,033	\$ 2,071,451	\$ 2,143,643	\$ 2,219,901	\$ 2,300,540	\$ 2,386,293	\$ 2,476,761	\$ 2,572,742
O&M Target Balance	\$ 1,817,370	\$ 1,879,441	\$ 1,938,127	\$ 2,003,033	\$ 2,071,451	\$ 2,143,643	\$ 2,219,901	\$ 2,300,540	\$ 2,386,293	\$ 2,476,761	\$ 2,572,742
Days	247	44	44	44	44	44	44	44	44	44	44
Capital Reserve											
Beginning Balance	\$ 5,642,811	\$ 5,393,512	\$ 12,786,316	\$ 12,327,194	\$ 10,225,428	\$ 7,405,695	\$ 6,991,872	\$ 4,242,696	\$ 11,112,261	\$ 7,532,768	\$ 3,869,121
plus: Rate Funded System Reinvestment	-	-	-	-	-	-	-	-	-	-	-
plus: Transfers from Operating Fund	1,600,000	10,362,052	2,065,677	2,273,748	2,471,298	2,775,606	2,999,807	2,298,505	2,545,537	2,775,283	2,764,424
plus: Grants/ Donations/ CIAC	-	-	-	-	-	-	-	-	-	-	-
plus: Additional Proceeds (Costs)	460,600	2,000,024	600	600	200,600	800,600	600	600	600	600	600
plus: General Facilities Charge Revenue	1,850,000	1,355,508	1,418,187	1,483,764	1,552,373	1,624,154	1,699,255	1,777,829	1,860,036	1,946,044	2,036,029
less: General Facilities Charge Towards Debt	-	-	-	-	-	-	-	-	-	-	-
plus: Net Debt Proceeds Available for Projects	1,335,101	2,999,135	-	-	300,000	1,200,000	-	10,600,000	-	-	5,000,000
plus: Interest Earnings	400,000	94,386	255,726	246,544	204,509	148,114	139,837	84,854	222,245	150,655	77,382
Total Funding Sources	\$ 11,288,512	\$ 22,204,617	\$ 16,526,506	\$ 16,331,850	\$ 14,954,207	\$ 13,954,169	\$ 11,831,373	\$ 19,004,485	\$ 15,740,680	\$ 12,405,350	\$ 13,747,556
less: Capital Expenditures	(5,895,000)	(9,418,301)	(4,199,312)	(6,106,422)	(7,548,512)	(6,962,296)	(7,588,676)	(7,892,223)	(8,207,912)	(8,536,229)	(8,877,678)
Ending Working Capital Balance	\$ 5,393,512	\$ 12,786,316	\$ 12,327,194	\$ 10,225,428	\$ 7,405,695	\$ 6,991,872	\$ 4,242,696	\$ 11,112,261	\$ 7,532,768	\$ 3,869,121	\$ 4,869,878
Minimum Target Balance	\$ 2,876,048	\$ 3,064,414	\$ 3,148,401	\$ 3,270,529	\$ 3,421,499	\$ 3,560,745	\$ 3,712,519	\$ 3,870,363	\$ 4,034,521	\$ 4,205,246	\$ 4,382,800
COMBINED BEGINNING FUND BALANCE	\$ 14,397,065	\$ 15,600,345	\$ 14,665,757	\$ 14,265,321	\$ 12,228,461	\$ 9,477,145	\$ 9,135,516	\$ 6,462,597	\$ 13,412,801	\$ 9,919,061	\$ 6,345,882
COMBINED ENDING FUND BALANCE	\$ 15,600,345	\$ 14,665,757	\$ 14,265,321	\$ 12,228,461	\$ 9,477,145	\$ 9,135,516	\$ 6,462,597	\$ 13,412,801	\$ 9,919,061	\$ 6,345,882	\$ 7,442,620

APPENDIX C

Guidance for Evaluating New Uses on Utility Lands

Guidance for Evaluating New Uses on Utility Lands

Management Goals

1. The McKenna Falls Intake Subbasin will be managed to maintain the “unfiltered” water source status in conjunction with maintaining the forest health.
2. The Other Utility Lands will be actively and adaptively managed to sustainably protect surface and groundwater resources and maintain forest health and resiliency while also generating revenue to reduce costs for utility rate payers.

Current Utility Land Use

The Utility has systems and structures in place to regulate and distribute water throughout the City of Bremerton. As stated in the 2020 Water System Plan, “The Utility draws surface water from the Union River Reservoir and groundwater from thirteen wells. Pump stations move water to higher pressure zones, treated water reservoirs provide storage, and booster stations and regulating stations control pressures within the system. Water is delivered to customers through 328 miles of distribution pipe.” (Bremerton 2022). The following Utility land uses are present currently:

- The Utility owns, maintains, monitors, and operates reservoirs, wells, Casad dam, intake facilities, pump stations, water treatment plants and transmission mainline to supply drinking water to the City of Bremerton.
- Wellhead protection zones are established, monitored, maintained, and protected by the Utility.
- Two biosolid application areas are established, monitored, and maintained for biosolid disposal and to enhance tree growth in those areas.
- Road construction, and reforestation activities all take place in relation to timber harvest within specified areas of Utility land.
- Maintenance of the forest roads, bridges, culverts and other facilities related to ongoing O&M and to facilitate fire prevention and response.

Current Non-Utility Land Use

The Utility allows limited special uses of Utility land outside of Utility operations contained to specific special use areas. These uses include recreation, fisheries enhancement, utility rights-of-way, and commercial use. However, increased public use can bring increased risk to water and forest resources along with an increased need for management and monitoring. Therefore, the Utility must carefully consider potential impacts when considering these uses. These uses include recreation, fisheries enhancement, utility rights-of-way, and commercial use. The following land uses occur on Utility land:

- The Gold Mountain Golf Course is owned by the City of Bremerton (City) and managed by the Department of Parks and Recreation under a lease agreement with the water utility.

- Jarstad Park is a Public Works and Utilities park which serves as a space for public events and yearly education and outreach to the community such as Kids Fishing Day and Salmon Tours.
- Through a lease agreement with the Utility, the Suquamish Tribe operates its largest salmon rearing facility on Gorst Creek at Jarstad Park.
- Major regional power and natural gas providers including Puget Sound Energy, Bonneville Power Administration, Cascade Natural Gas, and several tower management companies lease right-of-way to bring critical services to the Bremerton region.
- The Sergeant Honsowetz Police Firearms Training Facility is used for regional police training.

Evaluation of New Land Uses

New land uses should be compatible with the management objectives outlined by the Utility above. Water source protection must be prioritized when future uses are considered. Consider the following questions below when evaluating a new land use:

- Would the proposed land use affect the future use of surface water sources?
- Would the proposed land use result in a higher level of water quality treatment?
- Would the proposed land use be compatible with the existing wellhead protection program for groundwater supplies?
- Would the proposed land use be a potential contaminant source as identified by the City of Bremerton Water System Plan (2020) in Table 4 and listed in the Potential Contamination Source List below? If yes, could the potential risk of contamination be adequately mitigated?
- Would the proposed land use take productive forest land out of production and adversely impact timber revenue?
- Would the proposed land use be compatible with existing wildlife and fisheries requirements such as high water quality, instream flows, protection of wetlands and potentially negatively affect Chinook salmon, steelhead trout or chum salmon habitat
- Would the proposed land use affect the viewscape currently afforded to the Bremerton community?
- Would the proposed land use affect other uses such as recreational activities, educational activities, right-of-way agreements, minor forest product sales contracts, and/or recycling of biosolids?
- How close to potential water intakes would the land use be?
- Would the proposed land use be located at a site needed for future Utility facilities?
- Would the proposed land use have potential to increase invasive species or pests on Utility lands?
- Would the proposed land use comply with the wildfire protection plan?
- Would the proposed land use reduce resiliency in relation to climate change?

Potential Contamination Source List from EES et. al 1996, Table E-2

- Above ground storage tanks
 - Hazardous and non-hazardous waste treatment
 - Hazardous and non-hazardous waste storage
 - Hazardous and non-hazardous material storage
- Animal feedlots
- Containers
 - Hazardous and non-hazardous waste storage
 - Hazardous and non-hazardous material storage
- Deep Injection Wells
 - Wastewater disposal wells
 - Oil and gas activity disposal wells
 - Mineral extraction disposal wells
- De-icing salts storage piles
- Fertilizer applications
- Graveyards
- Groundwater/surface water cross contamination
- Irrigation practices (return flow)
- Land applications
 - Wastewater application (spray irrigation)
 - Wastewater by-product (sludge) application
 - Petroleum refining waste application
 - Hazardous and non-hazardous waste application
- Landfills
 - Industrial hazardous and non-hazardous landfill
 - Municipal sanitary landfill
- Material transfer operations
 - Hazardous and non-hazardous waste transfers
 - Hazardous and non-hazardous material transfers
- Materials stockpiles
 - Hazardous and non-hazardous material
- Mining and mine drainage
- Natural leaching
- Open dumps
- Pesticide applications
- Pipelines
 - Hazardous and non-hazardous waste storage
 - Hazardous and non-hazardous material storage
- Radioactive disposal sites
- Salt water intrusion

- Septic tanks
 - Houses
 - Apartments
 - Small businesses
- Shallow injection wells
 - Agricultural drainage wells
 - Automobile service station disposal wells
 - Industrial process water disposal wells
- Storm water drainage wells
- Surface impoundments
 - Hazardous and non-hazardous waste cesspools, ponds lagoons, and other impoundments
- Transportation of materials
 - Hazardous and non-hazardous waste
 - Hazardous and non-hazardous material
- Underground storage tanks
 - Hazardous and non-hazardous waste treatment
 - Hazardous and non-hazardous waste storage
 - Hazardous and non-hazardous material storage
- Urban runoff
- Waste piles
 - Hazardous and non-hazardous waste piles
- Waste tailings
 - Heap leaching piles
 - Non-heap leaching piles

References

City of Bremerton (Bremerton). 2022. Department of Public Works & Utilities 2020 Water System Plan.

Economic and Engineering Services, Inc., Washington Timberland Management, Inc., Northwest Aerial Reconnaissance, Inc, and Shapiro & Associates, Inc. (EES et al.) 1996. Utility Land Management Plan, City of Bremerton Department of Public Works and Utilities, Volumes I and II.

INFORMATION ONLY ITEM
CITY OF BREMERTON
CITY COUNCIL

A2

SUBJECT: Update on the Glenn Jarstad
Aquatic Center

Study Session Date: June 11, 2025

Presenter: Denise Landis,
Executive Director

Harold Shea,
Director of Operations

Bremerton YMCA

Phone: (360) 377-3741

SUMMARY: The Bremerton YMCA currently manages the Glenn Jarstad Aquatic Center. A brief status update on facility operations will be provided.

More information is available on the City of Bremerton's Website via the following link:

<https://www.bremertonwa.gov/214/Glenn-Jarstad-Aquatic-Center>

HANDOUTS: Power Point Presentation



STRENGTHENING BREMERTON: YMCA AND GLEN JARSTAD AQUATICS CENTER

15 YEARS OF PARTNERSHIP

Introduction

Denise Landis, Executive Director

- Bremerton Family YMCA and Marina Square Express YMCA
- 35 years with the YMCA
- Transitioned the operation of Glen Jarstad Aquatics Center to YMCA of Pierce and Kitsap Counties

Why We're Here Tonight

- YMCA and the City of Bremerton partnership operating Glen Jarstad Aquatics Center
- Community Impact and Access
- Current Building Conditions

A Mission Driven Nonprofit

- Serving the Bremerton community for over 100 years
- Core focus on Youth Development, Healthy Living, Social Responsibility
- Committed to ensuring access for all

A Proven Partnership for Community Wellness

- 15 year collaboration between the City of Bremerton and the YMCA
- A shared commitment to health, safety, and access for all
- Honoring the trust and results built over time
- Nonprofit approach prioritizes community impact and sustainability

Serving Bremerton

- Average Facility Monthly Usage

2019	15,932
2020-2021	COVID
2022 (COVID)	13,828
2023	16,269
2024	18,728
2025 YTD	19,798 (20% growth over 2019)

- In 2024, 3,708 youth received swim lessons and 401 youth participated in our Safety Around Water program.

Equity and Access

- Community Partnerships: Bremerton School District, Navy, Fire Department, Special Olympics, and Scouts Merit Badge Testing
- Community Hub | Creating a sense of belonging
- Scholarships and reduced rates ensure affordability

Glen Jarstad Aquatics Center

Current Condition

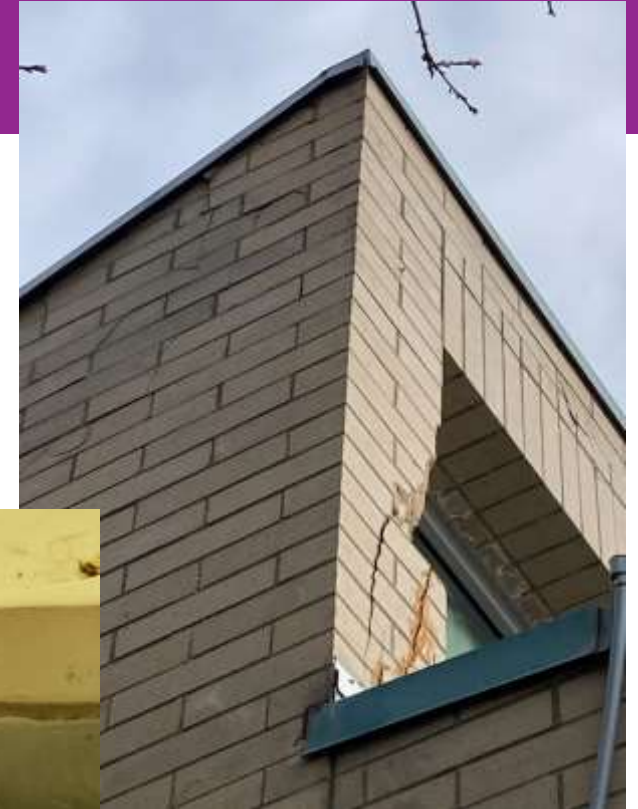
- Aging building infrastructure and deferred maintenance
- Heavy community member
- Safety and Operational improvements are needed to sustain service levels

Current Update

- RFQ Process was started in January 2024. The plan was to be completed in April/May
- Due to transition, it's been placed on hold and will be picked up again this year.

Glen Jarstad Aquatics Center

Current Condition



Glen Jarstad Aquatics Center Current Condition



A building is just a building, but
it takes a community to make it
feel like home!!

Together, we strengthen
Bremerton through water safety,
health, connection, and building
community.



THANK YOU

AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

B1

SUBJECT:

Ordinance to amend Bremerton Municipal
Code Chapter 10.36.010 entitled
"Compression Brakes Prohibited"

Study Session Date: June 11, 2025

COUNCIL MEETING Date: June 18, 2025

Department: Fire

Presenter: Chief Pat McGanney

Phone: (360) 473-5480

SUMMARY: The action before the Council is to pass an ordinance amending BMC Chapter 10.36.010, entitled "Compression Brakes Prohibited." The proposed changes to this code would allow the use of compression brakes only if a vehicle is also equipped with an operational muffler and exhaust system that prevents excess noise created by the compression brakes.

ATTACHMENTS: Proposed Ordinance No. _____

FISCAL IMPACTS (Include Budgeted Amount): No City fiscal impacts.

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION:

Move to pass Ordinance No. _____ amending Chapter 10.36.010 of the Bremerton Municipal Code entitled "Compression Brakes Prohibited."

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

ORDINANCE NO. _____

AN **ORDINANCE** of the City Council of the City of Bremerton, Washington, amending BMC Chapter 10.36.010 entitled "Compression Brakes".

WHEREAS, the City Council desires to amend provisions relating to compression brakes within the City of Bremerton. NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF BREMERTON, WASHINGTON,
DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter 10.36.010 of the Bremerton Municipal Code entitled "Compression Brakes" is hereby amended to read as follows:

10.36.010 UNMUFFLED COMPRESSION BRAKES PROHIBITED.

No person shall use motor vehicle brakes within the city limits of the City of Bremerton which are in any way activated or operated by the compression of the engine of any such motor vehicle or any unit or part thereof, unless the motor vehicle is equipped with an operational muffler and exhaust system to prevent excess noise. A muffler is part of an engine exhaust system which acts as a noise dissipative device. A turbocharger is not permitted to be used as a muffler or a noise dissipative device. It shall be an affirmative defense to prosecution under this section that said compression brakes were applied in an emergency and were necessary for the protection of persons and/or property.

10.36.020 VIOLATIONS - PENALTY.

Any person violating the provisions of BMC 10.36.010 shall have committed a traffic infraction and a maximum penalty of \$250.00 shall be imposed.

10.36.030 AUTHORITY TO POST SIGNS.

The City Engineer is authorized and directed to post appropriate signs consistent with the provisions of BMC 10.36.

SECTION 2. Corrections. The City Clerk and codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener, clerical, typographical, and spelling errors, references, ordinance numbering, section/subsection numbers and any references thereto.

SECTION 3. Severability. If any one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

SECTION 4. Effective Date. This ordinance shall take effect and be in force ten (10) days from and after its passage, approval and publication as provided by law.

PASSED by the City Council the _____ day of _____, 20__.

ERIC YOUNGER,
Council President

Approved this _____ day of _____, 20__.

GREG WHEELER, Mayor

ATTEST:

APPROVED AS TO FORM:

ANGELA HOOVER, City Clerk

KYLIE J. FINNELL, City Attorney

PUBLISHED the _____ day of _____, 20__.

EFFECTIVE the _____ day of _____, 20__.

ORDINANCE NO. _____.

AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

B2

SUBJECT:

Professional Services Agreement with
Northwest Hydraulic Consultants, Inc. for the
Parish Creek Fish Passage Barrier Removal
Project

Study Session Date:	<u>June 11, 2025</u>
COUNCIL MEETING Date:	<u>June 18, 2025</u>
Department:	<u>Public Works & Utilities</u>
Presenter:	<u>D. Dinkuhn</u>
Phone:	<u>(360) 473-5331</u>

SUMMARY:

The project consists of design and permitting for the removal of a fish barrier culvert on Parish Creek at West Belfair Valley Road. A new bridge crossing will be constructed with an approximate 40-foot span. A scope of work was submitted, and a contract was negotiated in the amount of \$690,749.

ATTACHMENTS:

1. Project Vicinity Map
2. Professional Services Agreement with Northwest Hydraulic Consultants, Inc.

FISCAL IMPACTS (Include Budgeted Amount):

Project is included in the 2025 budget.

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION:

Move to approve the Professional Services Agreement with Northwest Hydraulic Consultants, Inc. for the Parish Creek Fish Passage Barrier Removal Project in the amount of \$690,749.00 and authorize the Mayor to finalize and execute the agreement with substantially the same terms and conditions as presented.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

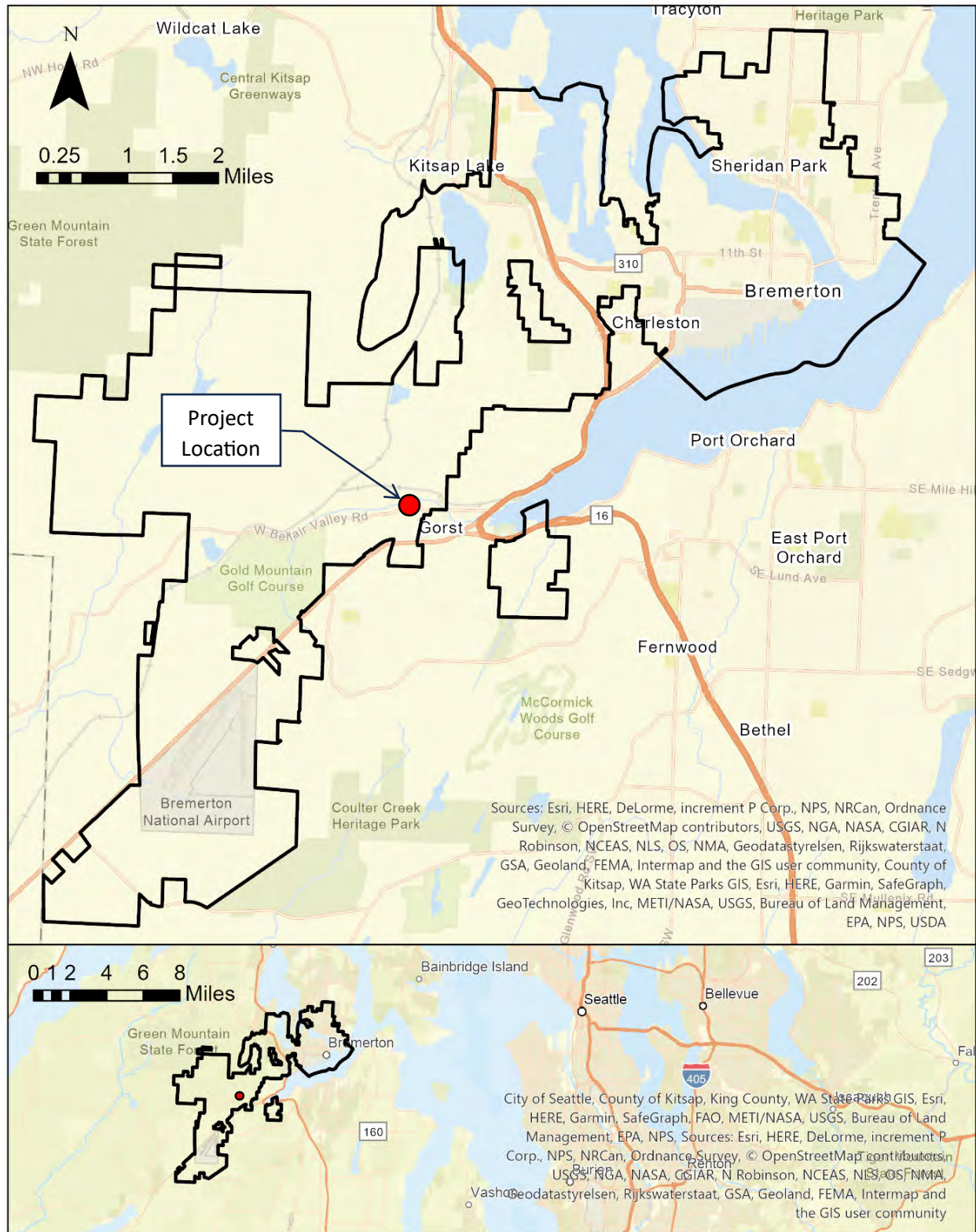


Figure 1. Project Location
 Parish Creek Fish Barrier Removal
 City of Bremerton

Local Agency A&E Professional Services Cost Plus Fixed Fee Consultant Agreement

Agreement Number: LA 11045

Firm/Organization Legal Name (do not use dba's): Northwest Hydraulic Consultants, Inc.		
Address 12787 Gateway Drive South Seattle, WA 98168	Federal Aid Number PROTECT-6620(001)	
UBI Number 600-369-474	Federal TIN or SSN Number 91-1113093	
Execution Date	Completion Date December 31, 2027	
1099 Form Required <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Federal Participation <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Project Title Parish Creek Fish Passage Barrier Removal		
Description of Work The City of Bremerton, Public Works, Engineering Division (City) seeks to replace a fish passage barrier culvert on Parish Creek at West Belfair Valley Road. The City has performed survey, stream geomorphology, geotechnical analysis, environmental assessment and 30% design for the project. The proposed improvements include removal of an existing 48-inch corrugated metal pipe (CMP) culvert, removal of a concrete spillway, construction of a two-lane bridge, and restoration of Parish Creek using engineered streambed sediments and large woody material (LWM). The objective of this project is to provide preliminary engineering design and environmental permitting for the crossing replacement. Northwest Hydraulic Consultants (NHC) together with its subconsultants (Consultant) Abeyta & Associates; Cultural Resources Consultants (CRC); Gray & Osborne (G&O); Peninsula Land Survey (PLS); Sargent Engineers (SEI); Shannon & Wilson; Land Meets Water; and Struck Environmental (SE) will perform professional services for the City in support of the project. The Consultant's work is expected to begin in June 2025 and be completed in December 2027.		
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No DBE Participation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No MBE Participation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No WBE Participation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No SBE Participation	Total Amount Authorized: \$650,749 Management Reserve Fund: \$40,000 Maximum Amount Payable: \$690,749	

Index of Exhibits

Exhibit A	Scope of Work
Exhibit B	DBE Participation
Exhibit C	Preparation and Delivery of Electronic Engineering and Other Data
Exhibit D	Prime Consultant Cost Computations
Exhibit E	Sub-consultant Cost Computations
Exhibit F	Title VI Assurances
Exhibit G	Certification Documents
Exhibit H	Liability Insurance Increase
Exhibit I	Alleged Consultant Design Error Procedures
Exhibit J	Consultant Claim Procedures

Agreement Number: LA 11045

THIS AGREEMENT, made and entered into as shown in the “Execution Date” box on page one (1) of this AGREEMENT, between the City of Bremerton hereinafter called the “AGENCY,” and the “Firm / Organization Name” referenced on page one (1) of this AGREEMENT, hereinafter called the “CONSULTANT.”

WHEREAS, the AGENCY desires to accomplish the work referenced in “Description of Work” on page one (1) of this AGREEMENT and hereafter called the “SERVICES;” and does not have sufficient staff to meet the required commitment and therefore deems it advisable and desirable to engage the assistance of a CONSULTANT to provide the necessary SERVICES; and

WHEREAS, the CONSULTANT represents that they comply with the Washington State Statutes relating to professional registration, if applicable, and has signified a willingness to furnish consulting services to the AGENCY.

NOW, THEREFORE, in consideration of the terms, conditions, covenants, and performance contained herein, or attached and incorporated and made a part hereof, the parties hereto agree as follows:

I. General Description of Work

The work under this AGREEMENT shall consist of the above-described SERVICES as herein defined, and necessary to accomplish the completed work for this project. The CONSULTANT shall furnish all services, labor, and related equipment and, if applicable, sub-consultants and subcontractors necessary to conduct and complete the SERVICES as designated elsewhere in this AGREEMENT.

II. General Scope of Work

The Scope of Work and projected level of effort required for these SERVICES is described in Exhibit “A” attached hereto and by this reference made a part of this AGREEMENT. The General Scope of Work was developed utilizing performance based contracting methodologies.

III. General Requirements

All aspects of coordination of the work of this AGREEMENT with outside agencies, groups, or individuals shall receive advance approval by the AGENCY. Necessary contacts and meetings with agencies, groups, and/or individuals shall be coordinated through the AGENCY. The CONSULTANT shall attend coordination, progress, and presentation meetings with the AGENCY and/or such State, Federal, Community, City, or County officials, groups or individuals as may be requested by the AGENCY. The AGENCY will provide the CONSULTANT sufficient notice prior to meetings requiring CONSULTANT participation. The minimum required hours or days’ notice shall be agreed to between the AGENCY and the CONSULTANT and shown in Exhibit “A.”

The CONSULTANT shall prepare a monthly progress report, in a form approved by the AGENCY, which will outline in written and graphical form the various phases and the order of performance of the SERVICES in sufficient detail so that the progress of the SERVICES can easily be evaluated.

The CONSULTANT, any sub-consultants, and the AGENCY shall comply with all Federal, State, and local laws, rules, codes, regulations, and all AGENCY policies and directives, applicable to the work to be performed under this AGREEMENT. This AGREEMENT shall be interpreted and construed in accordance with the laws of the State of Washington.

Participation for Disadvantaged Business Enterprises (DBE) or Small Business Enterprises (SBE), if required, per 49 CFR Part 26, shall be shown on the heading of this AGREEMENT. If DBE firms are utilized at the commencement of this AGREEMENT, the amounts authorized to each firm and their certification number will be shown on Exhibit “B” attached hereto and by this reference made part of this AGREEMENT. If the Prime CONSULTANT is a DBE certified firm they must comply with the Commercial Useful Function (CUF) regulation outlined in the AGENCY’s “DBE Program Participation Plan” and perform a minimum of 30% of the total amount of this AGREEMENT. It is recommended, but not required, that non-DBE Prime CONSULTANTS perform a minimum of 30% of the total amount of this AGREEMENT.

In the absents of a mandatory DBE goal, a voluntary SBE goal amount of ten percent of the Consultant Agreement is established. The Consultant shall develop a SBE Participation Plan prior to commencing work. Although the goal is voluntary, the outreach efforts to provide SBE maximum practicable opportunities are not.

The CONSULTANT, on a monthly basis, shall enter the amounts paid to all firms (including Prime) involved with this AGREEMENT into the wsdot.diversitycompliance.com program. Payment information shall identify any DBE Participation.

All Reports, PS&E materials, and other data furnished to the CONSULTANT by the AGENCY shall be returned. All electronic files, prepared by the CONSULTANT, must meet the requirements as outlined in Exhibit “C – Preparation and Delivery of Electronic Engineering and other Data.”

All designs, drawings, specifications, documents, and other work products, including all electronic files, prepared by the CONSULTANT prior to completion or termination of this AGREEMENT are instruments of service for these SERVICES, and are the property of the AGENCY. Reuse by the AGENCY or by others, acting through or on behalf of the AGENCY of any such instruments of service, not occurring as a part of this SERVICE, shall be without liability or legal exposure to the CONSULTANT.

Any and all notices or requests required under this AGREEMENT shall be made in writing and sent to the other party by (i) certified mail, return receipt requested, or (ii) by email or facsimile, to the address set forth below:

If to AGENCY:		If to CONSULTANT:	
Name:	David Dinkuhn	Name:	Peter Brooks
Agency:	City of Bremerton	Agency:	Northwest Hydraulic Consultants, Inc.
Address:	345 6th Street, Suite 100	Address:	12787 Gateway Drive S
City:	Bremerton	City:	Seattle
State:	WA	State:	WA
Zip:	98337	Zip:	98168
Email:	david.dinkuhn@ci.bremerton.wa.us	Email:	pbrooks@nhcwater.com
Phone:	(360) 473-5331	Phone:	(206) 241-6000
Facsimile:	(360) 473-5398	Facsimile:	(206) 439-2420

IV. Time for Beginning and Completion

The CONSULTANT shall not begin any work under the terms of this AGREEMENT until authorized in writing by the AGENCY. All work under this AGREEMENT shall be completed by the date shown in the heading of this AGREEMENT titled “Completion Date.”

The established completion time shall not be extended because of any delays attributable to the CONSULTANT, but may be extended by the AGENCY in the event of a delay attributable to the AGENCY, or because of unavoidable delays caused by an act of GOD, governmental actions, or other conditions beyond the control of the CONSULTANT. A prior supplemental AGREEMENT issued by the AGENCY is required to extend the established completion time.

V. Payment Provisions

The CONSULTANT shall be paid by the AGENCY for completed SERVICES rendered under this AGREEMENT as provided hereinafter. Such payment shall be full compensation for SERVICES performed or SERVICES rendered and for all labor, materials, supplies, equipment, and incidentals necessary to complete SERVICES, specified in Section II, "Scope of Work". The CONSULTANT shall conform to all applicable portions of 48 CFR Part 31 (www.ecfr.gov). The estimate in support of the Cost Plus Fixed Fee amount is attached hereto as Exhibits "D" and "E" and by this reference made part of this AGREEMENT.

A. Actual Costs: Payment for all consulting services for this PROJECT shall be on the basis of the CONSULTANT'S actual cost plus a fixed fee. The actual cost shall include direct salary cost, indirect cost rate, and direct non-salary costs.

1. Direct (RAW) Labor Costs: The Direct (RAW) Labor Cost is the direct salary paid to principals, professional, technical, and clerical personnel for the time they are productively engaged in work necessary to fulfill the terms of this AGREEMENT. The CONSULTANT shall maintain support data to verify the direct salary costs billed to the AGENCY.
2. Indirect Cost Rate (ICR) Costs: ICR Costs are those costs, other than direct costs, which are included as such on the books of the CONSULTANT in the normal everyday keeping of its books. Progress payments shall be made at the ICR rates shown in attached Exhibits "D" and "E" of this AGREEMENT. Total ICR payment shall be based on Actual Costs. The AGENCY agrees to reimburse the CONSULTANT the actual ICR costs verified by audit, up to the Maximum Total Amount Payable, authorized under this AGREEMENT, when accumulated with all other Actual Costs.

A summary of the CONSULTANT'S cost estimate and the ICR percentage is shown in Exhibits "D" and "E", attached hereto and by this reference made part of this AGREEMENT. The CONSULTANT (prime and all A&E sub-consultants) will submit to the AGENCY within six (6) months after the end of each firm's fiscal year, an ICR schedule in the format required by the AGENCY (cost category, dollar expenditures, etc.) for the purpose of adjusting the ICR rate for billings received and paid during the fiscal year represented by the ICR schedule. It shall also be used for the computation of progress payments during the following year and for retroactively adjusting the previous year's ICR cost to reflect the actual rate. The ICR schedule will be sent to Email: ConsultantRates@wsdot.wa.gov.

Failure to supply this information by either the prime CONSULTANT or any of their A&E sub-consultants shall cause the AGENCY to withhold payment of the billed ICR costs until such time as the required information is received and an overhead rate for billing purposes is approved.

The AGENCY's Project Manager and/or the Federal Government may perform an audit of the CONSULTANT'S books and records at any time during regular business hours to determine the actual ICR rate, if they so desire.

3. Direct Non-Salary Costs: Direct Non-Salary Costs will be reimbursed at the Actual Cost to the CONSULTANT. (excluding Meals, which are reimbursed at the per diem rates identified in this section) These charges may include, but are not limited to, the following items: travel, printing, long distance telephone, supplies, computer charges and fees of sub-consultants. Air or train travel will be reimbursed only to economy class levels unless otherwise approved by the AGENCY. The CONSULTANT shall comply with the rules and regulations regarding travel costs (excluding air, train, and rental car costs) in accordance with WSDOT's Accounting Manual M 13-82, Chapter 10 – Travel Rules and Procedures, and revisions thereto. Air, train, and rental car costs shall be reimbursed in accordance with 48 Code of Federal Regulations (CFR) Part 31.205-46 "Travel Costs." The billing for Direct Non-Salary Costs shall include an itemized listing of the charges directly identifiable with the PROJECT. The CONSULTANT shall maintain the original supporting documents in their office. Copies of the original supporting documents shall be supplied to the AGENCY upon request. All above charges must be necessary for the services provided under this AGREEMENT.

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4. Fixed Fee: The Fixed Fee, which represents the CONSULTANT'S profit, is shown in attached Exhibits "D" and "E" of this AGREEMENT. This fee is based on the Scope of Work defined in this AGREEMENT and the estimated person-hours required to perform the stated Scope of Work. In the event the CONSULTANT enters into a supplemental AGREEMENT for additional work, the supplemental AGREEMENT may include provisions for the added costs and an appropriate additional fee. The Fixed Fee will be prorated and paid monthly in proportion to the percentage of work completed by the CONSULTANT and reported in the Monthly Progress Reports accompanying the billings. Any portion of the Fixed Fee earned but not previously paid in the progress payments will be covered in the final payment, subject to the provisions of Section IX entitled "Termination of Agreement."
 5. Management Reserve Fund (MRF): The AGENCY may desire to establish MRF to provide the Agreement Administrator with the flexibility to authorize additional funds to the AGREEMENT for allowable unforeseen costs, or reimbursing the CONSULTANT for additional work beyond that already defined in this AGREEMENT. Such authorization(s) shall be in writing and shall not exceed the lesser of \$100,000 or 10% of the Total Amount Authorized as shown in the heading of this AGREEMENT. The amount included for the MRF is shown in the heading of this AGREEMENT. This fund may not be replenished. Any changes requiring additional costs in excess of the MRF shall be made in accordance with Section XIII, "Extra Work."
 6. Maximum Total Amount Payable: The Maximum Total Amount Payable by the AGENCY to the CONSULTANT under this AGREEMENT shall not exceed the amount shown in the heading of this AGREEMENT. The Maximum Total Amount Payable is comprised of the Total Amount Authorized, and the MRF. The Maximum Total Amount Payable does not include payment for Extra Work as stipulated in Section XIII, "Extra Work." No minimum amount payable is guaranteed under this AGREEMENT.
- B. Monthly Progress Payments: The CONSULTANT may submit billings to the AGENCY for reimbursement of Actual Costs plus the ICR and calculated fee on a monthly basis during the progress of the work. Such billings shall be in a format approved by the AGENCY and accompanied by the monthly progress reports required under Section III, "General Requirements" of this AGREEMENT. The billings will be supported by an itemized listing for each item including Direct (RAW) Labor, Direct Non-Salary, and allowable ICR Costs to which will be added the prorated Fixed Fee. To provide a means of verifying the billed Direct (RAW) Labor costs for CONSULTANT employees, the AGENCY may conduct employee interviews. These interviews may consist of recording the names, titles, Direct (RAW) Labor rates, and present duties of those employees performing work on the PROJECT at the time of the interview.
- C. Final Payment: Final Payment of any balance due the CONSULTANT of the gross amount earned will be made promptly upon its verification by the AGENCY after the completion of the work under this AGREEMENT, contingent, if applicable, upon receipt of all PS&E, plans, maps, notes, reports, electronic data and other related documents which are required to be furnished under this AGREEMENT. Acceptance of such Final Payment by the CONSULTANT shall constitute a release of all claims for payment, which the CONSULTANT may have against the AGENCY unless such claims are specifically reserved in writing and transmitted to the AGENCY by the CONSULTANT prior to its acceptance. Said Final Payment shall not, however, be a bar to any claims that the AGENCY may have against the CONSULTANT or to any remedies the AGENCY may pursue with respect to such claims.

The payment of any billing will not constitute agreement as to the appropriateness of any item and at the time of final audit; all required adjustments will be made and reflected in a final payment. In the event that such final audit reveals an overpayment to the CONSULTANT, the CONSULTANT will refund such overpayment to the AGENCY within thirty (30) calendar days of notice of the overpayment. Such refund shall not constitute a waiver by the CONSULTANT for any claims relating to the validity of a finding by the AGENCY of overpayment. The CONSULTANT has twenty (20) working days after receipt of the final POST AUDIT to begin the appeal process to the AGENCY for audit findings.

- D. Inspection of Cost Records: The CONSULTANT and their sub-consultants shall keep available for inspection by representatives of the AGENCY and the United States, for a period of six (6) years after receipt of final payment, the cost records and accounts pertaining to this AGREEMENT and all items related to or bearing upon these records with the following exception: if any litigation, claim or audit arising out of, in connection with, or related to this AGREEMENT is initiated before the expiration of the six (6) year period, the cost records and accounts shall be retained until such litigation, claim, or audit involving the records is completed.

An interim or post audit may be performed on this AGREEMENT. The audit, if any, will be performed by the State Auditor, WSDOT's Internal Audit Office and/or at the request of the AGENCY's Project Manager.

VI. Sub-Contracting

The AGENCY permits subcontracts for those items of SERVICES as shown in Exhibit "A" attached hereto and by this reference made part of this AGREEMENT.

The CONSULTANT shall not subcontract for the performance of any SERVICE under this AGREEMENT without prior written permission of the AGENCY. No permission for subcontracting shall create, between the AGENCY and sub-consultant, any contract or any other relationship.

Compensation for this sub-consultant SERVICES shall be based on the cost factors shown on Exhibit "E" attached hereto and by this reference made part of this AGREEMENT.

The SERVICES of the sub-consultant shall not exceed its maximum amount payable identified in each sub-consultant cost estimate unless a prior written approval has been issued by the AGENCY.

All reimbursable direct labor, indirect cost rate, direct non-salary costs and fixed fee costs for the sub-consultant shall be negotiated and substantiated in accordance with section V "Payment Provisions" herein and shall be memorialized in a final written acknowledgement between the parties.

All subcontracts shall contain all applicable provisions of this AGREEMENT, and the CONSULTANT shall require each sub-consultant or subcontractor, of any tier, to abide by the terms and conditions of this AGREEMENT. With respect to sub-consultant payment, the CONSULTANT shall comply with all applicable sections of the STATE's Prompt Payment laws as set forth in RCW 39.04.250 and RCW 39.76.011.

The CONSULTANT, sub-recipient, or sub-consultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this AGREEMENT. The CONSULTANT shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the CONSULTANT to carry out these requirements is a material breach of this AGREEMENT, which may result in the termination of this AGREEMENT or such other remedy as the recipient deems appropriate.

VII. Employment and Organizational Conflict of Interest

The CONSULTANT warrants that they have not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this contract. For breach or violation of this warrant, the AGENCY shall have the right to annul this AGREEMENT without liability or, in its discretion, to deduct from this AGREEMENT price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

Any and all employees of the CONSULTANT or other persons while engaged in the performance of any work or services required of the CONSULTANT under this AGREEMENT, shall be considered employees of the CONSULTANT only and not of the AGENCY, and any and all claims that may arise under any Workmen's

Compensation Act on behalf of said employees or other persons while so engaged, and any and all claims made by a third party as a consequence of any act or omission on the part of the CONSULTANT's employees or other persons while so engaged on any of the work or services provided to be rendered herein, shall be the sole obligation and responsibility of the CONSULTANT.

The CONSULTANT shall not engage, on a full- or part-time basis, or other basis, during the period of this AGREEMENT, any professional or technical personnel who are, or have been, at any time during the period of this AGREEMENT, in the employ of the United States Department of Transportation or the AGENCY, except regularly retired employees, without written consent of the public employer of such person if he/she will be working on this AGREEMENT for the CONSULTANT.

VIII. Nondiscrimination

During the performance of this AGREEMENT, the CONSULTANT, for itself, its assignees, sub-consultants, subcontractors and successors in interest, agrees to comply with the following laws and regulations:

- Title VI of the Civil Rights Act of 1964
(42 U.S.C. Chapter 21 Subchapter V § 2000d through 2000d-4a)
- Federal-aid Highway Act of 1973
(23 U.S.C. Chapter 3 § 324)
- Rehabilitation Act of 1973
(29 U.S.C. Chapter 16 Subchapter V § 794)
- Age Discrimination Act of 1975
(42 U.S.C. Chapter 76 § 6101 *et. seq.*)
- Civil Rights Restoration Act of 1987
(Public Law 100-259)
- American with Disabilities Act of 1990
(42 U.S.C. Chapter 126 § 12101 *et. seq.*)
- 23 CFR Part 200
- 49 CFR Part 21
- 49 CFR Part 26
- RCW 49.60.180

In relation to Title VI of the Civil Rights Act of 1964, the CONSULTANT is bound by the provisions of Exhibit "F" attached hereto and by this reference made part of this AGREEMENT, and shall include the attached Exhibit "F" in every sub-contract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto.

IX. Termination of Agreement

The right is reserved by the AGENCY to terminate this AGREEMENT at any time with or without cause upon ten (10) days written notice to the CONSULTANT.

In the event this AGREEMENT is terminated by the AGENCY, other than for default on the part of the CONSULTANT, a final payment shall be made to the CONSULTANT for actual hours charged and any appropriate fixed fee percentage at the time of termination of this AGREEMENT, plus any direct non-salary costs incurred up to the time of termination of this AGREEMENT.

No payment shall be made for any SERVICES completed after ten (10) days following receipt by the CONSULTANT of the notice to terminate. If the accumulated payment made to the CONSULTANT prior to Notice of Termination exceeds the total amount that would be due when computed as set forth in paragraph two (2) of this section, then no final payment shall be due and the CONSULTANT shall immediately reimburse the AGENCY for any excess paid.

If the services of the CONSULTANT are terminated by the AGENCY for default on the part of the CONSULTANT, the above formula for payment shall not apply.

In the event of a termination for default, the amount to be paid to the CONSULTANT shall be determined by the AGENCY with consideration given to the actual costs incurred by the CONSULTANT in performing SERVICES to the date of termination, the amount of SERVICES originally required which was satisfactorily completed to

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date of termination, whether that SERVICE is in a form or a type which is usable to the AGENCY at the time of termination, the cost to the AGENCY of employing another firm to complete the SERVICES required and the time which may be required to do so, and other factors which affect the value to the AGENCY of the SERVICES performed at the time of termination. Under no circumstances shall payment made under this subsection exceed the amount, which would have been made using the formula set forth in paragraph two (2) of this section.

If it is determined for any reason that the CONSULTANT was not in default or that the CONSULTANT's failure to perform is without the CONSULTANT's or its employee's fault or negligence, the termination shall be deemed to be a termination for the convenience of the AGENCY. In such an event, the CONSULTANT would be reimbursed for actual costs and appropriate fixed fee percentage in accordance with the termination for other than default clauses listed previously.

The CONSULTANT shall, within 15 days, notify the AGENCY in writing, in the event of the death of any member, partner, or officer of the CONSULTANT or the death or change of any of the CONSULTANT's supervisory and/or other key personnel assigned to the project or disaffiliation of any principally involved CONSULTANT employee. The CONSULTANT shall also notify the AGENCY, in writing, in the event of the sale or transfer of 50% or more of the beneficial ownership of the CONSULTANT within 15 days of such sale or transfer occurring. The CONSULTANT shall continue to be obligated to complete the SERVICES under the terms of this AGREEMENT unless the AGENCY chooses to terminate this AGREEMENT for convenience or chooses to renegotiate any term(s) of this AGREEMENT. If termination for convenience occurs, final payment will be made to the CONSULTANT as set forth in the second and third paragraphs of this section.

Payment for any part of the SERVICES by the AGENCY shall not constitute a waiver by the AGENCY of any remedies of any type it may have against the CONSULTANT for any breach of this AGREEMENT by the CONSULTANT, or for failure of the CONSULTANT to perform SERVICES required of it by the AGENCY. Forbearance of any rights under the AGREEMENT will not constitute waiver of entitlement to exercise those rights with respect to any future act or omission by the CONSULTANT.

X. Changes of Work

The CONSULTANT shall make such changes and revisions in the completed work of this AGREEMENT as necessary to correct errors appearing therein, without additional compensation thereof. Should the AGENCY find it desirable for its own purposes to have previously satisfactorily completed SERVICES or parts thereof changed or revised, the CONSULTANT shall make such revisions as directed by the AGENCY. This work shall be considered as Extra Work and will be paid for as herein provided under section XIII "Extra Work."

XI. Disputes

Any disputed issue not resolved pursuant to the terms of this AGREEMENT shall be submitted in writing within 10 days to the Director of Public Works or AGENCY Engineer, whose decision in the matter shall be final and binding on the parties of this AGREEMENT; provided however, that if an action is brought challenging the Director of Public Works or AGENCY Engineer's decision, that decision shall be subject to judicial review. If the parties to this AGREEMENT mutually agree, disputes concerning alleged design errors will be conducted under the procedures found in Exhibit "J". In the event that either party deem it necessary to institute legal action or proceeding to enforce any right or obligation under this AGREEMENT, this action shall be initiated in the Superior Court of the State of Washington, situated in the county in which the AGENCY is located. The parties hereto agree that all questions shall be resolved by application of Washington law and that the parties have the right of appeal from such decisions of the Superior Court in accordance with the laws of the State of Washington. The CONSULTANT hereby consents to the personal jurisdiction of the Superior Court of the State of Washington, situated in the county in which the AGENCY is located.

XII. Legal Relations

The CONSULTANT, any sub-consultants, and the AGENCY shall comply with all Federal, State, and local laws, rules, codes, regulations and all AGENCY policies and directives, applicable to the work to be performed under this AGREEMENT. This AGREEMENT shall be interpreted and construed in accordance with the laws of the State of Washington.

The CONSULTANT shall defend, indemnify, and hold The State of Washington (STATE) and the AGENCY and their officers and employees harmless from all claims, demands, or suits at law or equity arising in whole or in part from the negligence of, or the breach of any obligation under this AGREEMENT by, the CONSULTANT or the CONSULTANT's agents, employees, sub consultants, subcontractors or vendors, of any tier, or any other persons for whom the CONSULTANT may be legally liable; provided that nothing herein shall require a CONSULTANT to defend or indemnify the STATE and the AGENCY and their officers and employees against and hold harmless the STATE and the AGENCY and their officers and employees from claims, demands or suits based solely upon the negligence of, or breach of any obligation under this AGREEMENT by the STATE and the AGENCY, their agents, officers, employees, sub-consultants, subcontractors or vendors, of any tier, or any other persons for whom the STATE and/or the AGENCY may be legally liable; and provided further that if the claims or suits are caused by or result from the concurrent negligence of (a) the CONSULTANT or the CONSULTANT's agents, employees, sub-consultants, subcontractors or vendors, of any tier, or any other persons for whom the CONSULTANT is legally liable, and (b) the STATE and/or AGENCY, their agents, officers, employees, sub-consultants, subcontractors and or vendors, of any tier, or any other persons for whom the STATE and or AGENCY may be legally liable, the defense and indemnity obligation shall be valid and enforceable only to the extent of the CONSULTANT's negligence or the negligence of the CONSULTANT's agents, employees, sub-consultants, subcontractors or vendors, of any tier, or any other persons for whom the CONSULTANT may be legally liable. This provision shall be included in any AGREEMENT between CONSULTANT and any sub-consultant, subcontractor and vendor, of any tier.

The CONSULTANT shall also defend, indemnify, and hold the STATE and the AGENCY and their officers and employees harmless from all claims, demands, or suits at law or equity arising in whole or in part from the alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions by the CONSULTANT or the CONSULTANT's agents, employees, sub-consultants, subcontractors or vendors, of any tier, or any other persons for whom the CONSULTANT may be legally liable, in performance of the Work under this AGREEMENT or arising out of any use in connection with the AGREEMENT of methods, processes, designs, information or other items furnished or communicated to STATE and/or the AGENCY, their agents, officers and employees pursuant to the AGREEMENT; provided that this indemnity shall not apply to any alleged patent or copyright infringement or other allegedly improper appropriation or use of trade secrets, patents, proprietary information, know-how, copyright rights or inventions resulting from STATE and/or AGENCY's, their agents', officers' and employees' failure to comply with specific written instructions regarding use provided to STATE and/or AGENCY, their agents, officers and employees by the CONSULTANT, its agents, employees, sub-consultants, subcontractors or vendors, of any tier, or any other persons for whom the CONSULTANT may be legally liable.

The CONSULTANT's relation to the AGENCY shall be at all times as an independent contractor.

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the AGENCY may, in its sole discretion, by written notice to the CONSULTANT terminate this AGREEMENT if it is found after due notice and examination by the AGENCY that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the CONSULTANT in the procurement of, or performance under, this AGREEMENT.

The CONSULTANT specifically assumes potential liability for actions brought by the CONSULTANT's own employees or its agents against the STATE and /or the AGENCY and, solely for the purpose of this indemnification and defense, the CONSULTANT specifically waives any immunity under the state industrial insurance law, Title 51 RCW. This waiver has been mutually negotiated between the Parties.

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Unless otherwise specified in this AGREEMENT, the AGENCY shall be responsible for administration of construction contracts, if any, on the project. Subject to the processing of a new sole source, or an acceptable supplemental AGREEMENT, the CONSULTANT shall provide On-Call assistance to the AGENCY during contract administration. By providing such assistance, the CONSULTANT shall assume no responsibility for: proper construction techniques, job site safety, or any construction contractor's failure to perform its work in accordance with the contract documents.

The CONSULTANT shall obtain and keep in force during the terms of this AGREEMENT, or as otherwise required, the following insurance with companies or through sources approved by the State Insurance Commissioner pursuant to Title 48 RCW.

Insurance Coverage

- A. Worker's compensation and employer's liability insurance as required by the STATE.
- B. Commercial general liability insurance written under ISO Form CG 00 01 12 04 or its equivalent with minimum limits of one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) in the aggregate for each policy period.
- C. Business auto liability insurance written under ISO Form CG 00 01 10 01 or equivalent providing coverage for any "Auto" (Symbol 1) used in an amount not less than a one million dollar (\$1,000,000.00) combined single limit for each occurrence.

Excepting the Worker's Compensation Insurance and any Professional Liability Insurance, the STATE and AGENCY, their officers, employees, and agents will be named on all policies of CONSULTANT and any sub-consultant and/or subcontractor as an additional insured (the "AIs"), with no restrictions or limitations concerning products and completed operations coverage. This coverage shall be primary coverage and non-contributory and any coverage maintained by the AIs shall be excess over, and shall not contribute with, the additional insured coverage required hereunder. The CONSULTANT's and the sub-consultant's and/or subcontractor's insurer shall waive any and all rights of subrogation against the AIs. The CONSULTANT shall furnish the AGENCY with verification of insurance and endorsements required by this AGREEMENT. The AGENCY reserves the right to require complete, certified copies of all required insurance policies at any time.

All insurance shall be obtained from an insurance company authorized to do business in the State of Washington. The CONSULTANT shall submit a verification of insurance as outlined above within fourteen (14) days of the execution of this AGREEMENT to:

Name: David Dinkuhn
Agency: City of Bremerton
Address: 345 6th Street, Suite 100
City: Bremerton State: WA Zip: 98337
Email: david.dinkuhn@ci.bremerton.wa.us
Phone: (360) 473-5331
Facsimile: (360) 473-5398

No cancellation of the foregoing policies shall be effective without thirty (30) days prior notice to the AGENCY.

The CONSULTANT's professional liability to the AGENCY, including that which may arise in reference to section IX "Termination of Agreement" of this AGREEMENT, shall be limited to the accumulative amount of the authorized AGREEMENT amount or one million dollars (\$1,000,000.00), whichever is greater, unless the limit of liability is increased by the AGENCY pursuant to Exhibit H. In no case shall the CONSULTANT's professional liability to third parties be limited in any way.

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The parties enter into this AGREEMENT for the sole benefit of the parties, and to the exclusion of any third party, and no third party beneficiary is intended or created by the execution of this AGREEMENT.

The AGENCY will pay no progress payments under section V “Payment Provisions” until the CONSULTANT has fully complied with this section. This remedy is not exclusive; and the AGENCY may take such other action as is available to it under other provisions of this AGREEMENT, or otherwise in law.

XIII. Extra Work

- A. The AGENCY may at any time, by written order, make changes within the general scope of this AGREEMENT in the SERVICES to be performed.
- B. If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the SERVICES under this AGREEMENT, whether or not changed by the order, or otherwise affects any other terms and conditions of this AGREEMENT, the AGENCY shall make an equitable adjustment in the: (1) maximum amount payable; (2) delivery or completion schedule, or both; and (3) other affected terms and shall modify this AGREEMENT accordingly.
- C. The CONSULTANT must submit any “request for equitable adjustment,” hereafter referred to as “CLAIM,” under this clause within thirty (30) days from the date of receipt of the written order. However, if the AGENCY decides that the facts justify it, the AGENCY may receive and act upon a CLAIM submitted before final payment of this AGREEMENT.
- D. Failure to agree to any adjustment shall be a dispute under the section XI “Disputes” clause. However, nothing in this clause shall excuse the CONSULTANT from proceeding with the AGREEMENT as changed.
- E. Notwithstanding the terms and conditions of paragraphs (A.) and (B.) above, the maximum amount payable for this AGREEMENT, shall not be increased or considered to be increased except by specific written supplement to this AGREEMENT.

XIV. Endorsement of Plans

If applicable, the CONSULTANT shall place their endorsement on all plans, estimates, or any other engineering data furnished by them.

XV. Federal Review

The Federal Highway Administration shall have the right to participate in the review or examination of the SERVICES in progress.

XVI. Certification of the Consultant and the Agency

Attached hereto as Exhibit “G-1(a and b)” are the Certifications of the CONSULTANT and the AGENCY, Exhibit “G-2” Certification Regarding Debarment, Suspension and Other Responsibility Matters - Primary Covered Transactions, Exhibit “G-3” Certification Regarding the Restrictions of the Use of Federal Funds for Lobbying and Exhibit “G-4” Certificate of Current Cost or Pricing Data. Exhibit “G-3” is required only in AGREEMENT’s over one hundred thousand dollars (\$100,000.00) and Exhibit “G-4” is required only in AGREEMENT’s over five hundred thousand dollars (\$500,000.00.) These Exhibits must be executed by the CONSULTANT, and submitted with the master AGREEMENT, and returned to the AGENCY at the address listed in section III “General Requirements” prior to its performance of any SERVICES under this AGREEMENT.

XVII. Complete Agreement

This document and referenced attachments contain all covenants, stipulations, and provisions agreed upon by the parties. No agent, or representative of either party has authority to make, and the parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein. No changes, amendments, or modifications of the terms hereof shall be valid unless reduced to writing and signed by the parties as a supplement to this AGREEMENT.

XVIII. Execution and Acceptance

This AGREEMENT may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect. The CONSULTANT does hereby ratify and adopt all statements, representations, warranties, covenants, and AGREEMENT's contained in the proposal, and the supporting material submitted by the CONSULTANT, and does hereby accept this AGREEMENT and agrees to all of the terms and conditions thereof.

XIX. Protection of Confidential Information

The CONSULTANT acknowledges that some of the material and information that may come into its possession or knowledge in connection with this AGREEMENT or its performance may consist of information that is exempt from disclosure to the public or other unauthorized persons under either chapter 42.56 RCW or other local, state or federal statutes ("State's Confidential Information"). The "State's Confidential Information" includes, but is not limited to, names, addresses, Social Security numbers, e-mail addresses, telephone numbers, financial profiles, credit card information, driver's license numbers, medical data, law enforcement records (or any other information identifiable to an individual), STATE and AGENCY source code or object code, STATE and AGENCY security data, non-public Specifications, STATE and AGENCY non-publicly available data, proprietary software, State security data, or information which may jeopardize any part of the project that relates to any of these types of information. The CONSULTANT agrees to hold the State's Confidential Information in strictest confidence and not to make use of the State's Confidential Information for any purpose other than the performance of this AGREEMENT, to release it only to authorized employees, sub-consultants or subcontractors requiring such information for the purposes of carrying out this AGREEMENT, and not to release, divulge, publish, transfer, sell, disclose, or otherwise make it known to any other party without the AGENCY's express written consent or as provided by law. The CONSULTANT agrees to release such information or material only to employees, sub-consultants or subcontractors who have signed a nondisclosure AGREEMENT, the terms of which have been previously approved by the AGENCY. The CONSULTANT agrees to implement physical, electronic, and managerial safeguards to prevent unauthorized access to the State's Confidential Information.

Immediately upon expiration or termination of this AGREEMENT, the CONSULTANT shall, at the AGENCY's option: (i) certify to the AGENCY that the CONSULTANT has destroyed all of the State's Confidential Information; or (ii) returned all of the State's Confidential Information to the AGENCY; or (iii) take whatever other steps the AGENCY requires of the CONSULTANT to protect the State's Confidential Information.

As required under Executive Order 00-03, the CONSULTANT shall maintain a log documenting the following: the State's Confidential Information received in the performance of this AGREEMENT; the purpose(s) for which the State's Confidential Information was received; who received, maintained and used the State's Confidential Information; and the final disposition of the State's Confidential Information. The CONSULTANT's records shall be subject to inspection, review, or audit upon reasonable notice from the AGENCY.

The AGENCY reserves the right to monitor, audit, or investigate the use of the State's Confidential Information collected, used, or acquired by the CONSULTANT through this AGREEMENT. The monitoring, auditing, or investigating may include, but is not limited to, salting databases.

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Violation of this section by the CONSULTANT or its sub-consultants or subcontractors may result in termination of this AGREEMENT and demand for return of all State's Confidential Information, monetary damages, or penalties.

It is understood and acknowledged that the CONSULTANT may provide the AGENCY with information which is proprietary and/or confidential during the term of this AGREEMENT. The parties agree to maintain the confidentiality of such information during the term of this AGREEMENT and afterwards. All materials containing such proprietary and/or confidential information shall be clearly identified and marked as "Confidential" and shall be returned to the disclosing party at the conclusion of the SERVICES under this AGREEMENT.

The CONSULTANT shall provide the AGENCY with a list of all information and materials it considers confidential and/or proprietary in nature: (a) at the commencement of the term of this AGREEMENT; or (b) as soon as such confidential or proprietary material is developed. "Proprietary and/or confidential information" is not meant to include any information which, at the time of its disclosure: (i) is already known to the other party; (ii) is rightfully disclosed to one of the parties by a third party that is not acting as an agent or representative for the other party; (iii) is independently developed by or for the other party; (iv) is publicly known; or (v) is generally utilized by unaffiliated third parties engaged in the same business or businesses as the CONSULTANT.

The parties also acknowledge that the AGENCY is subject to Washington State and federal public disclosure laws. As such, the AGENCY shall maintain the confidentiality of all such information marked proprietary and/or confidential or otherwise exempt, unless such disclosure is required under applicable state or federal law. If a public disclosure request is made to view materials identified as "Proprietary and/or confidential information" or otherwise exempt information, the AGENCY will notify the CONSULTANT of the request and of the date that such records will be released to the requester unless the CONSULTANT obtains a court order from a court of competent jurisdiction enjoining that disclosure. If the CONSULTANT fails to obtain the court order enjoining disclosure, the AGENCY will release the requested information on the date specified.

The CONSULTANT agrees to notify the sub-consultant of any AGENCY communication regarding disclosure that may include a sub-consultant's proprietary and/or confidential information. The CONSULTANT notification to the sub-consultant will include the date that such records will be released by the AGENCY to the requester and state that unless the sub-consultant obtains a court order from a court of competent jurisdiction enjoining that disclosure the AGENCY will release the requested information. If the CONSULTANT and/or sub-consultant fail to obtain a court order or other judicial relief enjoining the AGENCY by the release date, the CONSULTANT shall waive and release and shall hold harmless and indemnify the AGENCY from all claims of actual or alleged damages, liabilities, or costs associated with the AGENCY's said disclosure of sub-consultants' information.

XX. Records Maintenance

During the progress of the Work and SERVICES provided hereunder and for a period of not less than six (6) years from the date of final payment to the CONSULTANT, the CONSULTANT shall keep, retain and maintain all "documents" pertaining to the SERVICES provided pursuant to this AGREEMENT. Copies of all "documents" pertaining to the SERVICES provided hereunder shall be made available for review at the CONSULTANT's place of business during normal working hours. If any litigation, claim or audit is commenced, the CONSULTANT shall cooperate with AGENCY and assist in the production of all such documents. "Documents" shall be retained until all litigation, claims or audit findings have been resolved even though such litigation, claim or audit continues past the six (6) year retention period.

For purposes of this AGREEMENT, "documents" means every writing or record of every type and description, including electronically stored information ("ESI"), that is in the possession, control, or custody of the CONSULTANT, including, without limitation, any and all correspondences, contracts, AGREEMENT 's, appraisals, plans, designs, data, surveys, maps, spreadsheets, memoranda, stenographic or handwritten notes, reports, records, telegrams, schedules, diaries, notebooks, logbooks, invoices, accounting records, work sheets, charts, notes, drafts, scribbings, recordings, visual displays, photographs, minutes of meetings,

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tabulations, computations, summaries, inventories, and writings regarding conferences, conversations or telephone conversations, and any and all other taped, recorded, written, printed or typed matters of any kind or description; every copy of the foregoing whether or not the original is in the possession, custody, or control of the CONSULTANT, and every copy of any of the foregoing, whether or not such copy is a copy identical to an original, or whether or not such copy contains any commentary or notation whatsoever that does not appear on the original.

For purposes of this AGREEMENT, “ESI” means any and all computer data or electronic recorded media of any kind, including “Native Files”, that are stored in any medium from which it can be retrieved and examined, either directly or after translation into a reasonably useable form. ESI may include information and/or documentation stored in various software programs such as: Email, Outlook, Word, Excel, Access, Publisher, PowerPoint, Adobe Acrobat, SQL databases, or any other software or electronic communication programs or databases that the CONSULTANT may use in the performance of its operations. ESI may be located on network servers, backup tapes, smart phones, thumb drives, CDs, DVDs, floppy disks, work computers, cell phones, laptops or any other electronic device that CONSULTANT uses in the performance of its Work or SERVICES hereunder, including any personal devices used by the CONSULTANT or any sub-consultant at home.

“Native files” are a subset of ESI and refer to the electronic format of the application in which such ESI is normally created, viewed, and /or modified.

The CONSULTANT shall include this section XX “Records Maintenance” in every subcontract it enters into in relation to this AGREEMENT and bind the sub-consultant to its terms, unless expressly agreed to otherwise in writing by the AGENCY prior to the execution of such subcontract.

In witness whereof, the parties hereto have executed this AGREEMENT as of the day and year shown in the “Execution Date” box on page one (1) of this AGREEMENT.

Signature Peter Brooks, Principal

Date

Signature

Date

Any modification, change, or reformation of this AGREEMENT shall require approval as to form by the Office of the Attorney General.

Exhibit A Scope of Work

NHC Project No. 2009612

See following pages.

Agreement Number: LA 11045

PARISH CREEK FISH BARRIER REMOVAL (PROJECT NO. 882)

INTRODUCTION

The City of Bremerton, Public Works, Engineering Division (City) seeks to replace a fish passage barrier culvert on Parish Creek at West Belfair Valley Road. The City has performed survey, stream geomorphology, geotechnical analysis, environmental assessment and 30% design for the project. The proposed improvements include removal of an existing 48-inch corrugated metal pipe (CMP) culvert, removal of a concrete spillway, construction of a two-lane bridge, and restoration of Parish Creek using engineered streambed sediments and large woody material (LWM). The objective of this project is to provide preliminary engineering design and environmental permitting for the crossing replacement.

Northwest Hydraulic Consultants (NHC) together with its subconsultants (Consultant) Abeyta & Associates; Cultural Resources Consultants (CRC); Gray & Osborne (G&O); Peninsula Land Survey (PLS); Sargent Engineers (SEI); Shannon & Wilson; Land Meets Water; and Struck Environmental (SE) will perform professional services for the City in support of the project. The Consultant's work is expected to begin in June 2025 and be completed in December 2027.

DESIGN CRITERIA

The following criteria, standards, or guidelines will be referenced for analysis and design.

- AASHTO LRFD Bridge Design Specification
- City of Bremerton, Engineering Design & Construction Standards
- FHWA Bridge Scour and Stream Instability Countermeasures, Third Edition – September 2009 (HEC No. 23)
- FHWA Evaluating Scour at Bridges, Fifth Edition – April 2012 (HEC No. 18)
- Washington Department of Fish and Wildlife, "Water Crossing Design Guidelines"
- Washington Hydraulic Code Rules, WAC 220-660-190
- WSDOT, "Standard Specifications for Road, Bridge, and Municipal Construction" (2025). – M41-10
- WSDOT Design Manual – M22-01
- WSDOT Bridge Design Manual LRFD – M23-50
- WSDOT Geotechnical Design Manual - M 46-03
- WSDOT Standard Plans – M21-01
- WSDOT Local Agency Guidelines – M36-63

SCOPE OF WORK

1 PROJECT MANAGEMENT

1.1 Project Coordination and Management

NHC will provide project management services through the life of the project including:

- Coordinate and guide day-to-day project activities.
- Perform regular schedule updates and financial status summaries.

1.2 Meetings

The Consultant, in addition to attending specific meetings as described in other tasks, shall attend the following meetings to coordinate aspects of the project:

Management meetings: The Consultant will meet with the City monthly to discuss progress, action items, schedule, and budget. The Consultant will prepare a running agenda that summarizes progress by discipline, action items, contract items (scope, schedule, budget), upcoming meetings, and completed items.

Internal team coordination meetings will be held monthly over the project duration and will be attended by discipline leads.

Assumptions

- Project duration is June 2025 through December 2027
- A total of 12 virtual management meetings are included. Meetings are assumed to be an average of 1 hour in duration.
- A total of 16 internal coordination meetings are included. Meetings are assumed to be an average of 1 hour in duration. Discipline lead attendance will vary.

Deliverables

- Meeting agendas/meeting minutes
- Project Schedule in MS Project and PDF format
- Monthly progress reports and invoices

2 SURVEY

2.1 Boundary Survey

Peninsula Land Survey will perform a boundary retracement survey for two (2) Kitsap County tax parcels listed below. Peninsula will perform additional Kitsap County records research for evidence of previous surveys and perform control measurements. Subsequent final calculations will be made based on the information collected and merged into the existing base map, that was provided by the client.

Kitsap County Tax Parcel Numbers:

- 4504-000-001-0200 Owner Kitsap Square Dance Association
- 4505-000-036-0208 Owner Kitsap Square Dance Association

2.1.1 Right of way Determination

Peninsula will determine the right of way beginning at the northwest corner of Kitsap County tax parcel number 322401-3-049-2006 along W Belfair Valley Road to the intersection of Division Avenue W and W Belfair Valley Road approximately 1,100 linear feet. Right of way limits shown in Exhibit C.

2.2 Topographic Mapping

Peninsula Land Survey will perform topographic survey and conductible utility locates within the approximate limits shown in Exhibits A and B and as described below.

The horizontal datum will be North American Datum 1983/ 2011 (NAD 83/11), and the vertical datum will be North American Vertical Datum 1988 (NAVD88), as depicted in the clients existing base map.

2.2.1 Topographic Mapping Area 1

- North of W Belfair Valley Road, the topographic survey area covers approximately 2.0 acres. Trees with a diameter of six inches or greater, measured at a height of four feet, will be identified and classified as either deciduous or coniferous. Limits are shown in white in Exhibit A. Wetland flags within this area will also be mapped.
- South of W Belfair Valley Road, the topographic mapping extends approximately 75 feet beyond the roadway. Within this area, trees six inches or larger (measured at four feet) will be documented and categorized as deciduous or coniferous. Limits are shown in red in Exhibit B. Wetland flags within this area will also be mapped.

2.2.2 Topographic Mapping Area 2

Beyond the 75-foot southern boundary noted above, the topographic survey area spans approximately 800' linear feet. Limits are shown in green in Exhibit B and are approximately three acres. Trees six inches or larger (measured at four feet) will be documented and categorized as deciduous or coniferous. Wetland and OHWM flags within this area will also be mapped.

In addition, these items will be included in the topographic survey:

- Overhead power lines (low points) within the project limits as well as the transformer poles, they connect to.
- A small culvert on the south side of West Belfair Valley Road.

2.3 Easement drafting

Peninsula will draft up to a total of four (4) temporary or permanent easements, which will include a legal description and an exhibit map

2.4 Post Construction As-built

This task includes three field days allocated for the collection of topographic data following construction activities. The collected data will be processed and delivered as a CAD file. Should field or processing efforts exceed the allotted time due to site conditions or project complexity, additional work will be performed on a time-and-materials basis with prior approval.

Assumptions

- Peninsula will be provided with reasonable access to all areas requiring surveys.
- For safety reasons Peninsula personnel are not permitted to enter enclosed utility structures. These structures will be detailed and inventoried only to the extent feasible from the surface.
- All electronic mapping standards will be based on Peninsula drafting standards.
- Peninsula field crews may need to perform minor brushing with machetes to conduct this survey, and we have Client's permission to do so.
- The setting of survey monuments at the exterior boundary points of the subject is not included in this proposal, however accurate boundary lines will be depicted.
- Peninsula has accounted for the cost of an independent utility locating service to identify the location of existing underground conductible utilities within limits in Exhibit A and B.

Deliverables

- AutoCAD Civil 3D drawing file merged with existing base map, right of way and boundary determination
- PDF copy of topographic, right of way and boundary survey
- Up to four easements with a legal description and exhibit
- Post Construction As-built AutoCAD Civil 3D drawing file

Exhibit A



Exhibit B

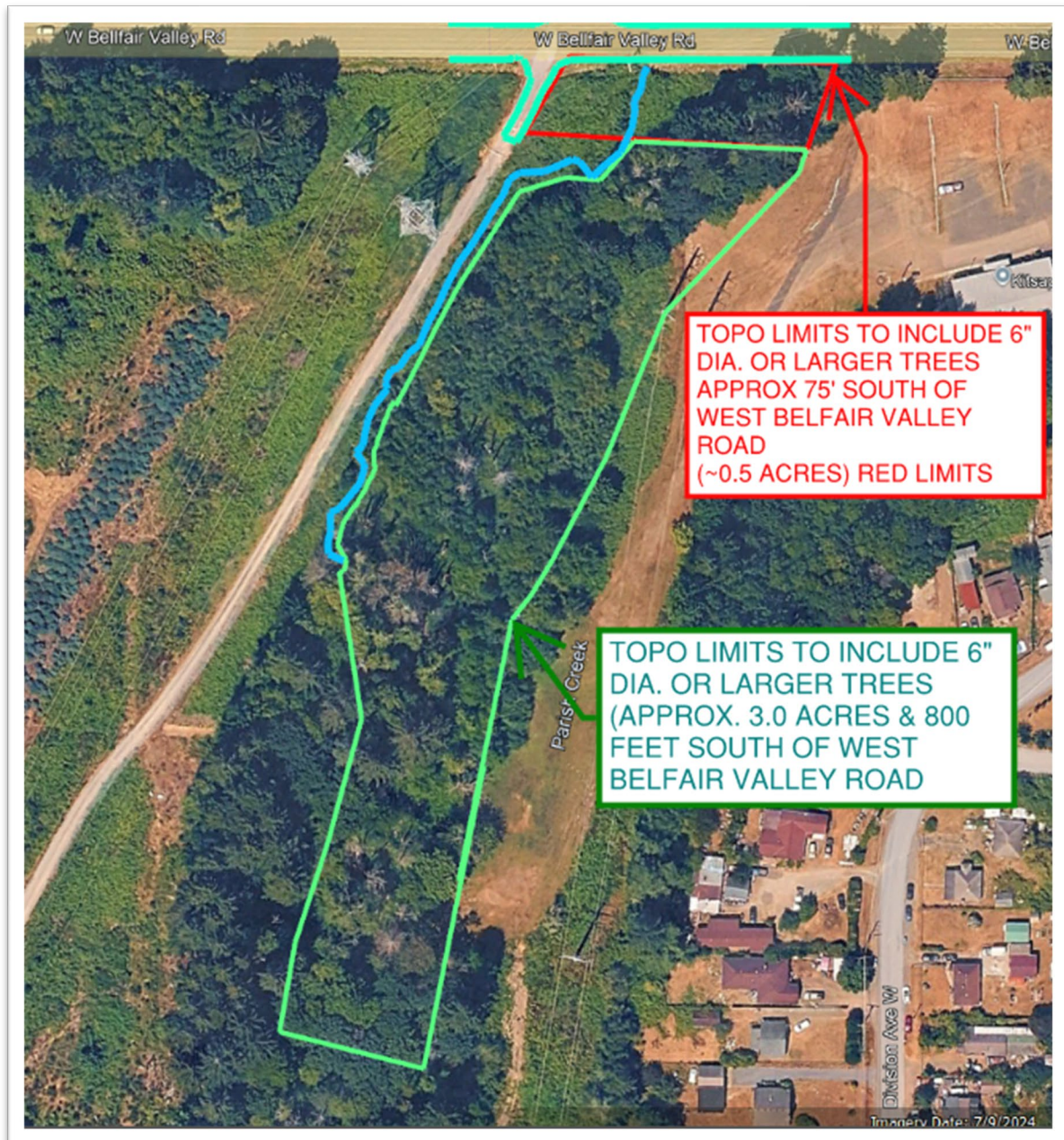


Exhibit C



Right of way Limits shown in Orange.

3 STREAM DESIGN

NHC will incorporate the City's preliminary design report findings, supplemental geomorphic analyses, and detailed hydraulic modeling to determine the crossing minimum hydraulic opening and channel design elements.

3.1 Geomorphic Assessment

The City completed a geomorphic assessment that consisted of bankfull width (BFW) measurements, a pebble count, documentation of riparian vegetation and fish habitat, documentation of channel morphologic conditions and general site observations. The City's preliminary design report identified a rootwad obstruction approximately 500 feet upstream of the crossing that has contributed to channel degradation at the crossing.

For this project phase, a geomorphic assessment will be conducted to help define the replacement crossing minimum hydraulic opening and assess risks of local scour, long-term aggradation and degradation, and lateral channel migration at the proposed crossing. The assessment includes a site visit to collect field observations, desktop data review, and sediment transport estimates to characterize expected changes to channel profile and section at the proposed crossing. Channel characteristics will be observed from approximately 1,000 feet downstream to 1,500 feet upstream of the crossing and include two additional bankfull width measurements and 2 additional pebble counts. NHC will evaluate the Parish Creek channel response to removal of the dam structures downstream on Gorst Creek and effects of channel avulsion through the aggraded reach upstream of the rootwad obstruction.

3.2 Hydraulic Analysis

NHC will develop a two-dimensional (2D) HEC-RAS hydraulic model extending from approximately 1,000 feet upstream to 500 feet downstream of the proposed crossing. The model will be developed using best available topographic data from site survey data (Task 2) for the channel and 2018 LiDAR data to expand into floodplain areas. NHC will use hydraulic modeling results to estimate hydraulic parameters including depth, velocity, and shear stress for existing and proposed conditions. The hydraulic model results will be used to support the water crossing structure design including refining hydraulic opening and determining freeboard, and scour, and the stream design including streambed gradations, channel grading, and complexity elements. The hydraulic model results will be used to support permits to show the proposed water crossing meets requirements of WAC 220-660-190 and FEMA floodplain regulations.

The project site is in a FEMA regulated Zone AE Floodplain and has a designated Floodway. As defined in 44 CFR 60.3, FEMA regulates projects within a Floodway demonstrating zero rise relative to the 100-year base flood elevation. NHC will attempt to design the project so that there is no increase to the 100-year base flood elevation. Consultant will provide a No-Rise Certification if the project is able meet the floodplain criteria. If the no-rise criteria cannot be met, a CLOMR & LOMR will be necessary to document the change in 100-year flood elevations; scope and budget to complete a CLOMR & LOMR is not included as part of this task order and would require an amendment to do so after design. The Consultant will document findings of this analysis in a Hydraulic Report.

3.3 Crossing & Stream Designs

NHC will incorporate findings from the geomorphic assessment and hydraulic analyses to develop the design for the crossing and upstream channel and floodplain enhancement.

3.3.1 Channel and Floodplain Enhancement Design

NHC will provide a feasibility and channel response assessment of placing large woody debris within the existing channel and floodplain within 1,000 upstream of the crossing. The assessment will consider large woody debris placement effects on channel and floodplain function, stability of the access road embankment, and flooding on W. Belfair Valley Road. Prior to progressing the design, NHC will meet with the Suquamish tribe and WDFW representatives to discuss site constraints and goals for channel restoration.

3.3.2 Crossing Design

NHC will refine the City's 30% water crossing design elements including a minimum 40-foot structure opening and streambed gradation. NHC will develop stream design elements including

stream alignment, typical sections, profile, streambed gradation, and channel complexity or scour countermeasure elements, if needed, to meet design criteria.

3.3.3 45% Design

The preferred crossing and channel designs will be incorporated into a 45% design. With a 45% design, NHC and SEI will meet with the Suquamish tribe and WDFW representatives to present the stream design, including section, profile, streambed gradation, and expected range of channel adjustment, to obtain the concurrence of the major stream and crossing design components.

3.4 Hydraulic Report

Hydraulic aspects of the water crossing design will be documented in a report. The report will describe the results of the geomorphic investigation, hydrologic analysis, hydraulic analysis, and water crossing design recommendations.

Assumptions

- A feasibility assessment will be included for one channel modification concept within 1,000 feet upstream and 100 feet downstream of the crossing.
- Five (5) design flow events will be simulated. Streamstats will be used for the 2-year flow estimate. Effective FEMA flows upstream and water surface elevations downstream will be used for the 10-, 100- and 500-year model boundary conditions. WDFW's Culverts and Climate Change guidance will be used to estimate flow increase for the 100-year 2080 event.
- Hydraulic model simulations will be conducted for existing conditions for the 2- and 100-year events.
- Hydraulic model simulations will be conducted for the proposed crossing for the 2-, 10-, 100-yr, 100-yr 2080 and 500-yr events to evaluate scour and flood elevations. This will include two sub-alternatives for upstream channel and floodplain restoration: one limited to 100 feet upstream and downstream of the crossing and one limited to 1,000 feet upstream and 100 feet downstream of the crossing.
- A CLOMR and/or LOMR are not included. If needed, an amendment will be required.
- Detailed stream design will be provided within 1,000 feet upstream and of the crossing replacement.
- Up to 3 consultant team members will meet with Suquamish tribe and WDFW representatives on site for a design parameters review meeting.
- Up to 3 consultant team members will meet with Suquamish tribe and WDFW representatives virtually for a 45% design concurrence meeting.

Deliverables

- Conceptual level sketch of channel and floodplain modifications from approximately 1,000 feet upstream to 100 feet downstream of the existing crossing.
- Cost estimate for upstream channel and floodplain enhancement
- 45% design PowerPoint presentation slides
- Documentation in a Hydraulic Report, Draft at 60% and Final at 90%
- No-Rise Certification (if met)

4 GEOTECHNICAL ENGINEERING

4.1 Team Coordination, Concept Review, Exploration Plan

This task includes team meetings, conceptual bridge layout review, Preparation of an Exploration Plan and coordination with City personnel

4.2 Subsurface Exploration

This task includes mobilizing a Truck-based CPT rig from ConeTech, pushing 100 feet of CPT with shear wave velocity measurements. This also includes a traffic control plan and one day of traffic control with appropriate signage and 3 flaggers.

4.3 Geotechnical Analyses

This task includes engineering analyses for pile capacity, seismic forces on piles, downdrag forces, liquefaction analysis, lateral spreading hazard analysis, earth pressures, approach and abutment wall stability, and general earthwork.

4.4 Draft Geotechnical Report

This task includes providing Draft report for design team and City review & comment.

4.5 Final Geotechnical Report

This task includes revisions to address design team and City comments.

Assumptions

- Utility locates will be performed by the City of Bremerton and by a private locating company and a locate request will be submitted to the Washington State Underground Utility Notification Center.
- CPT testing will be on the south side of proposed bridge in Right-of-Way.
- A R-O-W permit will be required. This will be a no-cost permit from the City.
- Bridge will be designed for the 1,000 year seismic event per WSDOT.
- Review of plans and specifications and construction observation services are not included in this scope of services but can be added with an amendment.
- Our services will not include any environmental assessment or evaluation regarding the presence or absence of hazardous or toxic materials in the soil; surface water; groundwater; or air on, below, or around this site.

Deliverables

- Draft Geotechnical Report
- Final Geotechnical Report

5 STRUCTURAL ENGINEERING

Sargent Engineers (SEI) will provide structural engineering services to update the 45% bridge layout and prepare the structural design of the new bridge crossing. Construction plans, specifications, and cost estimate for the new bridge will be prepared, with progress submittals at 60%, 90%, and final design.

5.1 Preliminary Bridge Design

SEI will coordinate with the design team to align the structural design effort with the channel and roadway design efforts through regular communications. SEI will attend approximately six virtual progress meetings throughout the preliminary design phase to coordinate with the other team members and/or Client. SEI will also attend an in-person meeting with the Client and/or stakeholders to gain concurrence with the proposed design.

SEI will complete the following tasks to refine and update the City's 30% design:

- Make a site visit to observe geometry and site constraints.
- Review hydraulic, geotechnical, and roadway design data for the site.
- Develop one bridge concept to accommodate the hydraulic opening recommended by NHC and roadway section recommended by G&O.
- Review construction staging and utility accommodations required to construct the new bridge.

- Provide structural options for maintaining traffic (MOT) during bridge construction, including road closure with “shoofly” bypass and/or constructing the new bridge in two phases.
- Prepare conceptual quantities and cost estimate.
- Once comments are provided on the concept design, prepare 45% plans, expected to be a bridge plan, elevation, and typical section sheet.

Assumptions

- Topographic survey, roadway design data, stream design data, and geotechnical design data will be provided to SEI to provide the basis for sizing the alternative structures.
- Crossing structure is expected to be a single-span bridge constructed with precast concrete girders.

Deliverables

- Conceptual bridge layout for one option in PDF.
- 45% cost estimate for one option in Excel format.
- 45% Structure plans in PDF

5.2 60% Bridge Design

SEI will prepare the structural design of the bridge and the 60% plans, specifications, and cost estimate. SEI will attend approximately four virtual progress meetings throughout the 60% design phase and will attend a virtual 60% design review meeting with the Client.

SEI will complete the following tasks to prepare the 60% design for the new bridge:

- Make final revisions to the layout of the bridge and wingwalls.
- Prepare the structural design in accordance with the AASHTO LRFD Bridge Design Specification and WSDOT Bridge Design Manual.
- Prepare the 60% structural plans. Plan sheets are expected to include structural notes, bridge plan and elevation, conceptual construction sequence, foundation plan, abutment plan (2 sheets), abutment reinforcement (2 sheets), abutment details (2 sheets), framing plan, typical bridge section, deck plan, girder details (4 sheets), traffic barrier (2 sheets), and barlist.
- Prepare 60% construction quantities and cost estimates for the structural items using WSDOT Standard Bid Items to the extent possible.
- Prepare 60% technical specifications for the structural items using WSDOT General Special Provisions to the extent possible.

Deliverables

- 60% Structure plans in PDF.
- 60% Structural quantities and costs in Excel format.
- 60% Structural specifications in Word format.

5.3 90% Bridge Design

SEI will perform a complete quality control check of the bridge structural design and plans, and prepare the 90% plans, specifications, and cost estimate. The results of the 60% submittal review will also be incorporated. SEI will attend approximately four virtual progress meetings throughout the 90% design phase and will attend a virtual 90% design review meeting with the Client.

SEI will complete the following tasks to prepare the 90% design for the new bridge:

- Prepare QC calculations for the bridge structural design in accordance with the AASHTO LRFD Bridge Design Specification and WSDOT Bridge Design Manual.
- Prepare QC calculations for the bridge construction quantities.
- Complete a QC review of the structural plans, specifications, and cost estimate for conformance with the structural design and to ensure complete and accurate documents.
- Prepare the 90% structural plans, specifications, and cost estimate. Documents will be revised to incorporate the QC results and results of the 60% submittal review.

Deliverables

- 90% Structure plans in PDF.
- 90% Structural quantities and costs in Excel format.
- 90% Structural specifications in Word format.

5.4 Final Bridge Design

SEI will complete minor revisions to finalize the bridge plans, specifications, and cost estimate and incorporate the results of the 90% submittal review. SEI will attend approximately two virtual progress meetings throughout the final design phase.

SEI will complete the following tasks to prepare the final design for the new bridge:

- Make minor revisions to the bridge plans, specifications, and cost estimate.
- Prepare stamped structural design calculation package.
- Prepare stamped structural quantities calculation package.
- Prepare stamped final structural plan package.

Deliverables

- Stamped Final Structure plans in PDF.
- Final Structural quantities and costs in Excel format.
- Final Structural specifications in Word format.
- Stamped Structural design calculation package in PDF.
- Stamped Structural quantities calculation package in PDF.

5.5 Bridge Load Rating

Sargent shall perform a load rating for the new bridge. The load rating shall be done in accordance with the AASHTO Manual for Bridge Evaluation and with Chapter 13 of the WSDOT Bridge Design Manual. A complete load rating calculation report will be provided for the bridge, including a stamped Load Rating Summary Sheet and supporting calculations.

Deliverables

- Load rating package, PDF.

6 ROADWAY AND UTILITY ENGINEERING

6.1 Roadway Design

Gray and Osborne (G&O) will design the proposed roadway improvements for the roadway on both approaches to the bridge, including proposed horizontal and vertical alignment, guardrail, pavement markings and transitions to existing roadway. G&O will also provide design for a temporary bypass roadway located immediately north of the new bridge location. The intent is to maintain two lanes of traffic during construction via the temporary roadway.

Assumptions

- Proposed roadway section is one 11'-0" travel lane in each direction, each with a 5'-0" paved shoulder. Ditches will generally need to be constructed where present today.
- Any desired bridge approach slabs to be designed by SEI.
- Proposed pavement section(s) to be provided City of Bremerton.
- Proposed horizontal and vertical alignment of bridge and roadway approaches shall generally be similar to the existing alignment.
- All necessary permitting for the temporary roadway and design of any temporary culverts or similar facilities will be provided by others.
- Illumination improvements are not part of this scope.

- Project improvements will not trigger PGIS. Stormwater runoff from the new roadway will typically flow over the surface to conveyance ditches. Stormwater treatment, detention, infiltration and/or enclosed stormwater conveyance are not a part of this scope.

Deliverables

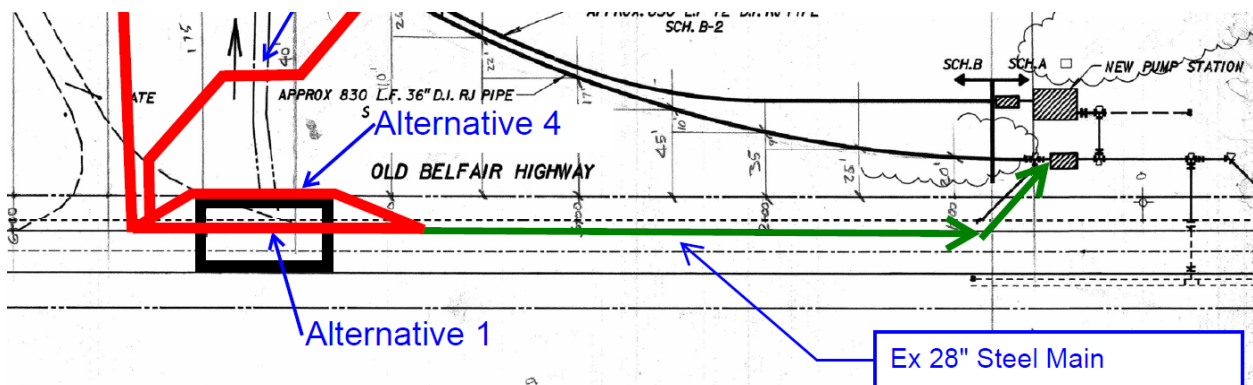
- Plans, special provisions and construction cost estimates at the intervals listed in Task 9

6.2 Waterline Design

G&O will design a new 36" DI water main to replace the existing 28" steel main that will be required to be removed to facilitate the construction of the new two-lane bridge. The new main will be installed/hung on the new bridge. This scope includes developing plan and profile of the selected alignment, to include plan and elevation of the waterline including at the bridge, and associated details, WSDOT section 7-09 specification, and cost estimate of the replacement main.

Assumptions

- Proposed waterline is 36" diameter ductile iron waterline.
- Proposed waterline design to be consistent with Alternative 4 on the preliminary drawing provided by the City (shown below).



- City to provide all requirements regarding shutdown(s) of existing waterline to make connections and how flow will be bypassing during construction.
- Pipe supports/hangers will be designed and detailed by SEI.
- G & O will be able to rely of the existing geotechnical information to support the new water main design and no additional geotechnical investigation will be required.

Deliverables

- Plans, special provisions and construction cost estimates at the intervals listed in Task 9

6.3 Utility Coordination Assistance

G&O will provide assistance with the utility coordination required for the project. This may include assistance with potential utility conflict identification and/or coordination with private utility companies.

Assumptions

- City to be lead on all coordination with all utilities.
- Existing utility information (type, location, depth, etc.) to be included in basemap/survey provided by PLS.
- Any potholing of utilities as may be necessary to be completed by others.
- Any necessary (private) utility relocations to be completed prior to project construction. The City will request the utility companies to provide G&O with respective utility relocation plans for inclusion in design documents as may be necessary.

7 CULTURAL RESOURCES

In 2023, Cultural Resource Consultants (CRC) completed a cultural resources assessment for the project. The area involved in the project has expanded. CRC will prepare documentation of the current APE, conduct field investigations, and prepare an addendum to the 2023 cultural resources assessment.

7.1 APE Letter

CRC will review data gathered from DAHP and project engineering plans to assist in establishing the project APE as outlined in Section 106 (36 CFR § 800.3) and in accordance with WSDOT's Local Programs Guidelines. CRC will provide an APE letter to the CITY for WSDOT's use in Section 106 consultation with the Washington State Historic Preservation Officer (SHPO) and affected tribes.

7.2 Field Investigations

CRC will conduct field investigations in areas in the current APE that were not covered in the 2023 cultural resources assessment. Prior to field investigations, CRC will request utility locator services via the One-Call Utility Locate Center. Field investigations will include pedestrian survey and excavation of shovel and/or auger probes in amenable environments that have the potential to contain buried archaeological deposits. Methods will be consistent with DAHP guidelines.

7.3 Addendum to the Cultural Resources Assessment

CRC will document and record archaeological sites identified during field investigations on DAHP inventory forms. Documentation will be consistent with DAHP standards. Inventory forms will be included in the report addendum, which will also describe field methods, results of investigations, and management recommendations. The report will include an updated inadvertent discovery plan (IDP). The addendum will provide supporting documentation of findings, including maps and photographs, and will conform to DAHP reporting standards. The report and supporting materials will be provided electronically.

Assumptions

- WSDOT, on behalf of FHWA, will act as lead agency for Section 106.
- No more than two (2) shovel/auger probes will be excavated. If extensive archaeological deposits are encountered or if additional shovel test probes are warranted within the project area, it may be necessary to modify this agreement to accommodate additional investigations for purposes of site identification.
- Up to one (1) archaeological site and no historic sites will be identified in the APE.

- Right-of-entry for any private property in the APE will be coordinated by others.
- No private utility locates will be required.

Deliverables

- Draft and final APE letter, provided electronically
- Draft and final addendum to the cultural resources assessment with inventory forms (if completed) and IDP, provided electronically

8 ENVIRONMENTAL PERMITTING

Environmental permitting will consist of preparing permit applications, supporting documentation and coordinating with regulatory agencies through the permit review and approval process. The following permits and approvals are anticipated:

- NEPA approval from WSDOT/FHWA
- Corps of Engineers CWA Section 404 permit
- WDFW Hydraulic Project Approval
- City of Bremerton Critical Areas Ordinance compliance

The project is assumed to meet fish habitat exemption criteria of RCW 77.55.181 and SEPA review will therefore not be required.

8.1 Meetings and Coordination

Struck Environmental (SE) will coordinate with the project team and provide task management and administration. The following activities will be completed:

- Participate in project kick off meeting and development of project work plan and schedule.
- Participate in up to 10 consultant team and/or City meetings to coordinate work activities and deliverables.
- Provide routine task project management and administration.

Assumptions

- Meetings will be virtual.

Deliverables

- Routine communications.
- Monthly progress reports.

8.2 Environmental Documentation

SE will complete the following activities:

- Conduct site visit and delineate wetland limits that are within approximately 50-ft of the potential waterline construction footprint. Update the existing wetland delineation and ordinary high-water mark (OHWM) flagging to include the stream reach between West Belfair Valley Road to approximately 200-ft upstream of the root wad obstruction. Coordinate with PLS to incorporate critical area boundaries and features into CAD base maps.
- Following confirmation of the design and mitigation approach, prepare a combined Habitat Management Plan (HMP) and Wetland Delineation Report pursuant to the Bremerton CAO that describes results of the field work and associated regulatory assessment including stream/wetland ratings, buffers, impact avoidance/minimization and mitigation requirements.

Assumptions

- Field flagging will be completed in one day.
- Survey and base map of existing conditions in pdf format to be provided by NHC/others.
- 45% complete plans and geomorphic/hydraulic analysis prepared by others will be used to support preparation of the HMP.
- Mitigation plans and associated permitting documentation for in-water water line impacts, and/or potential upstream impacts due to channel re-alignment, forest road protection or root wad removal is not included in the scope of work or budget.

Deliverables

- Field sketch of OHWM and wetland flagging.
- Draft and final Wetland Delineation Report/Habitat Management Plan.

8.3 NEPA Documentation

SE will prepare preliminary, draft and final NEPA Categorical Exclusion documentation package. This task consists of the following activities:

- Prepare draft Area of Potential Effect (APE) exhibits and Section 106 (cultural and historic resources) package. Review draft with project team and City and submit final APE to WSDOT for approval. Coordinate with Cultural Resource Consultants (RCRC) to complete the updated cultural resource report. The updated CRC report will be included as part of the NEPA CE submittal.
- Prepare NEPA Categorical Exclusion Documentation Form and the following attachments:

- Vicinity and Site Maps
- Site photographs
- STIP sheet
- Coast Guard approval for water crossing
- Hazardous materials technical memorandum
- Environmental Justice (EJ) memorandum including potential impact from project related detours
- Bald eagle nest documentation
- Mature forest habitat assessment
- Prepare ESA 4(d) documentation form for NMFS species and prepare a No Effect Memorandum for USFWS listed species.
- Prepare summary (2 page) Mitigation Plan for NEPA submittal that describes how temporary and permanent in-water and buffer impacts will be mitigated.
- Submit the preliminary draft NEPA package for NHC review, and the draft unsigned NEPA package to City for review. Prepare updates/revisions based on review comments. Coordinate with NHC and the City for submittal of final signed NEPA package to WSDOT.
- Coordinate with WSDOT during NEPA review, address comments/issues and prepare revisions and/or supplements.

Assumptions

- Site plan design drawings depicting project limits and elements (approximate 45% level) will be prepared by NHC.
- The RRMP 4(d) ESA approval pathway and an ESA determination of No Effect for USFWS listed species will be accepted by WSDOT. No Biological Evaluation will be required.
- No stormwater impact analysis will be required due to the RRMP 4(d) approval.
- The hazardous materials assessment will identify low potential to encounter hazardous materials.
- The Environmental Justice analysis will identify low potential to impact disadvantaged populations. Public outreach strategies to mitigate detour impacts, if necessary, will be prepared by NHC/City.
- Cultural resource assessment will be provided by CRC.
- Response to issues and questions including WSDOT review comments will be provided on a time and materials basis up to the 8 hour budget allowance. Effort that exceeds this allowance will require a budget amendment.

Deliverables

- Preliminary, draft and final CE submittal package.
- Responses to WSDOT review comments on the NEPA submittal.

8.4 Permit Applications and Approvals

SE will prepare federal, state and local permit applications necessary to construct the project. This task consists of the following activities:

- Coordinate with the design team on the 45%, 60% and 90% design plans to ensure consistency between permit and design documents.
- Coordinate with the City and WDFW and verify the project meets streamlined processing criteria for Fish Habitat Enhancement projects.
- Provide fish habitat enhancement documentation package to the City Department of Community Development pursuant to RCW 77.55.181.
- Prepare draft and final environmental documentation and permit applications consisting of the following:
 - JARPA form
 - Fish Habitat Enhancement JARPA attachment
- Prepare permit application package to the USACOE for a Nationwide Permit (NWP).
- Submit the on-line team HPA application to WDFW.
- Coordinate with agency review staff through the permit application review process.

Assumptions

- The project is exempt from City of Bremerton site development and land use permits.
- NHC will lead negotiations with WDFW and the Suquamish tribe to develop a design that meets co-manager approval.
- Engineering plans (60% and 90% complete), geomorphic, hydrologic and hydraulic analysis will be prepared by others (NHC) and will be provided for inclusion in the permit application packages.
- A Drainage Report, if required, will be prepared by others.
- No FEMA flood plain development permit will be required by the City.
- Response to agency issues and questions including review comments will be provided on a time and materials basis up to the 8 hour budget allowance. Effort that exceeds this allowance will require a budget amendment.

Deliverables

- Draft and final JARPA forms.
- HPA on-line application package.
- USACOE Nationwide Permit application package consisting of JARPA, approved CE form, cultural resources report and HMP.

9 DESIGN DEVELOPMENT – PLANS, SPECIFICATIONS, & ESTIMATE

The Consultant will provide 45%, 60%, 90%, and Final design packages for the project. Drawings and cost estimates will be developed at each phase. Special provisions/specifications will be identified at 60% and full specifications package provided at 90% and Final design.

9.1 45% Design

The Consultant team will refine the 30% structure layout to accommodate scour and freeboard per WSDOT and FHWA criteria. Shannon & Wilson and Sargent will determine the most appropriate geotechnical solution for the crossing foundation while considering cost, space, and geotechnical constraints. A cost estimate and a constructability review will be developed.

The 45% Plan Set will include the following sheets:

- 1) Cover (1 sheet)
- 2) Horizontal Control & Existing Conditions (1 sheet)
- 3) Roadway Plan & Profile (1 sheet)
- 4) Roadway Details (1 sheet)
- 5) Bridge Plan, Elevation, and Typical Section (1 sheet)
- 6) Crossing Plan & Profile (1 sheet)
- 7) Stream Crossing Details (1 sheet)
- 8) Channel Enhancement Plan (1 sheet)
- 9) Channel Enhancement Details (1 sheet)

9.2 60% Design

The 60% Plan Set will include the following sheets:

- 1) Cover (1 sheet)
- 2) Notes, Legend, and Abbreviations (1 sheet)
- 3) Horizontal Control & Existing Conditions (1 sheet)
- 4) Site Preparation, TESC and Temporary Stream Diversion (1 sheet)
- 5) Traffic Control and Bypass Plan (2 sheets)
- 6) Roadway Plan & Profile (1 sheet)
- 7) Roadway Details (6 sheet)
- 8) Waterline relocation and details (4 sheet)
- 9) Crossing Plan & Profile (1 sheet)
- 10) Stream Crossing Typical Sections (1 sheet)
- 11) Stream Crossing Section Details (1 sheet)
- 12) Channel Enhancement Plan (1 sheet)

- 13) Channel Enhancement Details (2 sheet)
- 14) Structural Notes (1 sheet)
- 15) Bridge Plan & Elevation (1 sheet)
- 16) Bridge Conceptual Construction Sequence (1 sheet)
- 17) Foundation Plan (1 sheet)
- 18) Abutment Plan (2 sheets)
- 19) Abutment Reinforcement (2 sheets)
- 20) Abutment Details (2 sheets)
- 21) Framing Plan (1 sheet)
- 22) Bridge Typical Section (1 sheet)
- 23) Deck Plan (1 sheet)
- 24) Girder Details (4 sheets)
- 25) Bridge Traffic Barrier (2 sheets)
- 26) Barlist (1 sheet)
- 27) Planting & Restoration Plan (3 sheet)
- 28) Planting & Restoration Details (1 sheet)

9.3 90% Design

The 90% design will progress the 60% design based on comments from the City's and permitting agencies' review of the 60% documents.

9.4 Final Design

The Final design will incorporate one round of consolidated comments from the City on the 90% PSE submittal. The Final design package will be produced as a draft and final version.

Assumptions

- One round of consolidated comments will be incorporated into each subsequent submittal.
- Specifications will follow WSDOT, "Standard Specifications for Road, Bridge, and Municipal Construction" (2025). – M41-10
- City staff will be responsible for assembling the final bid package

Deliverables

- 45% Plan Set and construction cost estimate
- 60% Plan Set, construction cost estimate, and draft project special provisions
- 90% Plan Set, construction cost estimate, and draft Division 2-9 project special provisions
- Final stamped plans and Division 1-9 specifications and cost estimate

10 RIGHT OF WAY SERVICES

Abeyta & Associates shall provide pre-acquisition right-of-way services consistent with the Uniform Relocation Act and WAC 468-100 and its policies and procedures as amended together with the City's WSDOT-approved Policies and Procedures.

10.1 PROJECT MANAGEMENT AND QUALITY ASSURANCE

This task includes all work related to the management, administration, and coordination of Sub-consultant activities under the Project Management Institute's standards.

1. Attend a total of three project team meetings with Northwest Hydraulic Consultants and/or the City, including the kick-off meeting, to obtain available information; discuss material and information needed (ROW Plan, Legal Descriptions, Exhibits, Staking, etc.); and obtain any additional information to assist preparing the ROW Funding Estimate, and for obtaining any additional information to assist in obtaining rights-of-entry agreements.
2. The Sub-consultant shall provide quality assurance throughout the life of the Agreement to validate adequate administration, accounting, scheduling, communication, planning, and pre-acquisition procedures leading to the deliverable products. The quality assurance reviews shall be performed independently by the Sub-consultant's Quality Manager.
3. Participate in progress meetings by conference call and provide status meetings with Northwest Hydraulic Consultants and/or the city – a maximum of six 30-minute meetings.
4. Coordinate and address with the City and Northwest Hydraulic Consultants any concerns raised by property owners regarding the potential impacts of the project and their properties.
5. Have an ongoing responsibility in managing the pre-acquisition process and project tasks of this scope and coordinate with the Project team to provide the required information to complete the services.
6. Provide timely input and progressive work to find answers to issues raised.

10.2 PRE-NEGOTIATION SERVICES

The Sub-consultant shall provide the following pre-negotiation services. The objective is to meet with property owners to discuss proposed project plans, address their concerns about potential impacts, and obtain necessary right-of-entry permissions if required.

1. Conduct a review of the draft and final Right-of-Way Plans.
2. Conduct a review of the legal descriptions and exhibits.
3. Prepare an introduction letter to arrange a meeting with property owners.

4. Prepare a ROW Funding Estimate consistent with the WSDOT LAG Manual for federally funded projects and submit it to the City and WSDOT for review and approval.
5. Arrange and conduct meetings with property owners to comprehensively discuss the proposed project plans.
6. Meet with property owners to obtain right-of-entries, as necessary.

Deliverables

- Sample Introduction Letter
- Comments on right-of-way plan
- ROW Funding Estimate

10.3 TITLE SERVICES

The Sub-consultant shall provide title services including but not limited to:

1. Conduct a review of title reports for each parcel to confirm the type of ownership structure and existing encumbrances including access easements and potential conflicts from utility encumbrances that may the proposed right-of-way improvements.

Deliverables

- Parcel Title Review Summaries – 2 Parcels

10.4 APPRAISAL AND APPRAISAL REVIEW SERVICES

The Consultant shall provide appraisal and appraisal review services including but not limited to:

1. Contract with a WSDOT-approved fee appraiser for one (1) Appraisal Report.
2. Contract with a WSDOT-approved fee review appraiser for the review of one (1) appraisal review report.
3. Submit all Appraisal Reports and Appraisal Reviews to the City for review and establishment of just compensation by the City.
4. Coordinate with the appraiser, review appraiser, and the City to resolve valuation-related issues or concerns.
5. Prepare Appraisal Waiver reports for those parcels with a Just Compensation of less than \$35,000 for a total of one parcel.

Deliverables

- Appraisal Reports and Appraisal Reviews – 1 parcel
- Appraisal Waiver Reports – 1 parcel

10.5 NEGOTIATION SERVICES

The Consultant shall provide negotiation services including but not limited to:

1. Provide sample templates of all acquisition documents (offer letters, deeds, easements, lender consent agreements, etc.) for the City's review and approval for project use.
2. Maintain acquisition records in accordance with statutory, regulatory, and policy requirements.
3. Review the right of way and construction plans.
4. Transmit the signed conveyance documents and payment vouchers to the City for approval and processing.
5. Upon written permission to proceed, prepare a general information notice to be mailed to up to two (2) parcel owners impacted by the project, notifying them of the pending project and of the right-of-way acquisition and identifying the Consultant as the City representative.
6. Upon written permission to proceed, prepare offer and conveyance documents for each parcel and submit offer packages to the City and WSDOT Northwest Region Local Agency Coordinator, utilizing the pre-approved acquisition documents and forms.
7. If necessary, submit an example of the acquisition packages to WSDOT for review and approval.
8. Promptly present offers and negotiate in good faith with property owners to acquire necessary right-of-way and/or easement.
9. Collaborate with the City on the offers and property owner discussions.
10. Explain the project and show the design/and construction plans related to driveway access and all potential right-of-way impacts as addressed during the negotiation process.
11. Maintain individual negotiation files for each impacted tax parcel.
12. Conduct a minimum of three (3) significant and meaningful contacts with each property owner before the recommendation of condemnation.
13. Provide written notice to the City of the impasse in negotiations.
14. Provide written notice to the City of recommendation for condemnation.

Deliverables

- Sample Introduction Letter
- Offer Packages
- Complete Acquisition files for payment or legal action
- Comments on the right-of-way and construction plans.
- Written notices of impasse in negotiations
- Written notices of recommendations for condemnation

Assumptions

- All forms and documents shall comply with WSDOT standards and in accordance with statutory requirements.
- The City will provide right-of-way plans and drawings, maps, exhibits, and right-of-way staking.
- The City will provide legal descriptions in electronic format for all real property rights to be acquired.
- The City will provide approval of all acquisition documents in electronic format for all legal conveyance documents and forms before use (i.e. offer letters, deeds, easements, etc.).
- The City will make payment for all compensation payments to property owners, recording fees, legal services, and any incidental costs that may be necessary to complete each transaction and record the required acquisition documents with the City auditor's office.
- Assuming no relocation services currently.
- If relocation is needed, a scope amendment will address the additional work and an additional budget will be negotiated.

10.6 CLOSING SERVICES

The Consultant shall provide closing services including but not limited to:

1. Conduct comprehensive checklist reviews for each acquisition file to support WSDOT and federal agency reviews.
2. Coordinate with the City and WSDOT Northwest Region Local Agency Coordinator to resolve right-of-way concerns and issues with WSDOT's right-of-way acquisition file audit and certification review.
3. Submit signed conveyance documents to obtain signatures from the City of Bremerton..
4. Submit signed conveyance documents to the escrow company together with all supporting documents including signed W-9s and Excise Tax Affidavits, as applicable to record conveyance documents. Prepare Recording Instructions for the title company and assist the escrow company in issuing escrow instructions and coordinating the wiring of funds.
5. Prepare payment vouchers for any charges not paid for through the escrow company and submit them to the City to process payment for up to two (2) parcels.

Deliverables

- Completed acquisition negotiation files and supporting records of all right-of-way acquisition services to support WSDOT acceptance.
- Payment voucher/requests for payment supported by the City, W-9s, and other documents required to process payment, and escrow instructions.

11 BIDDING SUPPORT

Consultant will provide bid-phase support to the City on an as needed basis to provide desktop responses and calculations as necessary to answer questions during the bid-phase.

Assumptions

- City of Bremerton will track and facilitate responses RFAI's.
- Up to two (2) responses RFAI's will be provided.

Deliverables

- Email responses to two (2) RFAI's.

12 CONSTRUCTION SUPPORT

Consultant will provide remote and on-site support to the City in support of the construction of the crossing structure and foundation, waterline realignment, and stream components. The Consultant will review and provide responses to Contractor submittals. Consultant will provide on-site construction observation. Consultant will provide post-construction record drawings as requested.

Assumptions

- City of Bremerton will provide Construction Management services including daily inspection and construction management.
- Consultant will not attend pre-construction conference or regular progress meetings during construction.
- City of Bremerton will track, facilitate, and respond to submittals and RFI's.
- City of Bremerton will be responsible for tracking materials delivery and work complete.
- Contractor questions and decisions related to interpreting or modifying the design or Contract Documents, e.g. change orders, will be directed to City for further coordination or approval.
- Sargent will review Requests for Information (RFIs) related to structural components and provide comments to NHC/Owner for compilation and response to the Contractor. This is limited to 8 hours.
- NHC will review RFIs and respond to up to four (4) RFI's related to streambed material gradations and stream component installation.
- Sargent will review Contractor submittals for structural components and provide review comments to NHC/Owner for compilation and response to the Contractor. Submittals are expected to include shoring & excavation, concrete mix design, reinforcing steel shop drawings, formwork, prestressed slab shop drawings, and bearing pads.



- Sargent will make one (1) site visit during construction, and will provide a summary report of our findings.
- Shannon & Wilson will make up to three (3) site visits to observe driving and testing of piles.
- NHC will make up to four (4) site visits to observe large woody debris and streambed material installation.

Deliverables

- Construction observation notes per site visit (up to eight)
- Written responses for up to materials, construction submittals, and RFIs (up to eight)
- Record drawings as requested to reflect final configuration of design elements.

Exhibit B

DBE Participation

Abeyta & Associates will provide right of way services; Peninsula Land Survey (PLS) will provide survey services; and Land Meets Water will provide landscape architecture services. The estimated portion of the budget completed by DBE firms is 16%. It is anticipated that this project will meet or exceed the project's 16% DBE requirement.

Exhibit C

Preparation and Delivery of Electronic Engineering and Other Data

In this Exhibit the agency, as applicable, is to provide a description of the format and standards the consultant is to use in preparing electronic files for transmission to the agency. The format and standards to be provided may include, but are not limited to, the following:

I. Surveying, Roadway Design & Plans Preparation Section

A. Survey Data

See Exhibit A Scope of Work

B. Roadway Design Files

See Exhibit A Scope of Work

C. Computer Aided Drafting Files

See Exhibit A Scope of Work

D. Specify the Agency's Right to Review Product with the Consultant

See Exhibit A Scope of Work

E. Specify the Electronic Deliverables to Be Provided to the Agency

See Exhibit A Scope of Work

F. Specify What Agency Furnished Services and Information Is to Be Provided

See Exhibit A Scope of Work

II. Any Other Electronic Files to Be Provided

See Exhibit A Scope of Work

III. Methods to Electronically Exchange Data

Email attachments and/or server file transfers

A. Agency Software Suite

See Exhibit A Scope of Work

B. Electronic Messaging System

Microsoft Outlook and Teams

C. File Transfers Format

See Exhibit A Scope of Work

Exhibit D

Prime Consultant Cost Computations

Task	Labor Categories	Firm Rate	NHC										Direct Costs for Reimbursables (Mileage, equipment, etc.)	Total by Task
			\$90.00	\$69.00	\$49.88	\$44.89	\$44.89	\$55.13			198.39%			
			Principal	Senior Engineer 1	Scientist 2	Junior Engineer	Junior Scientist	GIS/CAD Analyst 1	Total Hours	Labor Cost	Overhead	Labor + Overhead		
1	Project Management													
1.1	Project Coordination and Management		20	60					80	\$ 5,940	\$ 11,784	\$ 17,724	\$ -	\$ 17,724
1.2	Meetings		10	42					52	\$ 3,798	\$ 7,535	\$ 11,333	\$ -	\$ 11,333
2	Survey													
3	Hydraulic Engineering													
3.1	Geomorphic Site Assessment		5.5	7	28	2	48	0	90.5	\$ 4,619	\$ 9,164	\$ 13,783	\$ 200	\$ 13,983
3.2	Hydraulic Analysis		3.5	18	0	60	0	0	81.5	\$ 4,250	\$ 8,432	\$ 12,683	\$ -	\$ 12,683
3.3	Crossing & Stream Designs		10	52	12	96	28	0	198	\$ 10,653	\$ 21,134	\$ 31,787	\$ -	\$ 31,787
3.3.2	Channel and Floodplain Enhancement Design		2	18	1	22	2	0	45	\$ 2,549	\$ 5,057	\$ 7,607	\$ -	\$ 7,607
3.3.1	Crossing Design		4	12	3	24	6	0	49	\$ 2,684	\$ 5,325	\$ 8,010	\$ -	\$ 8,010
3.3.3	45% Design		2	8	0	6	0	0	16	\$ 1,001	\$ 1,987	\$ 2,988	\$ -	\$ 2,988
3.3.4	Hydraulic Report		2	14	8	44	20	0	88	\$ 4,418	\$ 8,765	\$ 13,183	\$ -	\$ 13,183
3.4	QA/QC		12						12	\$ 1,080	\$ 2,143	\$ 3,223	\$ -	\$ 3,223
4	Geotechnical Engineering													
5	Structural Engineering													
6	Roadway & Utility Engineering													
7	Cultural Resources													
8	Environmental Permitting													
8.1	Meetings and Coordination								0	\$ -	\$ -	\$ -	\$ -	\$ -
8.2	Environmental Documentation								0	\$ -	\$ -	\$ -	\$ -	\$ -
8.3	NEPA Documentation								0	\$ -	\$ -	\$ -	\$ -	\$ -
8.4	Permit Applications and Approvals		0	8	0	18	0	30	56	\$ 3,014	\$ 5,979	\$ 8,993	\$ -	\$ 8,993
9	Design Development - PS&E													
9.1	45% Design		2.5	18	0	25	0	22	67.5	\$ 3,802	\$ 7,543	\$ 11,345	\$ -	\$ 11,345
9.1.1	Channel & Floodplain Enhancement		0.5	4		5		12	21.5	\$ 1,207	\$ 2,395	\$ 3,602		\$ 3,602
9.2	60% Design		6	25	0	20	0	35	86	\$ 5,092	\$ 10,103	\$ 15,195	\$ -	\$ 15,195
9.2.1	Channel & Floodplain Enhancement		2	4		4		6	16	\$ 966	\$ 1,917	\$ 2,883	\$ -	\$ 2,883
9.3	90% Design		6	25	0	12	0	17	60	\$ 3,741	\$ 7,422	\$ 11,162	\$ -	\$ 11,162
9.3.1	Channel & Floodplain Enhancement		2	6		4		4	16	\$ 994	\$ 1,972	\$ 2,966	\$ -	\$ 2,966
9.4	Final Design		12	34	0	10	0	8	64	\$ 4,316	\$ 8,562	\$ 12,878	\$ -	\$ 12,878
9.4.1	Channel & Floodplain Enhancement		1	2		2		4	9	\$ 538	\$ 1,068	\$ 1,606	\$ -	\$ 1,606
10	Right of Way Services													
11	Bidding Support													
	RFAIs		2	4					6	\$ 456	\$ 905	\$ 1,361	\$ -	\$ 1,361
12	Construction Support													
12.1	RFIs and submittal reviews		2	8					10	\$ 732	\$ 1,452	\$ 2,184	\$ -	\$ 2,184
12.2	Site Visits			32					32	\$ 2,208	\$ 4,380	\$ 6,588	\$ 400	\$ 6,988
12.3	Record Drawings		2	6				12	20	\$ 1,256	\$ 2,491	\$ 3,746	\$ -	\$ 3,746
Total Hours			99	355	40	258	76	150	978					
Total Costs										\$ 58,663	\$ 116,381	\$ 175,044	\$ 600	\$ 175,644
30% Fixed Fee														\$ 17,599
Total Cost Plus Fixed Fee														\$ 193,243

Agreement Number: LA 11045

Exhibit D-1**Prime Consultant Cost Computations Summary****Project: Parish Creek Fish Barrier Removal (Agreement No. LA 11045)**

Direct Salary Cost (DSC):

<u>Classification</u>	<u>Hours</u>		<u>Rate (DSC)</u>		<u>Cost</u>
Principal	99	x	\$90.00	x	\$8,910.00
Senior Engineer 1	355	x	\$69.00	x	\$24,495.00
Scientist 2	40	x	\$49.88	x	\$1,995.20
Junior Engineer	258	x	\$44.89	x	\$11,581.62
Junior Scientist	76	x	\$44.89	x	\$3,411.64
GIS/CAD Analyst 1	150	x	\$55.13	x	\$8,269.50
Total DSC					= \$58,662.96

Overhead (OH Rate x DSC):

Overhead Rate	1.9839	x	\$58,662.96	=	\$116,381.45
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Fixed Fee (FF Rate x DSC):

FF Rate	30%	x	\$58,662.96	=	\$17,598.89
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Reimbursables:

Mileage	857 miles x	0.7	=	\$600.00
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Subconsultants

Land Meets Water	\$16,650.00
Abeyta	\$44,526.00
Cultural Resources Consultants	\$3,850.00
Struck Environmental	\$35,776.00
Shannon & Wilson, Inc.	\$48,875.00
Sargent	\$149,957.00
Gray & Osborne, Inc.	\$103,616.00
Peninsula Land Survey, LLC	\$54,256.00

Subtotal (Salary, Subconsultants, and Expenses) \$650,749.29

Management Reserve Fund (MRF)

Management Reserve	<u>\$40,000.00</u>
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Grand Total Estimated Budget \$690,749



Development Division
Contract Services Office
PO Box 47408
Olympia, WA 98504-7408
7345 Linderson Way SW
Tumwater, WA 98501-6504

TTY: 1-800-833-6388
www.wsdot.wa.gov

December 23, 2024

Northwest Hydraulic Consultants, Inc. (NHC)
12787 Gateway Dr. S.
Seattle, WA 98168

Subject: Acceptance FYE 2024 ICR – CPA Report

Dear Diane Numrich:

We have accepted your firm's FYE 2024 Indirect Cost Rate (ICR) of 198.39% of direct labor (rate includes 0.81% Facilities Capital Cost of Money) based on the "Independent CPA Report" prepared by Shannon & Associates, LLP. This rate will be applicable for WSDOT Agreements and Local Agency Contracts in Washington only. This rate may be subject to additional review if considered necessary by WSDOT. Your ICR must be updated on an annual basis.

Costs billed to agreements/contracts will still be subject to audit of actual costs, based on the terms and conditions of the respective agreement/contract.

This was not a cognizant review. Any other entity contracting with the firm is responsible for determining the acceptability of the ICR.

If you have any questions, feel free to contact our office at **(360) 704-6397** or via email consultantrates@wsdot.wa.gov.

Regards,


Schatzie Harvey (Dec 23, 2024 12:35 PST)

SCHATZIE HARVEY, CPA
Contract Services Manager

SH: BJO

Exhibit E

Sub-consultant Cost Computations

If no sub-consultant participation at this time. The CONSULTANT shall not sub-contract for the performance of any work under this AGREEMENT without prior written permission of the AGENCY. Refer to section VI "Sub-Contracting" of this AGREEMENT.

Task	Labor Categories	Firm Rate	Land Meets Water					
		\$60.00	Landscape Architect	Total Hours	Labor Cost	Overhead	Labor + Overhead	Direct Costs for Reimbursables (Mileage, equipment, etc.) Total by Task
1	Project Management							
1.1	Project Coordination and Management		8	8	\$ 480	\$ 576	\$ 1,056	\$ - \$ 1,056
1.2	Meetings		3	3	\$ 180	\$ 216	\$ 396	\$ - \$ 396
9	Design Development - PS&E							
9.1	45% Design		0	0	\$ -	\$ -	\$ -	\$ - \$ -
9.2	60% Design		40	40	\$ 2,400	\$ 2,880	\$ 5,280	\$ - \$ 5,280
9.3	90% Design		40	40	\$ 2,400	\$ 2,880	\$ 5,280	\$ - \$ 5,280
9.4	Final Design		20	20	\$ 1,200	\$ 1,440	\$ 2,640	\$ - \$ 2,640
Total Hours			111	111				
Total Costs					\$ 6,660	\$ 7,992	\$ 14,652	\$ - \$ 14,652
30% Fixed Fee								\$ 1,998
Total Cost Plus Fixed Fee								\$ 16,650

Task	Labor Categories	Firm Rate	Abeyta						
		\$ 67.24	\$ 54.51			1.20		Direct Costs for Reimbursables (Mileage, equipment, etc.)	
		PM / Sr. Acq Agent	Acq Agent	Total Hours	Labor Cost	Overhead	Labor + Overhead		Total by Task
10	Right of Way Services								
10.1	Project Administration	74	26	100	\$ 6,393	\$ 7,672	\$ 14,065	\$ -	\$ 14,065
10.2	ROW Acquisition	68	73	141	\$ 8,552	\$ 10,262	\$ 18,813	\$ 7,165	\$ 25,978
	Total Hours	142	99	241					
	Total Costs				\$ 14,945	\$ 17,933	\$ 32,878	\$ 7,165	\$ 40,043
	30% Fixed Fee								\$ 4,483
	Total Cost Plus Fixed Fee								\$ 44,526

Agreement Number: LA 11045



**Washington State
Department of Transportation**

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

April 3, 2025

Tristan Fields, Owner
Land Meets Water, LLC
2212 Walnut Ave SW
Seattle, WA 98116-2051

Re: Land Meets Water, LLC
Safe Harbor Indirect Cost Rate Extension

Dear Tristan:

Washington State has received approval from our local Federal Highway Administration (FHWA) Division to continue administering the "safe harbor" indirect cost rate program on engineering and design related service contracts, as well as for Local Public Agency projects.

We completed our risk assessment for Land Meets Water, LLC in April 2022. Our assessment was conducted based on the documentation provided by the firm. The reviewed data included, but was not limited to, a description of the company, basis of accounting, accounting system and the basis of indirect costs. Based on our review, we found the firm eligible to use the Safe Harbor rate. Land Meets Water opted to use the Safe Harbor rate, rather than provide a FAR-compliant rate.

Based on further review and discussion with the firm, we are issuing an extension of the Safe Harbor Indirect Cost Rate of 120% of direct labor with a field rate, where applicable, of 90% of direct labor for Land Meets Water.

Land Meets Water agreed to improve Internal Controls and timekeeping processes to be able to develop an Indirect Cost Rate Schedule in the future in accordance with the Federal Acquisition Regulations (FAR), Subpart 31. The WSDOT Internal Audit Office has provided guidance and information related to FARs and the AASHTO Audit Guide. You may use the Safe Harbor Rate of 120%, or 90% for field office situations, for agreements entered prior to June 30, 2026. For agreements entered after this date, please contact the WSDOT Consultant Services Office (CSO) or our office for guidance.

The Safe Harbor Rate will not be subject to audit. Please coordinate with CSO or your Local Programs contact if you have questions about when to apply the Safe Harbor rate to your agreement.

If you have any questions, please contact Steve McKerney or me at (360)705-7799.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jarron Elter', with a long horizontal flourish extending to the right.

Jarron Elter
Agreement Compliance Audit Manager

cc: Steve McKerney, Director of Internal Audit
Maryna Ya
File

August 14, 2024

Rosa M. Villa, Principal
Rosa M. Abeyta, LLC dba Abeyta & Associates
3924 California Avenue SW
Seattle, WA 98116-3706

Re: Rosa M. Abeyta, LLC dba Abeyta & Associates
Safe Harbor Indirect Cost Rate Extension

Dear Rosa:

Washington State has received approval from our local Federal Highway Administration (FHWA) Division to continue administering the “safe harbor” indirect cost rate program on engineering and design related service contracts, as well as for Local Public Agency projects.

We completed our risk assessment for Rosa M. Abeyta, LLC dba Abeyta & Associates in November 2019. Our assessment was conducted based on the documentation provided by the firm. The reviewed data included, but was not limited to, a description of the company, basis of accounting, accounting system and the basis of indirect costs. Based on our review, we found the firm eligible to use the Safe Harbor rate. Abeyta & Associates opted to use the Safe Harbor rate, rather than provide a FAR-compliant rate.

Based on further review and discussion with the firm, we are issuing an extension of the Safe Harbor Indirect Cost Rate of 120% of direct labor with a field rate, where applicable, of 90% of direct labor for Abeyta & Associates.

Abeyta & Associates agreed to improve Internal Controls and timekeeping processes to be able to develop an Indirect Cost Rate Schedule in the future in accordance with the Federal Acquisition Regulations (FAR), Subpart 31. The WSDOT Internal Audit Office has provided guidance and information related to FARs and the AASHTO Audit Guide. You may use the Safe Harbor Rate of 120%, or 90% for field office situations, for agreements entered prior to June 30, 2025. For agreements entered after this date, please contact the WSDOT Consultant Services Office (CSO) or our office for guidance.

The Safe Harbor Rate will not be subject to audit. Please coordinate with CSO or your Local Programs contact if you have questions about when to apply the Safe Harbor rate to your agreement.

If you have any questions, please contact Steve McKerney or me at (360)705-7799.

Sincerely,



Jarron Elter
Agreement Compliance Audit Manager

cc: Steve McKerney, Director of Internal Audit
Maryna Ya
File

Task	Labor Categories	Firm Rate	Cultural Resource Consultants								Direct Costs for Reimbursables (Mileage, equipment, etc.)	Total by Task
		\$ 65.50	\$ 41.25	\$ 36.25	\$ 43.25			1.04				
		Principal Investigator	Projects Manager	Project Archaeologist II	Admin. & Financial Specialist	Total Hours	Labor Cost	Overhead	Labor + Overhead			
1	Project Management											
1.1	Project Coordination and Management					0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1.2	Meetings	4				4	\$ 262	\$ 273	\$ 535	\$ -	\$ -	\$ 535
7	Cultural Resources											
7.1	APE	1	6		1	8	\$ 356	\$ 371	\$ 727	\$ -	\$ -	\$ 727
7.2	Field Investigations	0.5		8	1	9.5	\$ 366	\$ 381	\$ 747	\$ 175	\$ -	\$ 922
7.3	Report Addendum	1	1	12	1	15	\$ 585	\$ 609	\$ 1,194	\$ -	\$ -	\$ 1,194
	Total Hours	6.5	7	20	3	36.5						
	Total Costs						\$ 1,569	\$ 1,635	\$ 3,204	\$ 175	\$ -	\$ 3,379
	30% Fixed Fee										\$ 471	\$ 471
	Total Cost Plus Fixed Fee											\$ 3,850

Task	Labor Categories	Firm Rate	Struck Environmental							Direct Costs for Reimbursables (Mileage, equipment, etc.)	Total by Task
		\$ 75.48				1.20					
		P. Struck Senior Scientist	Total Hours	Labor Cost	Overhead	Labor + Overhead					
1	Project Management										
2	Survey										
3	Hydraulic Engineering										
4	Geotechnical Engineering										
5	Structural Engineering										
6	Roadway & Utility Engineering										
7	Cultural Resources										
8	Environmental Permitting										
8.1	Meetings and Coordination	34	34	\$ 2,566	\$ 3,080	\$ 5,646				\$ 5,646	\$ 5,646
8.2	Environmental Documentation	70	70	\$ 5,284	\$ 6,340	\$ 11,624			\$ 300	\$ 11,924	\$ 11,924
8.3	NEPA Documentation	46	46	\$ 3,472	\$ 4,166	\$ 7,639			\$ -	\$ 7,639	\$ 7,639
8.4	Permit Applications and Approvals	38	38	\$ 2,868	\$ 3,442	\$ 6,310			\$ -	\$ 6,310	\$ 6,310
9	Plans, Specifications, & Estimate										
10	Right of Way Services										
	Total Hours	188	188								
	Total Costs			\$ 14,190	\$ 17,028	\$ 31,219			\$ 300	\$ 31,519	\$ 31,519
	30% Fixed Fee									\$ 4,257	\$ 4,257
	Total Cost Plus Fixed Fee										\$ 35,776

Agreement Number: LA 11045



**Washington State
Department of Transportation**

Development Division
Contract Services Office
PO Box 47408
Olympia, WA 98504-7408
7345 Linderson Way SW
Tumwater, WA 98501-6504

TTY: 1-800-833-6388
www.wsdot.wa.gov

April 15, 2025

Northwest Heritage Consultants, LLC dba Cultural Resource Consultants, LLC
PO Box 4159
Seattle, WA 98194

Subject: Acceptance FYE 2024 ICR – Audit Office Review

Dear Teresa Peterson:


Transmitted herewith is the WSDOT Audit Office's memo of "Acceptance" of your firm's FYE 2024 Indirect Cost Rate (ICR) of 102.95% of direct labor. This rate will be applicable for WSDOT Agreements and Local Agency Contracts in Washington only. This rate may be subject to additional review if considered necessary by WSDOT. Your ICR must be updated on an annual basis.

Costs billed to agreements/contracts will still be subject to audit of actual costs, based on the terms and conditions of the respective agreement/contract.

This was not a cognizant review. Any other entity contracting with your firm is responsible for determining the acceptability of the ICR.

If you have any questions, feel free to contact our office at **(360) 704-6397** or via email consultanrates@wsdot.wa.gov.

Regards,


[Schatzie Harvey \(Apr 15, 2025 14:40 PDT\)](#)

SCHATZIE HARVEY, CPA
Contract Services Manager

SH:kb



**Washington State
Department of Transportation**

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
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March 14, 2024

Phil Struck
Struck Environmental, Inc.
PO Box 2168
Poulsbo, WA 98370

Re: Struck Environmental, Inc.
Safe Harbor Indirect Cost Rate Addendum

Dear Phil:

Washington State has received approval from our local Federal Highway Administration (FHWA) Division to increase the Safe Harbor Indirect Cost Rates from 110% and 80% for home and field to 120% and 90% respectively.

You'll be able to update your rates on any WSDOT agreements based on the agreement terms. Please refer to your agreement for specific information on rate updates. For questions on updating your billing rate, please contact the Contract Services Office at consultantrates@wsdot.wa.gov.

You may use the Safe Harbor Rate of 120%, or 90% for field office situations, for agreements entered prior to June 30, 2025. For agreements entered after this date, please contact the WSDOT Consultant Services Office (CSO) or our office for guidance.

The Safe Harbor Rate will not be subject to audit. Please coordinate with CSO or your Local Programs contact if you have questions about when to apply the Safe Harbor rate to your agreement.

If you have any questions, please contact Steve McKerney or me at (360)705-7799.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jarron Elter', with a long horizontal flourish extending to the right.

Jarron Elter
Agreement Compliance Audit Manager

cc: Steve McKerney, Director of Internal Audit
Larry Schofield, MS 47323
File

Task	Labor Categories	Firm Rate	Shannon & Wilson, Inc.										Direct Costs for Reimbursables (Mileage, equipment, etc.)	Total by Task
			\$ 84.10	\$ 64.63	\$ 57.74	\$ 37.62	\$ 41.35	\$ 36.64			187.54%			
			VP/Principal in Charge	Senior Professional III	Senior Prof. Engineer II	Professional II	Senior Office Services	GIS/CAD Tech Services IV	Total Hours	Labor Cost	Overhead	Labor + Overhead		
1	Project Management													
2	Survey													
3	Hydraulic Engineering													
4	Geotechnical Engineering													
4.1	Team Coordination and Concept Review		8		8				16	\$ 1,135	\$ 2,128	\$ 3,263	\$ -	\$ 3,263
4.2	Subsurface Exploration (1 CPT to 110 Ft.)				6	10			16	\$ 723	\$ 1,355	\$ 2,078	\$ 7,645	\$ 9,723
4.3	Geotechnical Analyses		8	17	66	0	0	0	91	\$ 5,582	\$ 10,469	\$ 16,051	\$ -	\$ 16,051
4.3.1	QA/QC		2		2		2		6	\$ 366	\$ 687	\$ 1,053	\$ -	\$ 1,053
4.4	Draft Geotechnical Report		8		24		6	8	46	\$ 2,600	\$ 4,876	\$ 7,475	\$ -	\$ 7,475
4.5	Final Geotechnical Report		4		4		4		12	\$ 733	\$ 1,374	\$ 2,107	\$ -	\$ 2,107
5	Structural Engineering													
6	Roadway & Utility Engineering													
7	Cultural Resources													
8	Environmental Permitting													
9	Plans, Specifications, & Estimate													
10	Right of Way Services													
11	Bidding Support													
	RFAs								0	\$ -	\$ -	\$ -	\$ -	\$ -
12	Construction Support													
12.1	RFIs and submittal reviews								0	\$ -	\$ -	\$ -	\$ -	\$ -
12.2	Site Visits				30				30	\$ 1,732	\$ 3,249	\$ 4,981	\$ 360	\$ 5,341
12.3	Record Drawings								0	\$ -	\$ -	\$ -	\$ -	\$ -
Total Hours			30	17	110	10	12	8	187					
Total Costs										\$ 12,871	\$ 24,138	\$ 37,009	\$ 8,005	\$ 45,014
30% Fixed Fee														\$ 3,861
Total Cost Plus Fixed Fee														\$ 48,875

Task	Labor Categories	Firm Rate	Sargent										Direct Costs for Reimbursables (Mileage, equipment, etc.)	Total by Task
			\$ 74.50	\$ 58.50	\$ 50.00	\$ 36.50				197.81%				
			Principal	Senior Project Engineer	Project Engineer	Design Engineer	Total Hours	Labor Cost	Overhead	Labor + Overhead				
1	Project Management													
2	Survey													
3	Hydraulic Engineering													
4	Geotechnical Engineering													
5	Structural Engineering													
5.1	Preliminary Design		67		102		169	\$ 10,092	\$ 19,962	\$ 30,053	\$ 210	\$ 30,263		
5.2	60% Bridge Design		30		278		308	\$ 16,135	\$ 31,917	\$ 48,052	\$ -	\$ 48,052		
5.3	90% Bridge Design		12	114	62		188	\$ 10,663	\$ 21,092	\$ 31,755	\$ -	\$ 31,755		
5.4	Final Bridge Design		8	25	73		106	\$ 5,709	\$ 11,292	\$ 17,000	\$ -	\$ 17,000		
5.5	Bridge Load Rating				6	12	18	\$ 738	\$ 1,460	\$ 2,198	\$ -	\$ 2,198		
6	Roadway & Utility Engineering													
7	Cultural Resources													
8	Environmental Permitting													
9	Plans, Specifications, & Estimate													
10	Right of Way Services													
11	Bidding Support													
	RFAs													
12	Construction Support													
12.1	RFIs and submittal reviews		2		34		36	\$ 1,849	\$ 3,658	\$ 5,507	\$ -	\$ 5,507		
12.2	Site Visits				8		8	\$ 400	\$ 791	\$ 1,191	\$ 315	\$ 1,506		
12.3	Record Drawings													
Total Hours			119	139	563	12	833							
Total Costs								\$ 45,585	\$ 90,172	\$ 135,757	\$ 525	\$ 136,282		
30% Fixed Fee												\$ 13,676		
Total Cost Plus Fixed Fee														\$ 149,957

Agreement Number: LA 11045



Development Division
Contract Services Office
PO Box 47408
Olympia, WA 98504-7408
7345 Linderson Way SW
Tumwater, WA 98501-6504

TTY: 1-800-833-6388
www.wsdot.wa.gov

June 6, 2024

Shannon & Wilson, Inc.
400 N. 34th St, Suite 100
Seattle, WA 98103

Subject: REVISED - Acceptance FYE 2023 ICR – Cognizant Review

Dear Peter L. Gowell:

We have accepted your firms FYE 2023 Indirect Cost Rate (ICR) of 187.54% of direct labor based on the “Cognizant Review” from Washington State Department of Transportation (WSDOT) who accepted the audit performed by BPM, LLP as follows:

- Combined/Corporate: 187.15%
- Facilities Capital Cost of Money (FCCM): 0.39%

This rate will be applicable for WSDOT Agreements and Local Agency Contracts in Washington only. This rate may be subject to additional review if considered necessary by WSDOT. Your ICR must be updated on an annual basis.

Costs billed to agreements/contracts will still be subject to audit of actual costs, based on the terms and conditions of the respective agreement/contract.

Any other entity contracting with your firm is responsible for determining the acceptability of the ICR.

If you have any questions, feel free to contact our office at (360) 704-6397 or via email consultantrates@wsdot.wa.gov.

Regards,

A handwritten signature in black ink that reads 'Schatzie Harvey'. The signature is written in a cursive, flowing style.

[Schatzie Harvey \(Jun 6, 2024 14:40 PDT\)](#)

SCHATZIE HARVEY, CPA
Contract Services Manager

SH:sms



**Washington State
Department of Transportation**

Development Division
Contract Services Office
PO Box 47408
Olympia, WA 98504-7408
7345 Linderson Way SW
Tumwater, WA 98501-6504

TTY: 1-800-833-6388
www.wsdot.wa.gov

April 16, 2025

Sargent Engineers, Inc
320 Ronlee Lane NW
Olympia, WA 98502

Subject: Acceptance FYE 2024 ICR – CPA Report

Dear Molly Cichosz:

We have accepted your firm's FYE 2024 Indirect Cost Rate (ICR) of 197.81% of direct labor based on the "Independent CPA Report" prepared by Shannon & Associates LLP CPAs. This rate will be applicable for WSDOT Agreements and Local Agency Contracts in Washington only. This rate may be subject to additional review if considered necessary by WSDOT. Your ICR must be updated on an annual basis.

Costs billed to agreements/contracts will still be subject to audit of actual costs, based on the terms and conditions of the respective agreement/contract.

This was not a cognizant review. Any other entity contracting with the firm is responsible for determining the acceptability of the ICR.

If you have any questions, feel free to contact our office at **(360) 704-6397** or via email consultanrates@wsdot.wa.gov.

Regards,

A handwritten signature in black ink that reads "Schatzie Harvey".

Schatzie Harvey (Apr 17, 2025 06:06 PDT)

SCHATZIE HARVEY, CPA
Contract Services Manager

SH: kb

Task	Labor Categories	Gray & Osborne, Inc.										Total by Task
		Firm Rate	\$ 85.00	\$ 75.00	\$ 61.00	\$ 42.00	\$ 41.00			188.44%		
		Principal	Project Manager	Project Engineer	EIT	GIS/CAD Analyst 1	Total Hours	Labor Cost	Overhead	Labor + Overhead	Direct Costs for Reimbursables (Mileage, equipment, etc.)	
1	Project Management											
2	Survey											
3	Hydraulic Engineering											
4	Geotechnical Engineering											
5	Structural Engineering											
6	Roadway & Utility Engineering											
6.1	Roadway Design		68	140	24	40	272	\$ 16,288	\$ 30,693	\$ 46,981	\$ 250	\$ 47,231
6.2	Waterline Design		40	120	40	40	240	\$ 13,640	\$ 25,703	\$ 39,343	\$ -	\$ 39,343
6.3	Utility Coordination Assistance		24	12	0	0	36	\$ 2,532	\$ 4,771	\$ 7,303	\$ -	\$ 7,303
7	Cultural Resources											
8	Environmental Permitting											
	Total Hours	0	132	272	64	80	548					
	Total Costs							\$ 32,460	\$ 61,168	\$ 93,628	\$ 250	\$ 93,878
	30% Fixed Fee											\$ 9,738
	Total Cost Plus Fixed Fee											\$ 103,616

Task	Labor Categories	Peninsula Land Survey LLC											Total by Task
		Firm Rate	\$100.00	\$ 75.00	\$42.00	\$ 56.00	\$45.00	\$ 30.00			120%		
		Principal Surveyor	Survey Project Manager	Billing Admin	Office Technician	Party Chief	Crew Member	Total Hours	Labor Cost	Overhead	Labor + Overhead	Direct Costs for Reimbursables (Mileage, equipment, etc.)	
1	Project Management												
2	Survey												
2.1	Boundary Survey	2	1	1	8	20	20	52	\$ 2,265	\$ 2,718	\$ 4,983	\$ 358	\$ 5,341
2.1.1	Right of Way Determination	4		1	4	4	4	17	\$ 966	\$ 1,159	\$ 2,125	\$ 178	\$ 2,303
2.2	Topographic Mapping							0	\$ -	\$ -	\$ -		\$ -
2.2.1	Area 1	1	3	2	12	30	30	76	\$ 3,331	\$ 3,997	\$ 7,328	\$ 881	\$ 8,209
2.2.2	Area 2	1	8	2	32	70	70	183	\$ 7,826	\$ 9,391	\$ 17,217	\$ 1,111	\$ 18,329
2.3	Easement Drafting	4		1	32			37	\$ 2,234	\$ 2,681	\$ 4,915	\$ -	\$ 4,915
2.4	Post Construction As-built	2	3	2	20	30	30	87	\$ 3,879	\$ 4,655	\$ 8,534	\$ 476	\$ 9,010
12	Construction Support												
12.1	RFIs and submittal reviews							0	\$ -	\$ -	\$ -		\$ -
12.2	Site Visits							0	\$ -	\$ -	\$ -		\$ -
12.3	Record Drawings							0	\$ -	\$ -	\$ -		\$ -
	Total Hours	14	15	9	108	154	154	452					
	Total Costs								\$ 20,501	\$ 24,601	\$ 45,102	\$ 3,004	\$ 48,106
	30% Fixed Fee												\$ 6,150
	Total Cost Plus Fixed Fee												\$ 54,256

Agreement Number: LA 11045



Development Division
Contract Services Office
PO Box 47408
Olympia, WA 98504-7408
7345 Linderson Way SW
Tumwater, WA 98501-6504

TTY: 1-800-833-6388
www.wsdot.wa.gov

July 16, 2024

Gray & Osborne, Inc.
1130 Rainier Ave S, Suite 300
Seattle, WA 98144

Subject: Acceptance FYE 2023 ICR – Risk Assessment Review

Dear Melissa Drysdale:

Based on Washington State Department of Transportation's (WSDOT) Risk Assessment review of your Indirect Cost Rate (ICR), we have accepted your proposed FYE 2023 ICR of 188.44% (rate includes 0.31% Facilities Capital Cost of Money). This rate will be applicable for WSDOT Agreements and Local Agency Contracts in Washington only. This rate may be subject to additional review if considered necessary by WSDOT. Your ICR must be updated on an annual basis.

Costs billed to agreements/contracts will still be subject to audit of actual costs, based on the terms and conditions of the respective agreement/contract.

This was not a cognizant review. Any other entity contracting with your firm is responsible for determining the acceptability of the ICR.

If you have any questions, feel free to contact our office at **(360) 704-6397** or via email consultantrates@wsdot.wa.gov.

Regards,


Schatzie Harvey (Jul 17, 2024 06:41 PDT)

SCHATZIE HARVEY, CPA
Contract Services Manager

SH:sms



**Washington State
Department of Transportation**

Transportation Building
310 Maple Park Avenue S.E.
P.O. Box 47300
Olympia, WA 98504-7300
360-705-7000
TTY: 1-800-833-6388
www.wsdot.wa.gov

April 2, 2024

Kristy Allinson, Owner
Peninsula Land Survey, LLC
PO Box 1332
Port Orchard, WA 98366-3340

- Re: Peninsula Land Survey, LLC
Safe Harbor Indirect Cost Rate

Dear Kristy:

Washington State has received approval from our local Federal Highway Administration (FHWA) Division to continue administering the “safe harbor” indirect cost rate program on engineering and design related service contracts, as well as for Local Public Agency projects.

We have completed our risk assessment for Peninsula Land Survey, LLC. We conducted our assessment based on the documentation provided by the firm. The reviewed data included, but was not limited to, a description of the company, basis of accounting, accounting system and the basis of indirect costs. Based on our review, your firm is eligible to use the Safe Harbor rate. You have opted to use the Safe Harbor rate, rather than provide a FAR-compliant rate at this time.

We are issuing the Safe Harbor Indirect Cost Rate of 120% of direct labor, and a field rate, where applicable, of 90% of direct labor for Peninsula Land Survey. The Safe Harbor rate is effective on April 2, 2024.

Peninsula Land Survey has agreed to improve Internal Controls and timekeeping processes to be able to develop an Indirect Cost Rate Schedule in the future in accordance with the Federal Acquisition Regulations (FAR), Subpart 31. The WSDOT Internal Audit Office has provided guidance and information related to FARs and the AASHTO Audit Guide. You may use the Safe Harbor Rate of 120%, or 90% for field office situations, for agreements entered prior to June 30, 2027. For agreements entered after this date, please contact the WSDOT Consultant Services Office (CSO) or our office for guidance.

The Safe Harbor Rate will not be subject to audit. Please coordinate with CSO or your Local Programs contact if you have questions about when to apply the Safe Harbor rate to your agreement.

If you have any questions, please contact Steve McKerney or me at (360)705-7799.

Sincerely,

Jarron Elter
Agreement Compliance Audit Manager

cc: Steve McKerney, Director of Internal Audit
Maryna Ya
File

CERTIFICATION OF FINAL INDIRECT COSTS – FOR A **SAFE HARBOR** INDIRECT COST RATE

Firm Name: Peninsula Land Survey LLC

I, the undersigned, certify that I have reviewed the proposal to establish the Safe Harbor rate.

The firm is electing to use the SAFE HARBOR INDIRECT COST RATE of 120% of direct labor with a field rate, when applicable, of 90% of direct labor. To the best of my knowledge and belief:

- a) The firm has not had a FAR compliant indirect cost rate previously accepted by any other state agency.*
- b) The firm will provide reports as required by the SAFE HARBOR RATE program on their progress toward compliance with the cost principles of the Federal Acquisition Regulations (FAR) of title 48, Code of Federal Regulations (CFR), part 31.*

All known material transactions or events that have occurred affecting the firm's ownership, organization and prior & current indirect cost rates have been disclosed.

The firm agrees to follow the 'Path to Compliance'. Steps noted below:

The Pathway must include:

- A timekeeping system which includes the Internal Controls described in chapter 6 of AASHTO Uniform Audit & Accounting Guide*
- An accounting system which separates indirect costs and direct costs*
- An accounting system which separates allowable and unallowable cost*
- A compliant job cost system which is general ledger driven*
- Training for accounting personnel and key management on Part 31 of the Federal Acquisition Regulations, Contract Cost Principles and Procedures*
- A strong written internal control policy with a policy and procedures manual*

*Signature: 

*Name of Certifying Official (Print): Kristy Allinson

*Title: Owner

Date of Certification (mm/dd/yyyy): 04/02/2024

*Note: This form is to be completed by an individual executive or financial officer of the consultant at a level no lower than a Vice President or Chief Financial Officer, or equivalent, who has the authority to represent the financial information utilized to establish the indirect cost rate proposal submitted in conjunction with the agreement.

Exhibit F - Title VI Assurances Appendix A & E

APPENDIX A

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

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

Exhibit F - Title VI Assurances Appendix A & E

APPENDIX E

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

Pertinent Non-Discrimination Authorities:

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

Exhibit G

Certification Documents

- Exhibit G-1(a) Certification of Consultant
- Exhibit G-1(b) Certification of City of Bremerton
- Exhibit G-2 Certification Regarding Debarment, Suspension and Other Responsibility Matters -
Primary Covered Transactions
- Exhibit G-3 Certification Regarding the Restrictions of the Use of Federal Funds for Lobbying
- Exhibit G-4 Certificate of Current Cost or Pricing Data

Exhibit G-1(a) Certification of Consultant

I hereby certify that I am the and duly authorized representative of the firm of

Northwest Hydraulic Consultants Inc.

whose address is

12787 Gateway Drive S., Seattle, WA 98168

and that neither the above firm nor I have:

- a) Employed or retained for a commission, percentage, brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above CONSULTANT) to solicit or secure this AGREEMENT;
- b) Agreed, as an express or implied condition for obtaining this contract, to employ or retain the services of any firm or person in connection with carrying out this AGREEMENT; or
- c) Paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above CONSULTANT) any fee, contribution, donation, or consideration of any kind for, or in connection with, procuring or carrying out this AGREEMENT; except as hereby expressly stated (if any);

I acknowledge that this certificate is to be furnished to the Washington State Department of Transportation and the Federal Highway Administration, U.S. Department of Transportation in connection with this AGREEMENT involving participation of Federal-aid highway funds, and is subject to applicable State and Federal laws, both criminal and civil.

Northwest Hydraulic Consultants, Inc.

Consultant (Firm Name)

Signature (Authorized Official of Consultant)

Date

Exhibit G-1(b) Certification of City of Bremerton

I hereby certify that I am the:

- ☒ Mayor
- ☐ Other

of the City of Bremerton _____, and Northwest Hydraulic Consultants, Inc.
or its representative has not been required, directly or indirectly as an express or implied condition in connection
with obtaining or carrying out this AGREEMENT to:

- a) Employ or retain, or agree to employ to retain, any firm or person; or
- b) Pay, or agree to pay, to any firm, person, or organization, any fee, contribution, donation, or consideration
of any kind; except as hereby expressly stated (if any):

I acknowledge that this certificate is to be furnished to the Washington State Department of Transportation
and the Federal Highway Administration, U.S. Department of Transportation, in connection with this
AGREEMENT involving participation of Federal-aid highway funds, and is subject to applicable State and
Federal laws, both criminal and civil.

Signature

Date

Exhibit G-2 Certification Regarding Debarment, Suspension and Other Responsibility Matters - Primary Covered Transactions

- I. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - A. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - B. Have not within a three (3) year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State anti-trust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - C. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - D. Have not within a three (3) year period preceding this application / proposal had one or more public transactions (Federal, State and local) terminated for cause or default.
- II. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Northwest Hydraulic Consultants, Inc.

Consultant (Firm Name)

Signature (Authorized Official of Consultant)

Date

Exhibit G-3 Certification Regarding the Restrictions of the Use of Federal Funds for Lobbying

The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative AGREEMENT, and the extension, continuation, renewal, amendment, or modification of Federal contract, grant, loan or cooperative AGREEMENT.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative AGREEMENT, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000.00, and not more than \$100,000.00, for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier sub-contracts, which exceed \$100,000, and that all such sub-recipients shall certify and disclose accordingly.

Northwest Hydraulic Consultants, Inc.

Consultant (Firm Name)

Signature (Authorized Official of Consultant)

2/7/2022

Date

Agreement Number: LA 11045

Exhibit G-4 Certificate of Current Cost or Pricing Data

This is to certify that, to the best of my knowledge and belief, the cost or pricing data (as defined in section 2.101 of the Federal Acquisition Regulation (FAR) and required under FAR subsection 15.403-4) submitted, either actually or by specific identification in writing, to the Contracting Officer or to the Contracting Officer’s representative in support of Parish Creek Fish Passage Barrier Removal are accurate, complete, and current as of May 16, 2025

**

This certification includes the cost or pricing data supporting any advance AGREEMENT’s and forward pricing rate AGREEMENT’s between the offer or and the Government that are part of the proposal.

Firm: Northwest Hydraulic Consultants, Inc.

Signature

Title

Date of Execution***:

*Identify the proposal, quotation, request for pricing adjustment, or other submission involved, giving the appropriate identifying number (e.g. project title.)

**Insert the day, month, and year, when price negotiations were concluded and price AGREEMENT was reached.

***Insert the day, month, and year, of signing, which should be as close as practicable to the date when the price negotiations were concluded and the contract price was agreed to.

Agreement Number: LA 11045

Exhibit H

Liability Insurance Increase

To Be Used Only If Insurance Requirements Are Increased

The professional liability limit of the CONSULTANT to the AGENCY identified in Section XII, Legal Relations and Insurance of this Agreement is amended to \$NO CHANGE .

The CONSULTANT shall provide Professional Liability insurance with minimum per occurrence limits in the amount of \$NO CHANGE .

Such insurance coverage shall be evidenced by one of the following methods:

- Certificate of Insurance.
- Self-insurance through an irrevocable Letter of Credit from a qualified financial institution.

Self-insurance through documentation of a separate fund established exclusively for the payment of professional liability claims, including claim amounts already reserved against the fund, safeguards established for payment from the fund, a copy of the latest annual financial statements, and disclosure of the investment portfolio for those funds.

Should the minimum Professional Liability insurance limit required by the AGENCY as specified above exceed \$1 million per occurrence or the value of the contract, whichever is greater, then justification shall be submitted to the Federal Highway Administration (FHWA) for approval to increase the minimum insurance limit.

If FHWA approval is obtained, the AGENCY may, at its own cost, reimburse the CONSULTANT for the additional professional liability insurance required.

Notes: Cost of added insurance requirements: \$N/A .

- ▮ Include all costs, fee increase, premiums.
- ▮ This cost shall not be billed against an FHWA funded project.
- For final contracts, include this exhibit.

Exhibit I

Alleged Consultant Design Error Procedures

The purpose of this exhibit is to establish a procedure to determine if a consultant's alleged design error is of a nature that exceeds the accepted standard of care. In addition, it will establish a uniform method for the resolution and/or cost recovery procedures in those instances where the agency believes it has suffered some material damage due to the alleged error by the consultant.

Step 1 Potential Consultant Design Error(s) is Identified by Agency's Project Manager

At the first indication of potential consultant design error(s), the first step in the process is for the Agency's project manager to notify the Director of Public Works or Agency Engineer regarding the potential design error(s). For federally funded projects, the Region Local Programs Engineer should be informed and involved in these procedures. (Note: The Director of Public Works or Agency Engineer may appoint an agency staff person other than the project manager, who has not been as directly involved in the project, to be responsible for the remaining steps in these procedures.)

Step 2 Project Manager Documents the Alleged Consultant Design Error(s)

After discussion of the alleged design error(s) and the magnitude of the alleged error(s), and with the Director of Public Works or Agency Engineer's concurrence, the project manager obtains more detailed documentation than is normally required on the project. Examples include: all decisions and descriptions of work; photographs, records of labor, materials and equipment.

Step 3 Contact the Consultant Regarding the Alleged Design Error(s)

If it is determined that there is a need to proceed further, the next step in the process is for the project manager to contact the consultant regarding the alleged design error(s) and the magnitude of the alleged error(s). The project manager and other appropriate agency staff should represent the agency and the consultant should be represented by their project manager and any personnel (including sub-consultants) deemed appropriate for the alleged design error(s) issue.

Step 4 Attempt to Resolve Alleged Design Error with Consultant

After the meeting(s) with the consultant have been completed regarding the consultant's alleged design error(s), there are three possible scenarios:

- ▮ It is determined via mutual agreement that there is not a consultant design error(s). If this is the case, then the process will not proceed beyond this point.
- ▮ It is determined via mutual agreement that a consultant design error(s) occurred. If this is the case, then the Director of Public Works or Agency Engineer, or their representatives, negotiate a settlement with the consultant. The settlement would be paid to the agency or the amount would be reduced from the consultant's agreement with the agency for the services on the project in which the design error took place. The agency is to provide LP, through the Region Local Programs Engineer, a summary of the settlement for review and to make adjustments, if any, as to how the settlement affects federal reimbursements. No further action is required.
- ▮ There is not a mutual agreement regarding the alleged consultant design error(s). The consultant may request that the alleged design error(s) issue be forwarded to the Director of Public Works or Agency Engineer for review. If the Director of Public Works or Agency Engineer, after review with their legal counsel, is not able to reach mutual agreement with the consultant, proceed to Step 5.

Step 5 Forward Documents to Local Programs

For federally funded projects all available information, including costs, should be forwarded through the Region Local Programs Engineer to LP for their review and consultation with the FHWA. LP will meet with representatives of the agency and the consultant to review the alleged design error(s), and attempt to find a resolution to the issue. If necessary, LP will request assistance from the Attorney General's Office for legal interpretation. LP will also identify how the alleged error(s) affects eligibility of project costs for federal reimbursement.

- ▮ If mutual agreement is reached, the agency and consultant adjust the scope of work and costs to reflect the agreed upon resolution. LP, in consultation with FHWA, will identify the amount of federal participation in the agreed upon resolution of the issue.
- ▮ If mutual agreement is not reached, the agency and consultant may seek settlement by arbitration or by litigation.

Exhibit J

Consultant Claim Procedures

The purpose of this exhibit is to describe a procedure regarding claim(s) on a consultant agreement. The following procedures should only be utilized on consultant claims greater than \$1,000. If the consultant's claim(s) are a total of \$1,000 or less, it would not be cost effective to proceed through the outlined steps. It is suggested that the Director of Public Works or Agency Engineer negotiate a fair and reasonable price for the consultant's claim(s) that total \$1,000 or less.

This exhibit will outline the procedures to be followed by the consultant and the agency to consider a potential claim by the consultant.

Step 1 Consultant Files a Claim with the Agency Project Manager

If the consultant determines that they were requested to perform additional services that were outside of the agreement's scope of work, they may be entitled to a claim. The first step that must be completed is the request for consideration of the claim to the Agency's project manager.

The consultant's claim must outline the following:

- Summation of hours by classification for each firm that is included in the claim;
- ▮ Any correspondence that directed the consultant to perform the additional work;
- ▮ Timeframe of the additional work that was outside of the project scope;
- Summary of direct labor dollars, overhead costs, profit and reimbursable costs associated with the additional work; and
- ▮ Explanation as to why the consultant believes the additional work was outside of the agreement scope of work.

Step 2 Review by Agency Personnel Regarding the Consultant's Claim for Additional Compensation

After the consultant has completed step 1, the next step in the process is to forward the request to the Agency's project manager. The project manager will review the consultant's claim and will met with the Director of Public Works or Agency Engineer to determine if the Agency agrees with the claim. If the FHWA is participating in the project's funding, forward a copy of the consultant's claim and the Agency's recommendation for federal participation in the claim to the WSDOT Local Programs through the Region Local Programs Engineer. If the claim is not eligible for federal participation, payment will need to be from agency funds.

If the Agency project manager, Director of Public Works or Agency Engineer, WSDOT Local Programs (if applicable), and FHWA (if applicable) agree with the consultant's claim, send a request memo, including backup documentation to the consultant to either supplement the agreement, or create a new agreement for the claim. After the request has been approved, the Agency shall write the supplement and/or new agreement and pay the consultant the amount of the claim. Inform the consultant that the final payment for the agreement is subject to audit. No further action in needed regarding the claim procedures.

If the Agency does not agree with the consultant's claim, proceed to step 3 of the procedures.

Step 3 Preparation of Support Documentation Regarding Consultant's Claim(s)

If the Agency does not agree with the consultant's claim, the project manager shall prepare a summary for the Director of Public Works or Agency Engineer that included the following:

- ▮ Copy of information supplied by the consultant regarding the claim;
- Agency's summation of hours by classification for each firm that should be included in the claim;
- ▮ Any correspondence that directed the consultant to perform the additional work;
- Agency's summary of direct labor dollars, overhead costs, profit and reimbursable costs associated with the additional work;
- Explanation regarding those areas in which the Agency does/does not agree with the consultant's claim(s);
- ▮ Explanation to describe what has been instituted to preclude future consultant claim(s); and
- ▮ Recommendations to resolve the claim.

Step 4 Director of Public Works or Agency Engineer Reviews Consultant Claim and Agency Documentation

The Director of Public Works or Agency Engineer shall review and administratively approve or disapprove the claim, or portions thereof, which may include getting Agency Council or Commission approval (as appropriate to agency dispute resolution procedures). If the project involves federal participation, obtain concurrence from WSDOT Local Programs and FHWA regarding final settlement of the claim. If the claim is not eligible for federal participation, payment will need to be from agency funds.

Step 5 Informing Consultant of Decision Regarding the Claim

The Director of Public Works or Agency Engineer shall notify (in writing) the consultant of their final decision regarding the consultant's claim(s). Include the final dollar amount of the accepted claim(s) and rationale utilized for the decision.

Step 6 Preparation of Supplement or New Agreement for the Consultant's Claim(s)

The agency shall write the supplement and/or new agreement and pay the consultant the amount of the claim. Inform the consultant that the final payment for the agreement is subject to audit.

AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

B3

SUBJECT:

Public Hearing and Resolution to adopt
the 2026 – 2031 Six Year Transportation
Improvement Program

Study Session Date: June 11, 2025

COUNCIL MEETING Date: June 18, 2025

Department: PW&U Engineering

Presenter: Gunnar Fridriksson

Phone: (360) 473-5758

SUMMARY: The Six Year Transportation Improvement Program (TIP) is prepared pursuant to RCW 35.77.010. The TIP is updated annually and filed with the Puget Sound Regional Council (PSRC) and Washington State Department of Transportation (WSDOT). It is intended as a planning tool for the local, State and Federal transportation funding entities. The TIP has been prepared for City Council approval by Resolution prior to submittal to PSRC and WSDOT. This TIP is consistent with Bremerton's Comprehensive and Non-Motorized Transportation Plans.

ATTACHMENTS: 1) Resolution No. ____; 2) 2026 – 2031 Six Year TIP Projects; 3) Power Point Presentation

FISCAL IMPACTS (Include Budgeted Amount): Annual adoption of a Six Year TIP is required by State law and is necessary to receive certain State and Federal Transportation funds.

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION:

Move to approve Resolution No. _____, which approves the City's 2026 – 2031 Six Year Transportation Improvement Program and allow the Mayor to forward the Resolution and Plan to the Puget Sound Regional Council and Washington Department of Transportation.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

RESOLUTION NO. _____

A RESOLUTION of the City Council of the City of Bremerton, Washington, adopting the 2026 – 2031 Six Year Transportation Improvement Program.

WHEREAS, after proper notice, the City Council of the City of Bremerton held a public hearing at the regular meeting of the City Council at 5:00 p.m. on June 18, 2025, to consider public testimony on the City’s proposed 2026 – 2031 Six Year Transportation Improvement Program and, having considered public testimony to the Program and in accordance with the provisions of RCW 35.77.010; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF BREMERTON, WASHINGTON,
DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The 2026 through 2031 Six Year Transportation Improvement Program, set forth in Exhibit “A” attached hereto and herewith filed with the City Clerk, is hereby adopted.

SECTION 2. Severability. If any one or more sections, subsections, or sentences of this Resolution are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this Resolution and the same shall remain in full force and effect.

SECTION 3. Effective Date. This Resolution shall take effect and be in force immediately upon its passage.

ERIC YOUNGER,
Council President

APPROVED AS TO FORM:

ATTEST:

KYLIE J. FINNELL, City Attorney

ANGELA HOOVER, City Clerk

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TRANSPORTATION IMPROVEMENT PROGRAM

2026-2031

		Priority Scoring	2026	2027	2028	2029	2030	2031	Six-Year Period Total
Tier 1 Funded									
TR00066	City Safety Improvement	NA	160,000	160,000	160,000	160,000	160,000	160,000	960,000
TR00068	Signal System Upgrades	NA	100,000	100,000	100,000	100,000	100,000	100,000	600,000
TR00105	City Street Lighting	NA	55,000	35,000	35,000	35,000	35,000	35,000	230,000
TR00139	Streets Preservation and Maintenance Program	NA	750,000	750,000	750,000	750,000	750,000	750,000	4,500,000
TR00142	Signage and Pavement Marking Maintenance	NA	300,000	300,000	300,000	300,000	300,000	130,000	1,630,000
TR00143	Sidewalk Program	NA	500,000	500,000	500,000	500,000	500,000	500,000	3,000,000
TR00144	Bridge Inspection and Repair Program	NA	-	20,000	-	20,000	-	20,000	60,000
TR00151	Belfair Valley Road Subgrade Repair & Overlay	39	50,000	50,000	50,000	50,000	50,000	50,000	300,000
TR00159	SR 303 Adaptive Signals (Sheridan to Riddell)	40	1,560,000	-	-	-	-	-	1,560,000
TR00043A	View Ridge Elementary (Almira SRTS) Phase 1	36	1,789,995	-	-	-	-	-	1,789,995
SW00029	Parish Creek Culvert Replacement	25	430,000	2,343,000	-	-	-	-	2,773,000
	Subtotal	Tier 1	\$5,694,995	\$4,258,000	\$1,895,000	\$1,915,000	\$1,895,000	\$1,745,000	\$17,402,995
Tier 2 Partially Funded									
TR00065	Werner Road - Signal Improvements and Widening	78	-	350,000	350,000	8,900,000	-	-	9,600,000
TR00205	11th Street Corridor Design Project	62	810,000	661,550	-	-	-	-	1,471,550
TR00024	6th Street Active Transportation Improvements	61	1,580,000	1,580,000	-	-	-	-	3,160,000
TR00043B	View Ridge Elementary (Almira SRTS) Phase 2	55	780,000	390,000	6,237,000	-	-	-	7,407,000
TR00029	SR 303 Warren Ave Bridge Multimodal Improvements	53	1,000,000	12,000,000	12,000,000	-	-	-	25,000,000
TR00010	Naval Avenue Road Diet	51	1,169,600	7,500,000	-	-	-	-	8,669,600
TR00154	Phinney Bay Retaining Wall and Guardrail Project	30	-	-	-	-	-	-	-
TR00148	Sinclair / Union Intersection Improvements	20	-	250,000	1,000,000	-	-	-	1,250,000
	Subtotal	Tier 2	\$5,339,600	\$22,731,550	\$19,587,000	\$8,900,000	-	-	\$56,558,150
Tier 3 Unfunded									
TR00111	Marine Drive LOS Improvements at Kitsap Way	75	-	-	-	-	-	-	-
TR00071	Burwell Street Adaptive Signals	70	-	-	-	-	-	-	-
TR00206	Kitsap Way (SR 310)/Corbet Dr Intersection Improvements	63	-	-	-	-	-	-	-
TR00150	11th Street Improvements (Kitsap Way to Naval)	56	-	-	-	-	-	-	-
TR00199	Adaptive Signals - Warren Avenue - Burwell to 17th Street	53	-	-	-	-	-	-	-
TR00026	National Avenue Reconstruction - 1st Street to National Avenue	52	-	-	-	-	-	-	-
TR00197	Catalyst School (SRTS)	48	-	-	-	-	-	-	-
TR00053	Riddell Road Sidewalk Improvement (SR 303 to Almira)	47	-	-	-	-	-	-	-



TRANSPORTATION IMPROVEMENT PROGRAM 2026-2031

	Priority Scoring	2026	2027	2028	2029	2030	2031	Six-Year Period Total
TR00108 Active Transportation Facilities Sheridan to Warren Ave Bridge	46	-	-	-	-	-	-	-
TR00198 Mid-block crossings and corridor preliminary design	46	-	-	-	-	-	-	-
TR00161 Pedestrian Connector Under Warren Ave Bridge South	45	-	-	-	-	-	-	-
TR00017 Pine Road Construction	43	-	-	-	-	-	-	-
TR00156 11th Street Preservation (Naval to Warren)	43	-	-	-	-	-	-	-
TR00203 RRFB on Sheridan	43	-	-	-	-	-	-	-
TR00016 Sylvan Reconstruction - SR 303 to Pine Road	42	-	-	-	-	-	-	-
TR00040 Mountain View Middle School (SRTS)	41	-	-	-	-	-	-	-
TR00007 11th Street Corridor Improvement Project (Kitsap to Pacific)	39	-	-	-	-	-	-	-
TR00056 Matan & Lillian & James Sidewalk Connector	39	-	-	-	-	-	-	-
TR00047 Gorst Sinclair Trail (Planning)	35	-	-	-	-	-	-	-
TR00110 Kitsap Lake Vicinity Ped/Bike Improvements Planning Study	35	-	-	-	-	-	-	-
TR00022 Improve Shorewood Drive through the NAD Park to Jackson Park	34	-	-	-	-	-	-	-
TR00202 Clare Street Improvements	34	-	-	-	-	-	-	-
TR00201 Enhance Callow Avenue Streetscape	22	-	-	-	-	-	-	-
TR00214 N. Wycoff Reconstruction - 24th to 26th Streets	17	-	-	-	-	-	-	-
TR00155 12th Street Reconstruction (Warren/Elizabeth)	16	-	-	-	-	-	-	-
TR00213 Wayfinding Implementation Phase II	11	-	-	-	-	-	-	-
Subtotal Tier 3		-	-	-	-	-	-	-
Grand Total		\$11,034,595	\$26,989,550	\$21,482,000	\$10,815,000	\$1,895,000	\$1,745,000	\$73,961,145

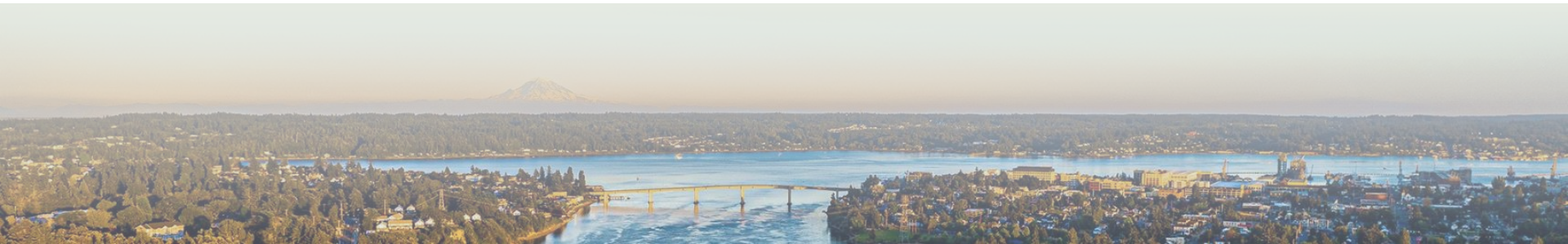


Transportation Improvement Program 2026-2031

Update Report

Washington State law requires the annual adoption of a 6-year transportation improvement program (TIP) after a public hearing in accordance with RCW 35.77.010.

The TIP is to be filed with the Secretary of Transportation for Washington State no more than 30 days after adoption.



Changes to this year's plan:

Tier 1:

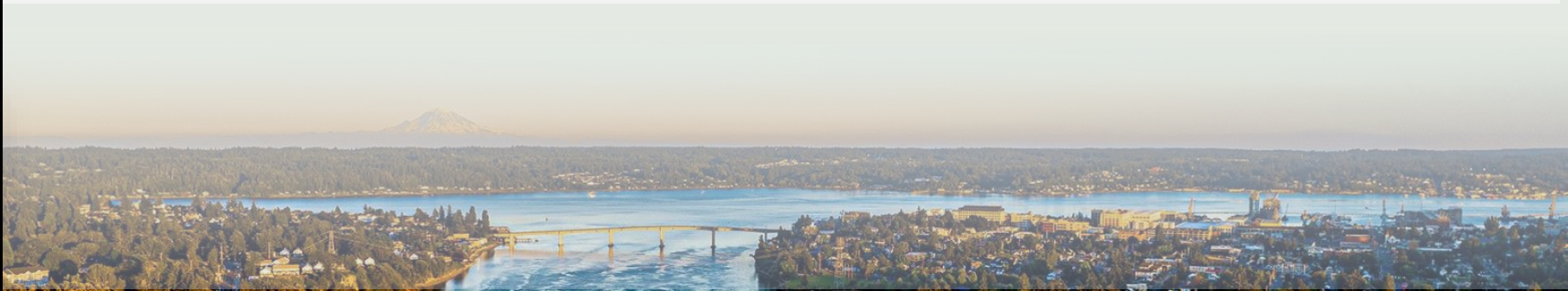
- ***Moved Parish Creek Culvert Replacement from Tier 2 as it is now fully funded.***

Tier 2:

- ***Moved 11th Street Corridor Design Project from Tier 3 as it is partially funded.***

Tier 3:

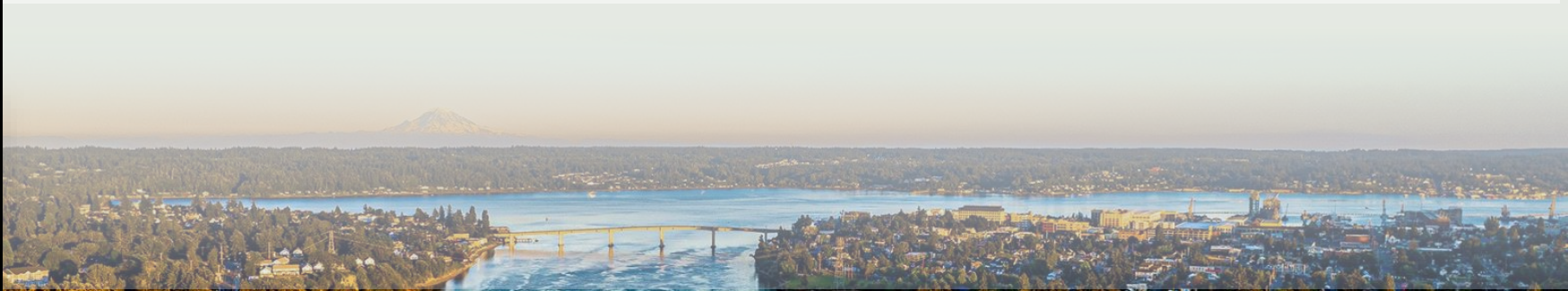
- ***Added Marine Drive LOS Improvements at Kitsap Way as an identified concurrency project.***
- ***Added Kitsap Way(SR 310)/Corbet Drive Intersection Improvements as an identified concurrency project.***
- ***Ranked and added Pine Road Construction.***



Changes to this year's plan:

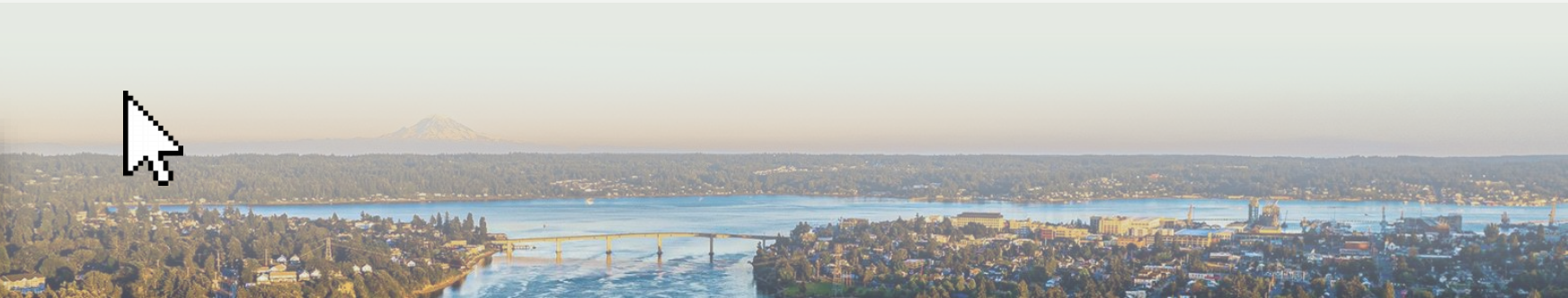
Tier 3: (continued)

- *Ranked and added N. Wycoff Reconstruction – 24th to 26th Streets.*
- *Ranked and added Wayfinding Implementation Phase II at the request of Admin. This project will incorporate the Charleston Area Wayfinding and Bridge to Bridge Trail Wayfinding Projects which were on the list.*
- *Removed North/South Corridor Bike/Ped Backbone Improvements as the project limits are unclear and it appears to be redundant to other projects.*
- *Removed E. Bremerton Shared Use Path as it is redundant to other projects.*



Steps for next year:

- *Staff are currently working on a standardized project summary sheet that will be used for all CIP and TIP projects.*
- *Score and prioritize projects in Tier 4.*
- *Evaluate and rank projects from the Active Transportation Plan and updated ADA Transition Plan for inclusion on next year's TIP.*



AGENDA BILL
CITY OF BREMERTON
CITY COUNCIL

B4

SUBJECT: Resolution to provide guidance to the Lodging Tax Advisory Committee for 2027 Funding Priorities

Study Session Date:	June 11, 2025
COUNCIL MEETING Date:	June 18, 2025
Department:	City Council
Presenter:	Council President
Phone:	(360) 473-5280

SUMMARY: Following review of the recommendations made in the Transition Study completed by Westbrook | Main, LLC in 2024, the Council is now providing guidance to the Lodging Tax Advisory Committee for the following funding priorities in 2027:

- 1) One destination marketing organization focused on producing and implementing a tourism and marketing plan specifically promoting the City of Bremerton and local Bremerton-based tourism operations
- 2) Improved facilities at Pendergast Park in recognition of the value of the youth sports travel market and the positive impact it can have on the overall tourism market in Bremerton

Since these priorities involve a change in how funds are allocated, the intent of the Council is to provide this direction with adequate time for the LTAC to review and consider these changes, before that funding cycle.

ATTACHMENTS: 1) Draft Resolution; 2) City of Bremerton LTAC Transition Study by Westbrook | Main, LLC; 3) San Juan County Destination Marketing Organization Request for Proposals; and 4) Gig Harbor for Destination Marketing Organization Grant Application

FISCAL IMPACTS (Include Budgeted Amount): N/A

STUDY SESSION ACTION: ☐ Consent Agenda ☐ General Business ☐ Public Hearing

RECOMMENDED MOTION:

Move to pass Resolution No. _____, providing guidance to the Lodging Tax Advisory Committee regarding 2027 Funding Priorities.

COUNCIL ACTION: ☐ Approve ☐ Deny ☐ Table ☐ Continue ☐ No Action

RESOLUTION NO. _____

A RESOLUTION of the City Council of the City of Bremerton, Washington to provide guidance to the Lodging Tax Advisory Committee as to the City's desired allocation of lodging tax proceeds beginning in 2027.

WHEREAS, the City of Bremerton currently levies a lodging tax pursuant to RCW 67.28, proceeds of which, pursuant to BMC 3.64, are placed in a special fund to be used solely for the purpose of paying for tourism promotion, acquisition, or operation of tourism-related facilities; and

WHEREAS, in 2024 the City of Bremerton engaged Westbrook/Main, LLC to study the use and efficacy of distribution of Lodging Tax dollars within the City of Bremerton; and

WHEREAS, the City Council of the City of Bremerton has considered the recommendations in the attached Westbrook/Main, LLC 2024 LTAC Transition Study Report (the "Westbrook/Main Report") and desires to act on several recommendations and shift the City's approach to allocating lodging tax proceeds in order to ensure more efficient and effective funding of tourism promotion and tourism operations within the City of Bremerton; NOW THEREFORE,

THE CITY COUNCIL OF THE CITY OF BREMERTON, WASHINGTON,
DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council requests the Lodging Tax Advisory Committee prioritize the following items from the Westbrook/Main Report in its 2027 funding recommendations:

- A.) One destination marketing organization focused on producing and implementing a tourism and marketing plan specifically promoting the City of Bremerton and local Bremerton-based tourism operations, and
- B.) Improved facilities at Pendergast Park in recognition of the value of the youth sports travel market and the positive impact it can have on the overall tourism market in Bremerton.

SECTION 2. Severability. If any one or more sections, subsections, or sentences of this Resolution are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this Resolution and the same shall remain in full force and effect.

SECTION 3. Effective Date. This Resolution shall take effect and be in force immediately upon its passage.

PASSED by the City Council of the City of Bremerton, Washington this _____
day of _____, 2025.

ERIC YOUNGER, Council President

APPROVED AS TO FORM:

ATTEST:

KYLIE J. FINNELL, City Attorney

ANGELA HOOVER, City Clerk

City of Bremerton LTAC Transition Study

Final Report

July 25, 2024

Westbrook | Main, LLC



The City of Bremerton engaged Westbrook/Main, LLC to study the use and efficacy of distribution of Lodging Tax dollars within the City of Bremerton.

Executive Summary

ROI

As is the case in most consulting engagements of this nature, unanticipated factors come forward in the execution of the discovery process. Reviewing the current LTAC process showed considerable efforts have been made over the past few years to objectively assess the value of each award and its ROI to the City. Unfortunately, however, how ROI was measured and the data on which it was calculated is suspect at best, or potentially erroneous as will be shown in the body of this report.

It is recommended that appropriate LTAC dollars be allocated to quality data sourcing and analysis for accurate assessment of ROI.

Operation/Costs

In our review of the city's LTAC dollars administration, the process seemed complex and therefore costly to the city.

Westbrook/Main recommends one or both of the following options:

1. Re-engineer the current process and automate it to the extent possible. This would take additional effort and guidance but could utilize the city's existing technology. This effort should result in a streamlined process, lower operational costs, and a more efficient grant allocation process.
2. Outsource the reporting on and managing of the LTAC committee. This would require a business plan and objectives on which the outsource organization can execute and be measured.

Business Plan

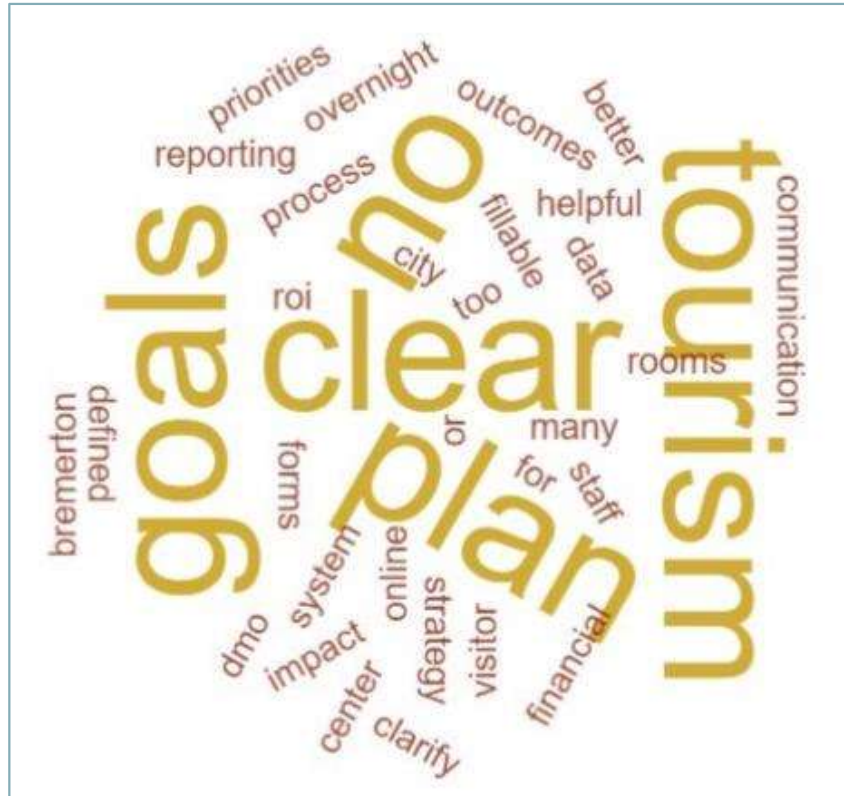
At present, specific goals and objectives for Bremerton tourism are not codified. This lack of clarity in goals and objectives is a critical missing link. This report provides our recommendations for steps and approaches to consider for Bremerton tourism, which are predicated on a thoughtful and cogent business plan.

Westbrook/Main recommends LTAC resources be allocated to development of the City's plan for tourism. This action will benefit not only the organizations contributing to the LTAC fund, but ensure Bremerton's brand, vision & objectives are clearer to all involved in the marketing of tourism to the city.

Infrastructure

The lack of available guest rooms within walking distance of KCC, despite VKP & KCC's sales efforts, remains a barrier to substantive growth in multi-night conferences. The downtown/waterfront events that the LTAC currently fund is admirable, and do draw visitors, but appear not to benefit all the City's hotels given their downtown location.

The organization and structure required for effective tourism promotion and support is currently a bit scattershot – now is the time to develop the necessary building blocks for solid tourism planning and management, as well as consider investment in an asset that could create a new market for tourism.



Discovery process/Interviews

Westbrook/Main interviewed dozens of individuals from the area who are involved with or part of the decision making and dispersing of Lodging Taxes. These individuals included LTAC committee members, DMO, PFD, Chamber leadership, City Managers and Bremerton hoteliers. Each was asked the following questions and assured anonymity. While considerable thoughts were raised, what became clear, as the above word cloud points out, is the imminent need for a tourism plan for Bremerton.

THE QUESTIONS AND GENERAL INPUT

Question 1: What is Bremerton's current tourism goal(s)?

Each person spoken with had no clear understanding of the city's tourism goals. Comments ranged from “there aren’t any” to “nothing published.” There was general understanding by each participant of the objectives of LTAC; aka to promote Bremerton as a place to come & spend your money, however each participant stated there currently are no specific goals as far as they were aware.

Conclusion to question #1: *The City of Bremerton needs a tourism plan.*

Question 2: Do you believe tourism is important to the City of Bremerton? Why or why not?

Tourism is, according to all, important to Bremerton. The participants mentioned how responsive the city staff are and how they do their best to help answer questions and guide LTAC awardees if they are confused or unsure

of the process. When asked specifically what actions the city does that makes them believe tourism is important to Bremerton, the overarching answer was the distribution of LTAC dollars.

Conclusion to question #2: *Without clear goals and objectives, accurate measurement of results, desired outcomes are dubious. A tourism plan that lays out monthly or quarterly results, benchmarked against expectations, will more readily show outcomes that can point to exactly what Bremerton is doing for tourism and objectively validate its importance to the city.*

Question 3: Which entity do you believe is accountable for driving the visitors/tourists to the City of Bremerton?

Does that entity currently exist?

If it does exist, what data is used to determine efficacy of outcome?

The majority of those we spoke with believed it should be a local organization that can create a plan and execute the goals. Asked more broadly whether that entity exists, most said yes; but did not necessarily agree which of the existing entities is best suited to be fully accountable. The clear message, however, was the desire for a specific plan, against which success can be measured. Answers to how best to create that plan and administer it centered around “keeping it local and in Bremerton.”

Conclusion to question #3: *Bremerton needs to appoint a department within the city or via RFP, outsource for a tourism business plan for the City of Bremerton.*

Question 4: How is City of Bremerton Tourism presently promoted?

General understanding centered around the advertising of Bremerton through VKP and Greater Kitsap Chamber. Also, the festivals and events promote the city given the location of their events – “that’s at least what they’re supposed to do – it’s why they’re given the LTAC dollars.” Additional responses spoke to having no clear brand for Bremerton, so only advertising the events or festivals have visibility. Representing the Bremerton “brand” or why you would want to come, spend time and money here remains opaque.

“Seems there is more emphasis regionally on Kitsap and the City crosses it’s fingers and hopes we get visitors.”

“The isn’t even a Bremerton website – it’s part of the city website and sort of looks like an afterthought”

“It’s a variety of formats but nothing really planned out; it looks like DBA is doing most of the social postings which is good, but should we only be promoting downtown?”

Conclusion to question #4: *To accurately represent itself, Bremerton needs a Bremerton marketing plan that aligns to its business plan.*

Question 5: Are there any other municipalities similar in size to Bremerton that you believe are "doing it correctly" when it comes to LTAC collection, use of funds, promoting their destination, other?

The Washington cities Issaquah, Gig Harbor and Vancouver, as well as Coeur d’Alene, Idaho were noted.

Conclusion to question #5: *We obtained information from Issaquah and Gig Harbor (Vancouver has four times the population of Bremerton so is not included as an appropriate comparison and given Coeur d'Alene is in Idaho and under a different promotion and funding budget, it too, was not considered). You will find the insights garnered from these locales noted in various portions of this report.*

Question 6: Does the City currently have the facilities and accommodation it needs to attract visitors to our area?

There was a prominent level of input with a variety of thoughts. The italicized text is the inputs provided during our interactions. In hopes of pulling clarity from these interactions, we have noted our conclusion to the input.

▫ **Question 6 Conclusion #1: More downtown guest rooms**

"Yes and no; reality is the conference center is too small; there are not enough hotel rooms to bring the type of multi-night events to Bremerton that we need."

"I've tried to book events at KCC but there aren't enough rooms for some of the associations I belong to since folks don't want to be that spread out"

▫ **Question 6 Conclusion #2: Facilities supported by LTAC should offer a local's discount**

"Some of the not-for-profit organizations could use places like The Admiral but it is too expensive after all the "nickel and diming" for A/V, lights, etc. which seems odd since it is funded by tax dollars"

"Would really like to know what room nights or revenue The Admiral brings in – I don't think we use that place as much as we could or should."

"We need to be more small business minded or local business minded with the places that are funded by LTAC"

▫ **Question 6 Conclusion #3: Create a livelier downtown; redefine what there is to do there day or night**

"We need to focus on street life – particularly in the downtown core; there isn't anything for folks to do after a certain time of the day/night."

"Our parking situation isn't as bad as people claim – maybe find a way to report out where parking is open like you see in other cities and overcome the stigma that isn't actually real."

"Word is out there that there isn't enough to do in downtown Bremerton."

"Cannot wait for Quincy Square to open; that really should help us know where to focus."

"The homeless aren't as bad as some places, but it was pretty bad there for a while."

▫ **Question 6 Conclusion #4: A staffed place for visitors to go to get answers**

"We need a tourist hub - a place to send people if they have questions"

"It should be located where the traffic is – there is no waterfront visitor center, just brochures at the terminal"

“Isn’t there supposed to be a visitor center opening up soon, I’ve only heard rumors – we really need it to be in an obvious location”

- **Question 6 Conclusion #5: Shift focus from downtown for events/festivals - consider other types of tourism investment**

“Our focus is always the downtown or waterfront areas can’t we focus on improving the Fairgrounds or create a sports complex out of Pendergast – that would help the entire City, not just downtown.”

Question 7: Does the City of Bremerton use any other metrics to track progress of funds issued outside of the LTAC forms collected post the event?

The overwhelming response from those not on the LTAC committee was “no, not that they have seen,” however the DMO and Chamber conversations mentioned the reporting company, Datafy. Visit Kitsap currently uses this platform for broader data insights. The platform’s software also has consumer and lodging insights that could provide more data centric insights. Given budget limitations, VKP only subscribes to the level that provides broader data insights.

Conclusion to question #7: *Given JLARC is a requirement by the state, the reporting that has been asked of awardees needs to remain, however, a data platform that can be used to qualify the details provided by awardees should be a requirement (funded by LTAC) of a receiving awardee/organization or a department within the city that oversees LTAC administration. These findings should be reported to tourism stakeholders regularly (quarterly, bi-annually, annually).*

Question 8: What are the top three items you would like to see changed or augmented with LTAC?

Topics raised by participants	2-3x	3-5x	6+
Prove number of guest rooms used, after all this is what funds LTAC, if it cannot return room nights it should not be funded.		X	
Develop “agreed upon” data process to be used by all awardees to account for actual ROI and support the estimates with real data.			X
Online inputting forms and reporting; print out and send in current process for reimbursement is clunky; asks for info that cannot be answered – i.e., costs need reimbursing prior to an event.		X	
Multiple-year awards for events, particularly after the first year of proven success.	X		
Create a Visit Bremerton, build the infrastructure to oversee and support Bremerton Tourism, build a better coalition for tourism, promote Tourism in Bremerton not just the events & festivals, form a better coalition of who is doing what; a good deal of effort is duplicated with these dollars.			X
Stop supporting small festivals that don’t drive room nights; stop “sprinkling the money”, fewer recipients – real investment – published expectations.			X
Follow up on recommendations from audit and this consult.	X		

Other comments/topics of note
Minimize the frivolous applications via better vetting; if the application can't be completed, it isn't up for consideration.
Maintain the current process.
The council member chair should impart rules only; minimal discussion, limit input.
Add a community chair member to voice insights – non-political, non-voting – their scope would be providing insight with an outsider's view.
<p>Ensure those new(er) to the LTAC process are clear on the RCW that guides the LTAC process.</p> <ol style="list-style-type: none"> 1. Hold a brief virtual meeting or send out a recording of the RCW so all applicants are fully informed of required guidelines within the code. 2. Provide "sample presentations" to help guide those that may be new(er) to the application process and better prepare them for the presentation. 3. Allow questions from others attending the presentation or at least allow them to present questions to the LTAC members for consideration.
Establish the expectation for return. Is 1 to 1 acceptable? How do you prove out the value of the dollars "on the whole"? So, if our organization gets 15% of the pie (all the dollars given out) but provides 40% of the ROI, shouldn't that account for more the following year?

Conclusion to question #8: *A Business plan is not a panacea for all that ails the LTAC process, we say this given we have mentioned it several times before, however, when developed effectively it will define the objectives for tourism in Bremerton and clarify benchmarks for successes (and failures requiring pivots) in terms that are specific, measurable, achievable, realistic, and timely (SMART). The items in the overview, particularly those noted by a good portion of the participants (6+), should be in the Tourism plan. The progress in reaching those objectives can then be reported to stakeholders in an agreed upon cadence (monthly, quarterly, bi-annually).*

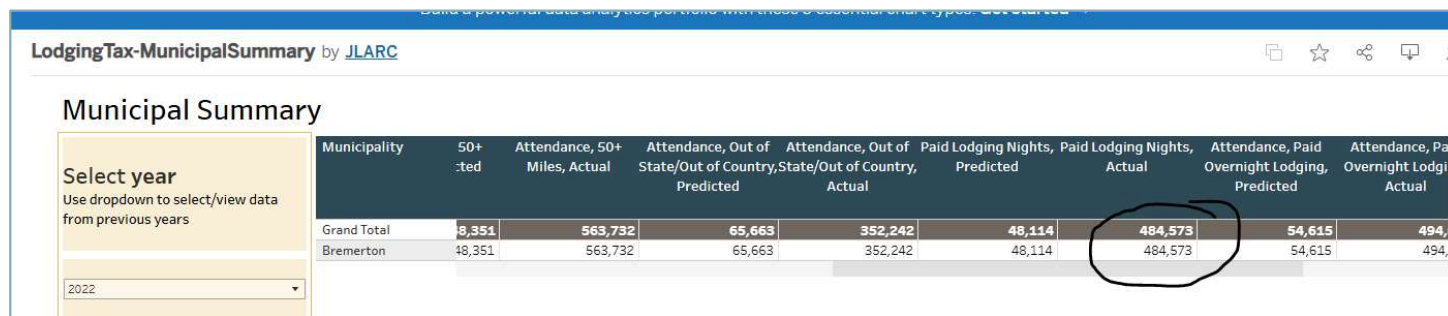
Question 9: From your perspective, what is the most important use for the LTAC dollars collected?

There was little disagreement here; all parties mentioned promotion of tourism. Additional insights noted the need for better infrastructure and support of tourism. Visitor hub and Wayfinding were also mentioned. When specifically addressing the question of outreach and promotion of Bremerton, the majority commented that Bremerton really has no brand or if there is one, it is just made up by whoever is doing the promotion of their event or just "plugging in a logo and a photo."

Conclusion to question #9: *Bremerton needs a Visit Bremerton or a tourism department within the City; a locally sourced body focused on tourism promotion, sales, and service to tourists by the city of Bremerton, for the city of Bremerton. This body can provide much-needed insight into the efficacy of the LTAC spend, as well as serve as facilitator of and initiator for all that tourism and visitors need. Outreach, brand development, grant requests, website creation, content creation and upkeep, Visitor Center(s) oversight, serve as point person for fam tours (familiarization tours), and most vitally serving as the catalyst to Bremerton tourism organizations, events, festivals & attractions coming together under one plan, vision, and focus.*

ROI

The forms filled out by the awardee and provided back to the LTAC contract administrator at the City seem to primarily be estimating the numbers that the event/festival or attraction realizes. Proving what percent are staying overnight, who are from 50+ miles away and which are out of state or country (data JLARC requests) is purely speculative given the numbers provided are derived from these estimates. As we investigated past reports, the 2022 data reported to JLARC suggests 484,573 room nights were realized, outpacing by almost 85% the 272,290 available hotel rooms in the City of Bremerton. Certainly, Airbnb, VRBO are not in this total hotel number, but it seems clear to us that this information of paid lodging rooms is erroneous.



Municipality	50+ ted	Attendance, 50+ Miles, Actual	Attendance, Out of State/Out of Country, Predicted	Attendance, Out of State/Out of Country, Actual	Paid Lodging Nights, Predicted	Paid Lodging Nights, Actual	Attendance, Paid Overnight Lodging, Predicted	Attendance, Pa Overnight Lodgi Actual
Grand Total	8,351	563,732	65,663	352,242	48,114	484,573	54,615	494,
Bremerton	48,351	563,732	65,663	352,242	48,114	484,573	54,615	494,

Additionally, the 2023 information from one awardee estimates 69,993 overnight paid rooms which amounts to 30% of the overall annual city occupancy. Given the organization, this figure is highly suspect. What these two key issues point to is the need for more solid oversight of these reports by a department or organization familiar with tourism, accommodations, and its impact. These numbers may be correct, but not having any supporting documentation that explains these anomalies leads to questions and concerns about the validity of the information and subsequently about the value and return on investment of LTAC.

Data, particularly in the 21st century, is critical. Westbrook/Main recommends using a reporting system(s) that can gather robust data throughout the year to provide credible insights into the fiscal impact of events and festivals, as well as properly track and reveal travel trends for Bremerton.

Software systems such as [Datafy](#) can track credit card receipts within noted periods, adding substantive validation to the annual JLARC recaps. Datafy can include lodging updates, but it is, as far as we have discovered, simply pulling in the information from Smith Travel Research. Should you prefer separate systems, we propose you obtain a subscription to Smith Travel Research [hotel occupancy reports](#). This report provides hotel occupancy data within your selected area. This STR report would also provide insight the LTAC committee could use to assist in determining when the city hotels need business.

In addition to the above, there are other businesses that can provide deeper understanding of travel and spending trends for municipalities. Companies such as [Dean Runyan](#) could be secured to capture data specific to your city limits. The following page provides a sample of the data they provide in this report.

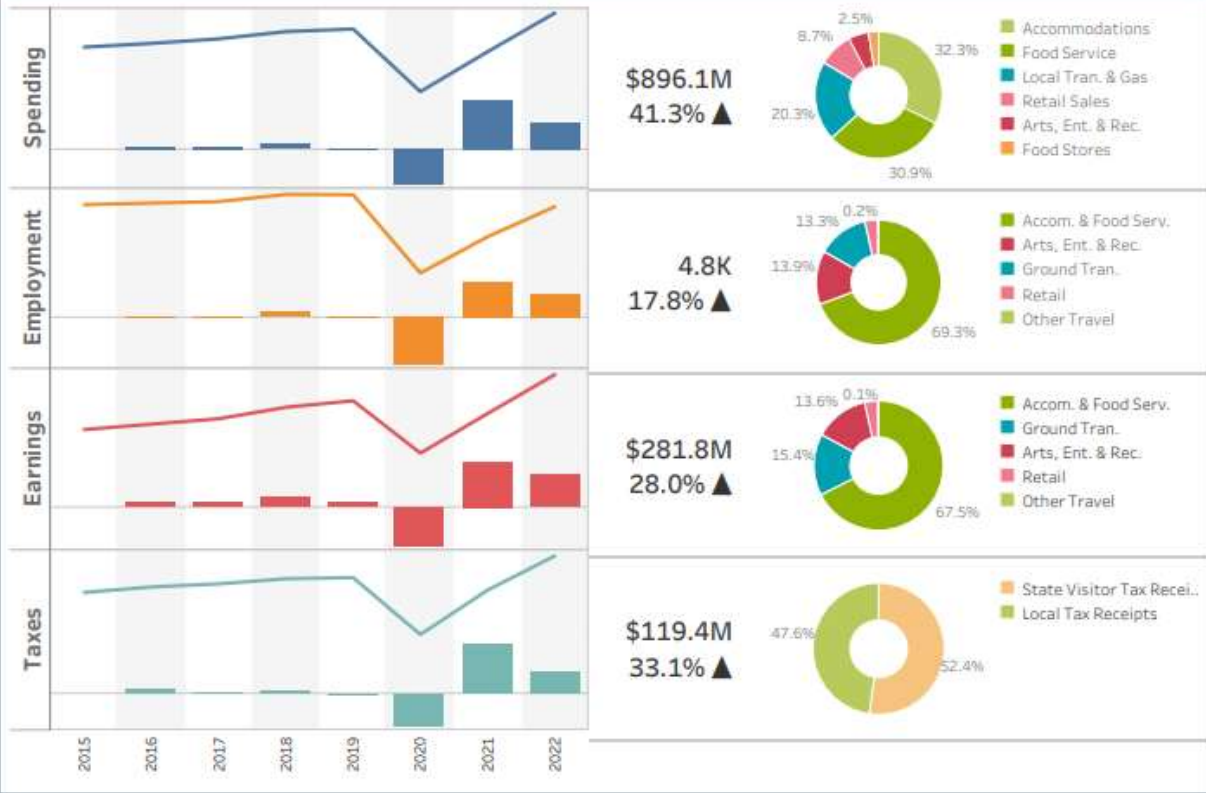
Seattle Southside TRAVEL RESEARCH DASHBOARD

[More Metrics](#)

TRAVEL IMPACTS

Actual and Year-Over-Year Change (%)

Year: 2022



Dean Runyan also provides onsite (days of) examination of events or festivals to extrapolate the impact to LTAC dollars and monetary impact to the City. Further insight to their process is available [here](#).

DMO's (destination marketing organizations) receive reports via the [State of Washington Tourism](#). Several reports are available but in most cases the information is lumped either into county information or regional. This 5-year lodging information was extrapolated from the county report. While other fiscal impacts were noted in the full report, this spreadsheet is a simple lodging recap for Kitsap County given lodging is what impacts the LTAC fund.

Kitsap County		
	Lodging	YOY growth
2019	\$ 72,200,000	
2020	\$ 57,200,000	-20.8%
2021	\$ 79,100,000	38.3%
2022	\$ 95,400,000	20.6%
2023	\$ 102,100,000	7.0%

Snippet of regional report provided by the State of Washington Tourism department.

Peninsulas



Top Visitation Markets (DMA)

1. Portland
2. Los Angeles
3. Phoenix
4. San Francisco
5. Sacramento



Top Spending Markets

1. Portland
2. Chicago
3. Los Angeles
4. San Francisco
5. San Diego



Average Length of Stay

2.9 Days



Most Visited Months

Primary: July, June

Secondary: May, January



Top Visited Counties

1. Kitsap County
2. Clallam County
3. Jefferson County
4. Mason County



Total Trips Estimate

1.79 Million



Household Demographics

- Top age group: 45-64
- Top Income Level: \$0-50k
- Top Household Group: 1-2

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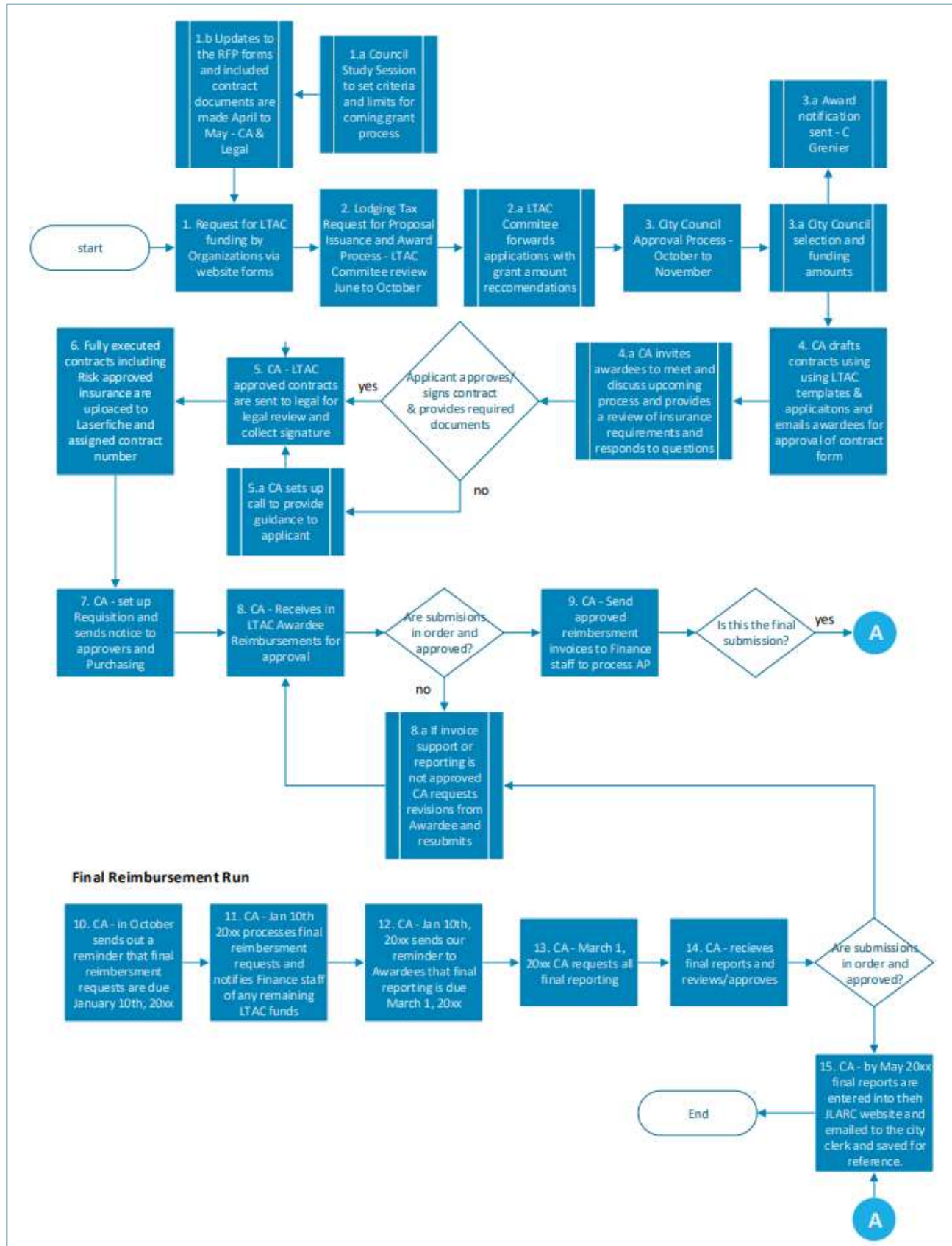
These estimates are generated from a statistical model which has been trained using historical behavior. The results are based on an observed sample of devices that met the specified filter settings.

These data insights would be possible for just Bremerton with effective data gathering via the software system we proposed. This data would not only provide insights into the LTAC events, but it would also create keen understandings for marketing and sales outreach to the organization awarded the responsibility for leading Visit Bremerton.

It is worthwhile to note that the 2023 Kitsap County Lodging surpassed 2019 levels by 41%. While this may not encompass only the Bremerton growth, it is an admirable outcome worth noting and points to effective progress in getting back to pre-pandemic levels.

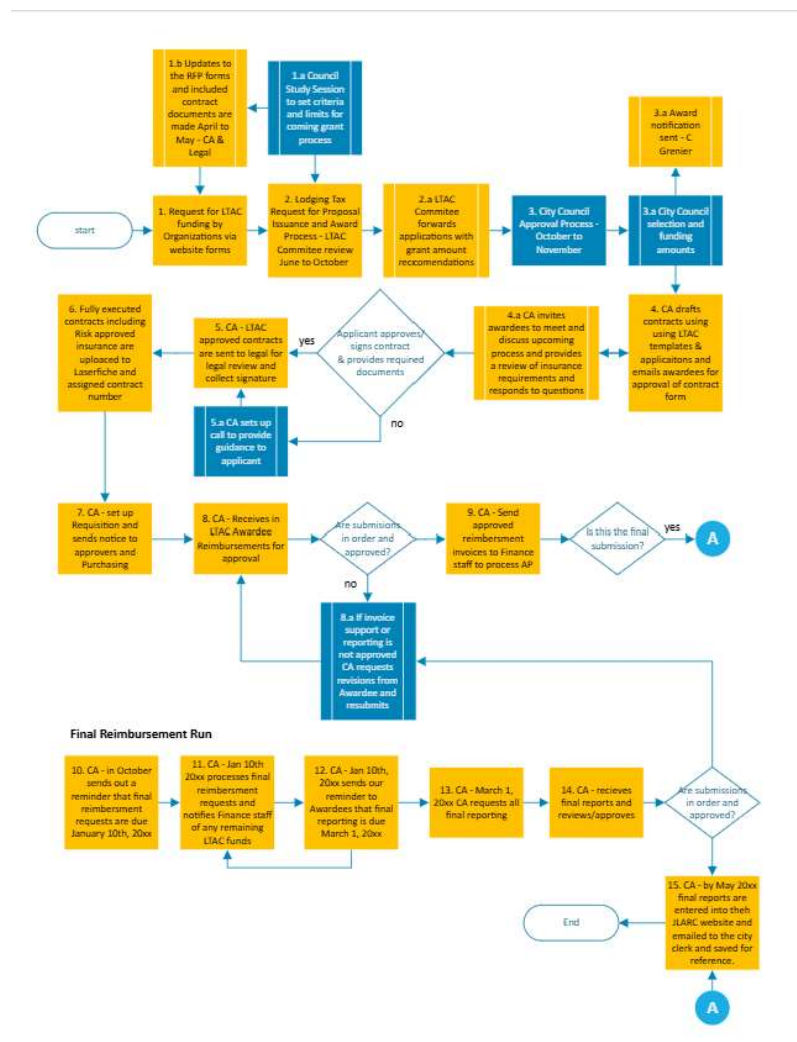
Operation/Costs

Current workflow of LTAC administration



After meeting with Melinda and Christine and gaining insight from conversations with other departments, we determined the oversight of and management for LTAC by the City exceeds two hundred hours (25 days) annually. This does not include any meetings for LTAC or follow-up to awardees, rather it is our estimation of the time taken to manage the process. From the City Attorney's office, Legislative/Audit assistant, Contract Administrator, and the City's Finance Team it is clear the City intermittently expends staff time and effort overseeing this process throughout the year.

Westbrook/Main recommends that this process be mapped in detail and reengineered for efficiency, and to facilitate automation to the extent possible. With proper workflow engineering, much could be streamlined and managed with the existing software tools available to the city or almost any organization. Those areas of the current workflow that could be streamlined are in orange in the diagram below.



Additionally, we recommend the city charge LTAC an administration fee equal to \$15,000 *(\$75 an hour cost to city) or shift the administration of LTAC to an awardee/organization, providing funding commensurate to the value of what the city is already expending.

Business Plan - Bremerton's tourism initiatives

All board leaders and stakeholders see tourism as a vital aspect of the city; however, the expectations, or goals for the city within the tourism or travel arena are vague or unknown by its stakeholders. Investigating further, the city website makes no mention (specifically) of the importance of tourism, how it is impacting the overall economy and more vitally what initiatives are being employed to increase the visitors to Bremerton while keeping sustainable practices in mind.

Marketing of tourism specifically for Bremerton is needed. Having Discover Bremerton as part of the city's general website conveys a mixed message of the prominence of tourism to the city. Any city determined to define its own brand should have its own e-commerce platform and social presence. Additionally, it should have a detailed action plan outlining goals, initiatives and expected fiscal impact on the city. Effective plans should also include a 5-year outlook that is updated annually. Whether this belongs to a specific department within the city or can be, much like the administration of LTAC, outsourced via an RFP (request for proposal), allocating dollars without a clear objective for tourism in Bremerton is, in our opinion, the missing component that would align the various organizations under one vision and focus. Regardless of which entity develops it, a monthly or quarterly cadence that reports outcomes against stated goals and objectives is needed.

Infrastructure

There are key tourism components the City of Bremerton should pursue. These items, as well as the estimated costs and/or approach to consider follow.

Create a "Visit Bremerton" DMO

The time is now. Bremerton has been outsourcing tourism marketing and management to a variety of entities over the last decade or two. With the growth in both population and attractions, Bremerton is positioned to define what it wants from tourists, how best to manage the impact tourism has on its community and develop its own plan. It is our belief that this can be achieved by using current agencies within the Bremerton city limits and adding the expectations of a DMO, Visit Bremerton, to their accountability. We would also propose the award be for multiple years as any organization cannot effectively plan outcomes with just a 12-month window. An RFP sample that Gig Harbor used when they determined outsourcing was the path they would pursue is attached.

Visitor Center(s)

A staffed Visitor Center(s) is a critical component for any City wishing to be considered a tourist destination. Based on whether existing organization(s) use their office location to oversee the Visitor Center our cost estimates are \$5k to \$12.5k. These estimates may seem high, but it is critical to include annual printed guides, signage, curb appeal highlighting Bremerton (aka a flatscreen to highlight Bremerton content when not staffed), the cost of creation of fresh content, potential monthly rental, CAM/COM and staffing when volunteers are unavailable. As we investigated the infrastructure requirements, we discovered that there is a strong opportunity to initiate use of more than one location if

DBA and the Chamber agree to coordinate and serve as the Visitor Centers. This will ensure staff coverage is consistent and guides/staffing available 6 to 7 days a week. In addition to DBA and Chamber's location, other awardees of LTAC that have an office and maintain office hours could be called to be part of the "Official Visitor Center" referral group, making Bremerton a welcoming and informative community ready to be of service to its' visitors.

Improve and develop a plan for directional signage (Wayfinding)

A scalable, holistic system for the City of Bremerton's tourism component for the various attractions, museums, Conference Center, is needed. Conversations during this investigation revealed that addressing signage for tourism destinations is in the Public Works plan. We strongly recommend that a contingent of tourism professionals, as well as a Wayfinding company is secured to ensure that the recommended signage is not only aligned to Bremerton's brand, but also scalable and future proofed.

Invest in an alternative tourism avenue

The lack of room nights/hotel nights within walking distance of the Kitsap Conference Center remains a key barrier to securing multiple day events that ensure use of overnight guest rooms. Bremerton would be wise to consider investing in other tourism avenues. Realizing that improvement to Pendergast Park has been part of the City's goals for over 5 years, it is our opinion that this marketplace is one that would benefit a vast majority of the city hotels; travel families rarely require the hotel/accommodation be next door to the event locale like conferences do. Initial costs of improvement to Pendergast stand at \$3.6 million (inflation and other contingencies have been considered within this figure). We propose LTAC dollars be considered as part of the funding source given the marketplace it would open for Bremerton.

Currently, the Youth Sports travel market brings in a whopping \$37.5 billion annually in the United States. Given the additional benefits to the community, as well as the broader impact on the hotel marketplace within Bremerton, we believe it is a worthwhile investment to consider for use of LTAC funds. If this is pursued, we suggest a review of the overall scope of the now approved PERC project to gain clarity on what the PERC's construction/scope will be. This will ensure the Bremerton project leverages both sites for the sports travel market to attract a larger swath of the various tournaments that could be pursued, whether youth or adult recreation travel groups.

Create a tourism promotion area (TPA)

Another reliable source of tourism marketing funding should be developed if the city determines LTAC dollars be used for more asset-based investment. While this is not something the city should start without agreement from the hoteliers, a TPA could be a reliable revenue source for marketing, promoting, and selling tourism for Bremerton. In our research we have learned Wenatchee Washington has both an LTAC and TPA. Guidelines for the use of TPA dollars as well as a committee to oversee the distribution of those dollars would need to be developed. Sample governance examples are available via this [resource link](#).

Bremerton WA Hotel TPA Estimates					
		105	Hampton		
		155	Baymont		
		132	Fairfield		
		29	Flagship Inn		
		77	Oyster Bay Inn		
		65	Motel 6		
		76	Super 8		
		47	Bremerton Inn		
		60	Mid Way Inn		
		746	Total hotel rooms in Bremerton		
Occupied Room Estimates			Charge per room night \$ amount		
Total annual available Hotel rooms	272290	\$	1.00	\$	1.50
				\$	2.00
190603	70%	\$	190,603	\$	285,905
176989	65%	\$	176,989	\$	265,483
163374	60%	\$	163,374	\$	245,061
149760	55%	\$	149,760	\$	224,639
136145	50%	\$	136,145	\$	204,218
122531	45%	\$	122,531	\$	183,796
				\$	245,061

The above is a simple calculation determining the potential dollar value of a TPA.

Of special note, communication with Kitsap's PFD highlighted that unless the funding structure of PFDs in the State is extended beyond 2041 (and it was just extended back in 2017) the recent funding provided to Poulsbo's PERC project exhausts their capacity to take on any additional obligation. Further evidence that should a shift in how much of LTAC is committed to assets, another source of tourism promotion funding should be in place to mitigate erosion of tourism promotion dollars.

Recommendation recap

Recommendations (listed in order of importance)

Create a “Visit Bremerton” DMO	
Develop a tourism business plan	
Develop a tourism promotion/marketing plan as well as fund website & social presence. <i>(Ensure the LTAC Committee is provided with the latest tourism plan)</i>	
Invest in an alternative tourism avenue; youth and travel sport market	
Create a tourism promotion area (TPA)	
Improve and develop a plan for directional signage (Wayfinding)	
Outsource the LTAC reporting to an outside agency or invoice LTAC \$15k for administrative costs it is currently absorbing	
Revise current process for LTAC as recommended by Westbrook/Main	

Conclusion

Bremerton is perfectly poised to begin officiating its tourism destiny. Determining which agency will serve as the cornerstone to developing the path forward for Bremerton’s tourism is not a simple, nor easy task. Whichever organization is selected must exhibit solid knowledge of and passion for the city. Couple this with expertise in tourism promotion and visitor touchpoints, you have a winner. Westbrook/Main believes the talent pool available in Bremerton is solid and are confident you will find the right leader and organization; waiting, however, until the 2025 season begins would be ill-advised. We suggest, if it is possible, creating the SOW/RFP for overseeing 2025 now so the process can begin in 2025.

References attached

RFP/SOW – Gig Harbor

Tourism Economics – WA County Analysis 2023

Marketing & Promotion Plan Overview (Hubspot)

Current Workflow Diagram – *Bremerton_LTAC_flow*

Outsource Opportunities Workflow Diagram – *Bremerton_LTAC_flow_reeng*

TPA Estimate Worksheet

Links

[Economic Impact opportunity of Youth and travel sports marketplace](#) *(article July 23, 2024)

[Business Plan Template article](#) (Hootboard)



**SAN JUAN COUNTY
LODGING TAX
DESTINATION MARKETING ORGANIZATION
REQUEST FOR PROPOSALS**

I. DESCRIPTION

San Juan County has established a tourism promotion program, funded by a portion of the revenue collected under the state Lodging Tax excise statutes.

The purpose of this posting is to seek proposals ("The Proposal") from qualified entities ("DMO") interested in:

Managing a locally-based, full-time destination marketing program which will oversee the development and implementation of the Countywide Destination Marketing Plan, in cooperation with the County's Economic Development Council, Chambers of Commerce, Terrestrial Manager's group and other appropriate groups.

II. BACKGROUND

San Juan County is one of the most desirable tourist destinations in the country due to its natural beauty and variety of outdoor activities. It currently experiences an uneven tourism year, with a strong summer season, with substantial capacity in the remainder of the year.

San Juan County is in the final year of a successful contract with a destination marketing organization (DMO) in which all proceeds (approximately \$350,000/year) of the promotional portion of the lodging tax were contracted to the DMO. The DMO has been the single promotional contractor, with sub-contracting terms allowing contracts with chambers of commerce and the economic development council (for data study). The DMO made distributions of approximately 15% of the contract to island chambers of commerce for purposes of providing visitor information and other services. The proposal that resulted in this contract sought destination marketing services which included advertising, media relations, social media, trade shows, visitor education, market research, measurement criteria, etc.

The 2017 process is intended to be an evolution and refinement of the contracts to date. In the current contract offering, San Juan County is interested in a flexible business model in which the DMO does not control all proceeds. In the flexible model, the County shall contract directly with the Chambers of Commerce on Lopez, Orcas and San Juan Islands and the County shall be responsible for tracking the Chambers accountability and deliverables.

The contract(s) may be for up to five years with an annual “off-ramp” allowing termination by either party without penalty.

Actual funding depends on Lodging Tax collections. For the purpose of these proposals, DMO funding remains at approximately \$350,000 per year. If lodging tax collections for promotional funds exceed \$425,000 in a given year, the DMO shall receive 35% of that excess amount.

III. AREAS OF EMPHASIS

The DMO will be expected to achieve the following objectives:

- Emphasis on tourism improvement throughout the year, including the off season.
- Promoting tourism that typifies the “best of the San Juan Islands” – its natural beauty, geology, outdoor activities, anthropology, watchable wildlife, experiential learning, agricultural attractions, lifelong learning opportunities, history, culture and the arts.
- Evidence of market penetration via a variety of methods:
 - i Consumer advertising
 - ii Media relations – placement of media stories
 - iii Travel trade relations
 - iv Targeted trade show presence
 - v Website/Internet marketing
 - vi Social media
 - vii Targeted niche marketing (i.e. weddings, wine, cultural, arts)
 - viii Attracting meetings and retreats
 - ix Business to business marketing
- Developing innovative promotional opportunities (i.e. new events, interesting partnerships)

- Improving the tourist/islander relationship/enhancing the tourism experience
 - i Visitor education strategies
 - ii Community education strategies
- Improved effectiveness and compliance
 - i Market research/visitor surveys
 - ii Identifying and tracking performance measures
 - iii Reporting requirements

IV. SELECTION PROCESS

All Proposals will be received by the County Manager and forwarded to the LTAC for a determination as to whether they meet the minimum eligibility requirements. Proposals that do not meet minimum eligibility requirements will not be evaluated. Those Proposals that do meet the eligibility requirements (below) will be evaluated by the LTAC which will make recommendations to the County Council. DMO's whose Proposals meet the selection criteria will have an opportunity to make a presentation to the LTAC during the evaluation process.

County staff will meet with the DMO of the approved Proposal to prepare the contract. The contract will include a requirement for liability insurance, that the DMO submit a final report at the end of the year and may include a requirement that periodic reports be submitted. Once the DMO signs the contract, the staff will notify the DMO to proceed.

V. SELECTION CRITERIA

The criteria used by the LTAC to evaluate and rank the Proposals are as follows:

- A. Promoting Tourism. Will the proposal attract off Island visitors to the San Juans throughout the year? The successful proposal(s) will show specific and comprehensive strategies to draw visitors to the San Juan Islands, including multiple islands, areas and visitor options. Successful proposals will highlight the unique nature of each island's character through island-specific marketing campaigns and other cooperative strategies.
- B. Promoting Special Natural Features, History, Arts and Culture. Promote the natural, green, eco-friendly attributes of the San Juans, the growing desire of visitors for lifelong learning which can focus on natural and environmental attributes, area history, arts and culture.
- C. Innovation. Does the proposal represent a new or unusual approach to furthering the promotion goals?

- D. Visitor Promotion and Education.
- a. Does it develop and execute a plan for coordinating visitor services county-wide?
 - b. Does it develop and execute a plan for direct visitor promotion using effective methods such as: consumer advertising, media relations, familiarization tours, event promotion, travel & trade show promotion.
- E. Market Research and Measurement Criteria. How will the proposal develop and maintain San Juan Islands visitor demographics and niche movements? How will it track and measure visitor impact, such as user & provider surveys?
- F. Cost-effectiveness. Will the proposal be an efficient, economical use of the funds? How will this be shown or measured?
- G. Clarity. Are the components of the proposal broken into a progression of logical steps with dates or milestones when each will be undertaken and/or completed? Proposals should include milestones, benchmarking, performance measures that can be tracked and will be reported to show effectiveness to include a section that addresses the specific goals and milestones for each island.
- H. Cooperative Nature. What kind and degree of inter-organizational partnership does the proposal exhibit? Proposals should show strategies to partner, pair, and coordinate in the spirit of “co-operation” to bring increased benefits to all.
- I. Self-evaluation. Benchmarking and performance evaluation are an important part of judging an effective Proposal. Does the DMO provide for an adequate method of evaluating the effects of the Proposal upon completion? How will the DMO do this and report it to the County? Has the proposal laid out a strategy to demonstrate the way that funds will be equitably used on the various islands?
- J. Area of Impact. Which elements of the County economy will the proposal impact? The total impact can be measured in terms of both direct dollar expenditures made by the visitors and indirect dollar expenditures made as money moves through the community. In evaluating this criterion, more weight will be given to the direct dollar expenditures, since they are more readily measurable. More weight will also be given to breadth of economic impact. It is the intent of the County to include performance measures in the contract(s), (such as the number or increase of attendees at events, improvement in occupancy rates, number of clients served).
- K. Equitably Benefits Lodging Tax Participants. Does the proposal equitably provide benefits to all tourist facilities including collectors of lodging taxes?

VI. ELIGIBILITY

A. Proponent Eligibility

Proposals may be submitted by any for-profit or non-profit entity, any public agency, or any group of individuals. San Juan County does not discriminate on the basis of race color, national origin, sex, religion, age or disability, and its contracts require the same of its contractors.

B. Proposal Eligibility

1. State Requirements – The most basic eligibility requirement is that the DMO demonstrate clearly and convincingly that funding of the proposal would be used in compliance with the State law, which governs the use of hotel-motel funds. Chapter 67.28, RCW provides authority for cities and counties to adopt a lodging tax of up to four percent of lodging charges made by hotels, motels, rooming houses, tourist courts, trailer camps or any similar charges for a license to use real property. The County currently levies a tax of four percent with two percent reserved for promotion of tourism.
2. County Requirements - The County uses tax revenue each year for grants that will clearly meet the State’s definition of tourism promotion. In addition to meeting the requirements of the State statute, County code has established the following definition for “Tourism Promotion”, which is virtually identical to the state definition.

‘Tourism promotion’ means activities and expenditures designed to increase tourism, including, but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of special events and festivals designed to attract tourists.

In addition, the County has established the following eligibility requirements:

A. Project Requirements:

- i. The proposal must specifically promote San Juan County and prominently mention the San Juan Islands in all materials;
- ii. The proposal must be designed to disseminate information for the purpose of attracting off-Island visitors to the County with a particular emphasis toward marketing for the shoulder season months.

B. Contracting Requirements:

- i. All contracts include a normal requirement for liability insurance of at least \$1,000,000.00 per incident, with San Juan County named as an additional insured on the policy;
- ii. Proposal costs cannot be paid in advance with grant money; that is, the sponsor must expend its own funds on approved items and seek reimbursement under the terms of the contract that will be signed by the County. The County will periodically review reimbursements and monitor for compliance;
- iii. Proposal costs incurred prior to the grant approval and execution of a written contract with the County will not be reimbursed;
- iv. The proposal must be of no more than one year's duration or one year's budget; although the contract with the DMO may be extended annually for up to five years, with the mutual consent of the parties and with an annual "off ramp". County consent will be, in part, contingent on successful performance and meeting of proposal goals.
- v. Every proposal must have one designated individual to act as a contact for the project throughout the duration of the project and that person must have authority to obligate all sponsoring parties.

C. Compliance Requirements:

- i. If the applicant is a non-profit corporation, a copy of its current Annual Report must be provided and if the non-profit corporation claims to be a tax exempt charitable, religious or educational organization, a copy of the IRS 501 C3 or C6 recognizing that status must be provided, as well as the most recent IRS return if applicable;
- ii. All applicants must provide regular financial statements accounting for the use of grant funds and must comply with the State reporting requirements per RCW 67.28.1816.

VI. PROPOSALS

Completed Proposals, of no more than six (6) pages must be received by 4:00 p.m. on Thursday, August 31, 2017. It is the DMO's responsibility to confirm delivery and receipt.

San Juan County

Destination Marketing Organization Request for Proposal

Mail: 350 Court Street #1, Friday Harbor, WA 98250

Hand delivered: 55 Second Street, 1st floor, Friday Harbor, WA 98250

Electronic: (Email PDF or Microsoft Word format files to): sueko@sanjuanco.com

VIII. MONITORING

The DMO will be monitored for progress and consistency with the scope and timeline of the contract, as outlined in the proposal. All requests for reimbursement for approved costs shall be in writing and shall have supporting documentation to verify the expenditure of the funds included in the invoice. All invoices shall be verified as complete and accurate by the County.

In the event the DMO fails in a material way to perform under the terms of the signed contract, the County Council has the right to suspend or terminate funding for the remainder of the contract. However, the Council can make no such decision until the DMO has been notified of the apparent failure and given an opportunity to address the Council.

IX. REIMBURSEMENT FUNDING

Funds available under this program are revenues received by the County from the Transient Rental Income section of Washington State Excise Tax levied on the lodging industry. LTAC, appointed by the County Council, is the advisory body for these funds.

Reimbursements will be made to the DMO within approximately 30 days of submittal of invoices. The DMO is responsible for all incurred financial obligations (i.e. DMO pays vendors, County pays DMO). DMO is required to maintain original receipts and financial records relative to funds awarded per Washington State requirements. DMO is liable for funds not used in accordance with the contract.



CITY OF GIG HARBOR 2025-2026 LODGING TAX FUNDING APPLICATION

Lodging Tax Funds Requested: \$ _____
For tourism-related direct marketing operations during the 2025-2026
calendar years.

APPLICATION DEADLINE: FRIDAY, MAY 31, 2024

*For application assistance please contact City Clerk Josh Stecker at (253) 853-7613 or
cityclerk@gigharborwa.gov prior to Friday, August 26.*

Organization/Agency Name: _____

Contact Name and Title: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Email Address: _____

Name & Email address of person authorized to contract with the city for grant funding (if
different than above): _____

Complete application packet **must** include the following:

- ☐ Completed application
- ☐ Copy of Non-Profit Registration (not required for organizations that have previously
been awarded lodging tax funding)
- ☐ IRS Form W-9 (not required for organizations that have previously been awarded
lodging tax funding)
- ☐ Annual operational budget

Application Questions

1. Describe your tourism-related operations. *List the name and date(s) of the event and describe why tourists will travel to Gig Harbor to visit your facility or because of your marketing efforts.*

2. Have you requested LTAC funds for these services previously?

Yes ☐ or No ☐

If "Yes", was it approved by LTAC? Yes ☐ or No ☐

3. Describe the prior success of your facility or marketing efforts in attracting tourists.

4. Describe your target tourist audience (location, demographics, etc.)

5. Describe how you will promote your facility or conduct marketing to attract tourists.

6. As a direct result of your proposed tourism-related service or facility, provide an estimate of:

Predicted number of people travelling more than 50 miles one-way to visit your facility or because of your marketing:	
Predicted number of people visiting from out of state to visit your facility or because of your marketing:	
Predicted number of people staying overnight in paid accommodations to visit your facility or because of your marketing:	

What methodology did you use to calculate the estimates?

- ☐ **Direct Count:** Actual count of visitors using methods such as paid admissions or registrations, clicker counts at entry points, vehicle counts or number of chairs filled. A direct count may also include information collected directly from businesses, such as hotels, restaurants or tour guides, likely to be affected by an event.
- ☐ **Indirect Count:** Estimate based on information related to the number of visitors such as raffle tickets sold, redeemed discount certificates, brochures handed out, police requirements for crowd control or visual estimates.
- ☐ **Representative Survey:** Information collected directly from individual visitors/participants. A representative survey is a highly structured data collection tool, based on a defined random sample of participants, and the results can be reliably projected to the entire population attending an event and includes margin of error and confidence level.
- ☐ **Informal Survey:** Information collected directly from individual visitors or participants in a nonrandom manner that is not representative of all visitors or participants. Informal survey results cannot be projected to the entire visitor population and provide a limited indicator of attendance because not all participants had an equal chance of being included in the survey.
- ☐ **Structured Estimate:** Estimate produced by computing known information related to the event or location. For example, one jurisdiction estimated attendance by dividing the square footage of the event area by the international building code allowance for persons (3 square feet).
- ☐ **Other:**

7. Are you applying for Lodging Tax funds from another community (Yes ☐ or No ☐)? If yes, list the other jurisdiction(s) and amount(s) requested.

8. Are you applying for, or have you received, grants or funds pledged from other sources for your operations (including for-profit businesses, national sources, etc.)? Please list grants applied for or received.

9. What is the overall budget for your operations? What percent of the budget are you requesting from the City of Gig Harbor Lodging Tax Fund (attach annual budget)?

10. What specific expenses will you use LTAC funds to cover (if not shown on budget)?

11. What will you cut from your proposal or do differently if full funding for your request is not available or recommended? How is Lodging Tax funding essential to the success of your proposal?

CERTIFICATION

I am an authorized agent of the organization/agency applying for funding. I have read the application instructions and understand that:

- I am proposing a tourism-related service for 2025-2026 and can provide evidence and reporting to support tourism-related attendance for the greater Gig Harbor area. If awarded, my organization intends to enter into a professional services contract with the city; provide liability insurance for the duration of the contract naming the city as additional insured and, in an amount, determined by the City; and file for a permit to use city property, if applicable.
- My organization will only use lodging tax funds, if awarded, for the purposes stated on this application and as outlined in the signed contract with the city.
- The City of Gig Harbor will only reimburse those costs actually incurred by my organization/agency and only after the service is rendered, paid for if provided by a third party, and an invoice has been submitted to the city.
- My agency will be required to submit a report documenting economic impact results in a format determined by the city.

Signature: _____ Date: _____

Application Instructions

Application Deadline: To be eligible for consideration, your complete proposal must be received by May 31, 2024. The lodging tax advisory committee will review proposals in a public meeting and determine funding recipients and levels of funding.

Applications may be submitted digitally to cityclerk@gigharborwa.gov or mailed to:

City Clerk
City of Gig Harbor
3510 Grandview St.
Gig Harbor, WA 98335

Please direct questions to the City Clerk at 253-853-7613 or cityclerk@gigharborwa.gov.

Applications filed with the city are public records. The city may choose to post on its website copies of the applications and proposed budgets.

What is the Lodging Tax Fund?

Funding for this program comes from the City of Gig Harbor lodging tax fund which receives a percentage of hotel/motel taxes from lodging establishments inside the city limits. The city collects a tax on charges for overnight lodging. These funds are distributed by the Department of Revenue back to the City of Gig Harbor for the funding of tourism related capital facilities, non- event operations, and event marketing and operations.

What can be funded with Lodging Tax Revenue?

Lodging taxes can be used for:

- Tourism Promotion/Marketing
- Operation of a Tourism Promotion Agency
- Operation of a Tourism-Related Facility owned or operated by a non-profit organization
- Operation and/or Capital Costs of a Tourism-Related Facility owned by a municipality

State Law Defining the Use of Lodging Tax

Revised Code of Washington (RCW), Chapter 67.28 'Public Stadium, Convention, Arts and Tourism Facilities' provides detailed information about the use, award and reporting of tourism funds.

Important Terms Relating to RCW 67.28

Tourism: Economic activity resulting from tourists, which may include sales of overnight lodging, meals, tours, gifts, or souvenirs

Tourism promotion: Activities, operations, and expenditures designed to increase tourism, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists; developing strategies to expand tourism; operating tourism promotion agencies; and funding the marketing of or the operation of special events and festivals designed to attract tourists.

Tourism-related facility: Real or tangible personal property with a usable life of three or more years, or constructed with volunteer labor, and used to support tourism, performing arts, or to accommodate tourist activities

Who May Apply?

Lodging tax funding is open to non-profit organizations and municipalities with the demonstrated ability to achieve tourism related goals as outlined below:

- Increase hotel/lodging occupancy in the City of Gig Harbor by creating overnight stays.
- Increase the number of visitors to the city from more than 50 miles away.

All applications must include estimates of how funding the activity will result in increases to people staying overnight, travelling 50 miles away or more, or coming from another state or country. To ensure this data is collected, the city is required to have applicants provide additional information in the lodging tax application.

Selection and Award Process

Funding of the program and specific awards are dependent on recommendations of the city's lodging tax advisory committee (LTAC). LTAC will receive all applications and recommend a list of candidates and funding levels that will be forwarded to the Gig Harbor City Council for final determination. Funds will be awarded on a competitive basis.

The City of Gig Harbor Lodging Tax Advisory Committee Considerations

In developing its recommendations, the committee may consider:

- The estimated amount of Lodging Tax Fund available for the coming year as provided by the city's finance department.
- Thoroughness and completeness of the proposal.
- Percent of the proposal request to the event/facility promotions budget and overall revenues.
- Percent of increase over prior year City of Gig Harbor lodging tax funded proposals, if any.
- Projected economic impact within the City of Gig Harbor, in particular projected overnight stays in Gig Harbor lodging establishments.
- The applicant's financial stability.
- The applicant's history of tourism promotion success.
- Committee member general knowledge of the community and tourism-related activities.

Published for

June 11

Study Session

Item B4

Public Comments

From: Brian Johnson <Brian@admiraltheatre.org>

Sent: Wednesday, June 11, 2025 11:28 AM

To: City Council <City.Council@ci.bremerton.wa.us>

Cc: Tim Lavin <tjplavin@gmail.com>; Greg Wheeler <Greg.Wheeler@ci.bremerton.wa.us>; Nate Murphy <nate@admiraltheatre.org>

Subject: RE LTAC Study

Please forward the attached letter to the council for tonight's meeting.

Thank you!

Brian Johnson
Admiral Theatre
515 Pacific Avenue
Bremerton, Washington 98337
360-373-6810

ADMIRAL THEATRE

EST. 1942

June 11, 2025

Bremerton City Council
345 6th Street Suite 100
Bremerton, WA 98337

Dear City Council Members,

I noticed the Admiral was mentioned in a few comments in the LTAC Transition Study. I realize the comments are anonymous, but we're happy to provide info as it seems the commenters may not be aware of what we do. Also, despite being the City and County's largest performing arts center and a major recipient of annual lodging tax, we were not contacted as part of the study.

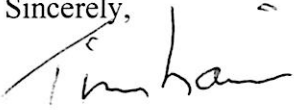
1) Re: the first comment on page 5 of 17 (question #6 conclusion #2), the Admiral Theatre Foundation is a 501c3 nonprofit, and we welcome a variety of local nonprofit organizations each and every year, and we provide tens of thousands of dollars of discounts to those organizations as well as free staff support and guidance to help them make the most of their events. This fall we welcome NAACP Bremerton Unit 1134 for their annual Freedom Fund Banquet on September 20, 2025, Ducks Unlimited (Kitsap Chapter) for A Night of Wetlands Conservation on September 27, 2025, and Boys & Girls Clubs of South Puget Sound return with their annual Treasure Hunters fundraiser on October 3, 2025. We are also working with the nonprofit Children of the Nations to organize a benefit concert for October 17, and the local nonprofit Kitsap Opera returns this fall with a production of Daughter of the Regiment in the works. In addition to discounts on planned annual fundraisers, Kitsap Opera is also provided with no-cost use of our main auditorium, stage, rehearsal space in our side venue, use of sound and lighting equipment, and free storage as part of an ongoing residency program (our first performing arts residency). We recently won a bid to host the nonprofit Pacific Northwest chapter of the American Industrial Hygiene Association for a three-day conference October 6-8, 2025. The local nonprofit Tessera (formerly Skookum) is also returning October 9 for a 2nd Annual Speaker Series event we are partnering with them to host. We work with each of these nonprofits to organize incredible, affordable events benefitting each organization and the community at large.

As Bremerton's largest and only publicly-owned nonprofit performing arts center, movie theatre, and conference center, the Admiral Theatre is a true historic gem and centerpiece of an expansive Kitsap arts scene. With an impressive 22,000 square feet and total capacity of 1,200, Bremerton's Admiral Theatre attracts 50,000+ patrons annually to more than 110 events including live concerts from top nationally and internationally-touring acts, Broadway shows and stage plays, movies, community events, conferences and more. Bremerton's Admiral Theatre Foundation has also partnered with the Kitsap Fair and Stampede Association to host one of the Pacific Northwest's largest annual blues festivals each Labor Day weekend at the Kitsap Fairgrounds.

The comment also mentioned we are funded by tax dollars, which is correct, but needs context as well. The City contributes a total of \$150,000 a year from lodging tax to the Admiral Theatre's annual \$2.5 million-dollar budget (roughly 6%). The Admiral Theatre Foundation operates the venue year-round with just six full-time staff and part-time admin and service staff for shows and events. We also enjoy the leadership of an all-volunteer Board of Directors consisting of local civic and business leaders, philanthropists, and local arts supporters.

2) Room nights and revenue - As a 501c3 nonprofit organization and a lodging tax recipient, we provide the City with the Exhibit B annually including activity, attendance, and a breakdown of tourists / travelers and overnight stays based on box office receipts, customer surveys, and using the structured estimate methodology. The Admiral Theatre is a working concert hall and performing arts center, movie theatre, and conference center open year-round.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Lavin". The signature is fluid and cursive, with a large initial "T" and "L".

Tim Lavin, President
Admiral Theatre Foundation

INFORMATION ONLY ITEM
CITY OF BREMERTON
CITY COUNCIL

C1

SUBJECT: Continued Council Discussion
on the Multi-Family Tax Exemption Program

Study Session Date: June 11, 2025
Presenter: Council Vice President
Jane Rebelowski
Phone: (360) 473-5280

SUMMARY: The Council included Housing Equity in their 2025 – 2026 Goals and Priorities, and as part of that goal, a review of the Multi-Family Tax Exemption (MFTE) Policy. This discussion was continued from the May 14 Study Session.

Potential modifications to consider:

- 1) Keep or Repeal the 8-Year MFTE
- 2) Keep or Repeal the 12-Year MFTE
- 3) Shift the number of units designated for low-income residents to 20% of the total units
- 4) Scale the income downwards to match Bremerton Area Median Income (AMI) per US Census data
- 5) Establish parameters that allow successive MFTEs
- 6) Expanding affordability to include 60% and 70% of AMI across all unit types

Information on the current MFTE Program is available via the following link:
<https://www.bremertonwa.gov/280/MFTE>

HANDOUTS: 1) Power Point Presentation; and 2) 2025 – 2026 Council Goals and Priorities



Bremerton City Council – June 11, 2025 Study Session

BMC 3.78 Multifamily Tax Exemption (MFTE)

MFTE Past, Present, and Future



Agenda

- History of MFTE Program
- Review MFTE Program Performance
- Discussion of Proposed Modifications
- Next Steps



History of Bremerton Municipal Code (BMC) Chapter 3.78

- **Initial Adoption:** The City of Bremerton adopted the MFTE program on **October 4, 2006 through Ordinance No. 4968 adopting Chapter 3.78 of the BMC.**
- **Expanded and Amended Residential Target Areas in 2007, 2010, 2012, 2014, and 2016.**
- **Revisions considered in 2017, 2018, and 2022.**
 - Eliminate eight (8) year exemption – never adopted
 - Remove moderate income allowance for the twelve (12) year exemption – never adopted
 - Other related changes to focus on the low-income households
 - Adopted 2021 SB 5287 Amendments (effective in 2022) which extended exemption and added a new 20-year option

Exemption Terms in Bremerton's MFTE Program

- **8-Year Exemption:** The tax exemption applies to the new housing improvement portion of the property taxes, and projects do not have to include affordable housing units.
 - A MFTE **extension for a period of 12 years** is possible if a **minimum of 20% of the units are rented or sold as affordable housing**.
- **12-Year Exemption:** Requires that at least **20%** of the units are rented or sold as affordable housing.
- **20-Year Exemption:** Available if a minimum of **20%** of the units are **rented as affordable housing for at least 99 years**.

Designated Residential Target Areas for MFTE

- Downtown
- Bay Vista
- Charleston District Center
- Harrison Heights Center
- Wheaton-Riddell District Center
- Wheaton-Sheridan District Center
- Manette Neighborhood Center

MULTIFAMILY TAX EXEMPTIONS – MAY 2025

PROJECT	MFTE PERIOD	UNIT COUNT	# of AFFORDABLE UNITS	EXEMPTION PERIOD	STATUS
CURRENTLY RECEIVING MULTIFAMILY TAX EXEMPTION					
Spyglass Hill 646 Highland Avenue Marianne Weber (Sound West)	8	80	N/A	2018 - 2025	Receiving exemption
B Flats 252 4 th St. Marianne Weber (Sound West)	8	27	N/A	2019 - 2026	Receiving exemption
Ambrose (Bay Vista) 4520 Bay Vista Blvd Sam Mullen (The Wolff Co.)	8	216	N/A	2021 - 2028	Receiving exemption
1010 Burwell Apts 1010 Burwell St Joseph Brotherton	8	25	N/A	2023 - 2030	Receiving exemption
Marina Square 280 Washington Ave Marianne Weber (Sound West))	8	270	N/A	2023 - 2030	Receiving exemption
Blue Ridge Apts, Phase I 1911 NE Riddell Rd David Dearth	8	193	N/A	2025 - 2032	Receiving exemption
606 Apartments 606 Burwell Crossbeam Investments	12	71	15	2016 - 2027	Receiving exemption
Harborside Flats 240 Burwell Redside Partners (Cassadee Erickson)	12	56	12	2022 - 2033	Receiving exemption
The Sage Apartments 2090 Wheaton Way Jennifer Kreidler-Moss (PCHS)	12	28	25 (6 required)	2025 - 2036	Receiving exemption (all units affordable to Low Income)
Narrows at Clare Townhomes 2745 Clare Avenue Will Mentor	8	16	N/A	2026-2033	Exemption begins 2026. Expected to be owner-occupied

MULTIFAMILY TAX EXEMPTIONS – MAY 2025

PROJECT	MFTE PERIOD	UNIT COUNT	# of AFFORDABLE UNITS	EXEMPTION PERIOD	STATUS
Spyglass Hill Apts 646 Highland Avenue Marianne Weber (Sound West)	12	80	16	2026 - 2037	12 Year Extension, begins 2026
Total Units Receiving Exemption:		1062			
PROJECTS APPROVED, NOT YET COMPLETED					
Broadmoor Commons Constellation Loop Kjell Lindberg (MTT)	8	33	N/A	TBD	Conditional approval expires 5/7/2027
Blue Ridge Apts, Phase II (address) Riddell Rd) David Dearth	8	130	N/A	TBD	Conditional certificate expired 12/26/2027
Total Units Approved for Exemption:		163			
APPLICATIONS ELIGIBLE					
Evergreen Pointe Sheldon Blvd Marianne Weber (Sound West)		123			Previously approved, conditional approval expired
Bay Bowl 2313 Wheaton Way Mark Goldberg		187			Previously approved, conditional approval expired
Bremerton Landing 4800 Prospector St. Austin Roupe		82			Building Permit in Review
Reyna View Mixed Use 2410 1 st St. Alex Mejia		14			Building Permit in Review
Wheaton Way Housing 2512 Wheaton Way Dale Sperling		52			Conversion of Office Space to Apts; Building Permit in Review
Harrison Heights Apartments 2520 Cherry Avenue Anna Thompson		336			Presubmittal Conference Held 4/9/25

Current Project Summary

Projects Receiving Exemption or Approved for Exemption

# of 8-yr projects	9
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# of 12-yr projects	4
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Total # of Units	1,225
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# Designated Affordable	68
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Includes: Two 8-yr projects approved and not yet completed (163 units) and the 12-year extension approved for Spyglass as of 2026.

Income Eligibility

HUD's AMI for the Silverdale-Bremerton-MSA has **increased by 32% over the past 5 years.**

Year 4-Person HUD AMI

2021 \$ 94,100

2022 \$102,500

2023 \$113,500

2024 \$119,700

2025 \$124,300



HUD Metropolitan Statistical Area (MSA)

What it is: the area used to set **income limits**, **fair market rents**, and other housing-related thresholds for federal housing programs.

Bremerton HUD MSA is:

- Part of the **Bremerton–Silverdale, WA MSA**.
- Includes most of **Kitsap County**.
- Uses regional data (not just Bremerton city limits) to calculate income limits and affordability benchmarks.

Household Size	Adjustment Factor	AMI Estimate
1 person	0.70	\$ 87,100
2 persons	0.80	\$ 99,500
3 persons	0.90	\$111,900
4 persons	1.00	\$124,300
5 persons	1.08	\$134,300
6 persons	1.16	\$144,200



2025 HUD Income Limit Adjustments

HUD uses these **multipliers** to adjust the 4-person AMI

2025 Income Limits: HUD AMI vs. US Census

US Census Incomes are Illustrative Using Same % Differentials between Household Size as HUD AMI

HOUSEHOLD SIZE – HUD	80% AMI	70% AMI	60% AMI
1 person*	\$69,700	\$61,000	\$52,300
2 persons	\$79,600	\$69,700	\$60,000
3 persons	\$89,600	\$78,400	\$67,200
4 persons	\$99,500	\$87,100	\$74,600

vs.

HOUSEHOLD SIZE - CENSUS	80% CENSUS	70% CENSUS	60% CENSUS
Household*	\$59,519	\$52,079	\$44,640
2 persons	\$67,972	\$59,507	\$51,212
3 persons	\$76,511	\$66,935	\$57,357
4 persons	\$84,965	\$74,363	\$63,673

*The HUD AMI income level for a 1-person household is 17% above the Bremerton Census. While HUD makes adjustments for family size, US Census does not. The Median Household Income, in 2023 dollars, is **\$74,399 for Bremerton.**



Tax Impact

Name	Account number	2025 Market Value	2025 Taxable Value	2025 Exempt Value	2025 Tax Rate	2025 Taxes	Est w/o Exemp	2025 Taxes If No		Notes
								Exemption Applied		
606 Lorax Co	3718-014-001-0403	19,476,730	0	19,476,730	8.816799	0.00	8.608605	167,667.48		
Spyglass Hill Apartments LLC	3712-002-001-0107	22,572,910	200,050	22,372,860	8.816799	1,763.80	8.608605	194,321.27		2025 Final Year
Sound West Quincy Square	8219-000-001-0009	8,094,090	0	8,094,090	8.816799	0.00	8.608605	69,678.83		
Bay Vista	5597-000-012-0103	63,887,790	594,490	63,293,300	8.816799	5,241.50	8.608605	549,984.77		
Burwell Subsidiary LLC	3718-007-009-0102	10,819,630	159,690	10,659,940	8.816799	1,407.95	8.608605	93,141.92		
Marina Square (Sound West)	8222-000-001-0004	36,078,440	0	36,078,440	8.816799	0.00	8.608605	310,585.05		
Marina Square (Sound West)	8222-000-002-0003	38,364,530	0	38,364,530	8.816799	0.00	8.608605	330,265.10		
1010 Apartments LLC	3718-022-014-0104	5,827,630	165,110	5,662,520	8.816799	1,455.74	8.608605	50,167.77		
Wheaton Way Apartments	3972-000-006-0309	6,393,060	262,750	6,130,310	8.816799	2,316.61	8.608605	55,035.33		Sold to BHA 2/21/2025
Sage Apartments	3967-001-017-0608	5,778,870	236,860	5,542,010	8.621511	2,042.09	8.415604	48,632.68		Tax Code 0060
Riddell/Almira Apartments-Phase 1	012401-2-195-2106	53,365,480	0	53,365,480	8.816799	0.00	8.608605	459,402.35		
Totals		270,659,160	1,618,950	269,040,210		9,869	Est. full tax	2,328,882.55		
							Est. tax shift	2,319,013.56		

The County Assessor's office estimated the tax rate would be approx. 0.207 lower if the properties were fully taxable. The estimated shift of property taxes to a single-family residence in the City of Bremerton, using the 2025 median assessed value of 386,340, is \$79.97 ($386,340 \times 0.207 / 1,000$).

Legislative Outlook

- The State's MFTE program **currently sunsets on December 31, 2031**, under **RCW 84.14.020(1)**.
- "A city governing authority may adopt resolutions or ordinances to provide for tax exemptions under this chapter only if the exemptions apply to taxes levied for collection **before January 1, 2032**."
- The Washington State Legislature has reviewed and amended RCW 84.14 multiple times, in **2021 with SB 5287**, and in **2025 with HB 1491 and HB 1494**.
- Any further extension will require new legislation before the end of the 2031 session.

Possible Program Modifications

Identify those elements where there is consensus to explore in more detail

- ☐ Remove the 8-year MFTE “market rate” incentive or add affordability requirements.
- ☐ Revisit criteria to extend existing MFTEs for an additional 12 years.
- ☐ Understand the impact of shifting to low income only on affordability and growth.
- ☐ Consider the best approach to define low income.
- ☐ Study the overall tax impact as compared to public benefit.
- ☐ Decide the approach to gather input from the community.

Other Considerations

- ☐ Track MFTE outcomes over time.
- ☐ Evaluate geographic equity.
- ☐ Compare with peer cities.
- ☐ Codify current MFTE administrative practices – unit mix & displacement.
- ☐ Assess administrative capacity.

Thank you!





Appendix

HB 1491

Promoting transit-oriented housing development.

- Effective date varies by jurisdiction
- Creates a new mandatory MFTE category in transit station areas:
 - A city **must** approve a 20-year MFTE for multifamily housing within a station area that meets the TOD affordability requirements, unless the city authorizes the current 20-year MFTE program for multifamily rental housing.
 - A county **may** approve a 20-year MFTE for multifamily housing within a station area that meets the TOD density and affordability requirements.
 - The applicant must record a covenant or deed restriction that ensures the continuing rental or sale of units subject to the affordability requirements for a period of no less than 50 years and include policies to maintain public benefit if the property is converted to a use other than permanently affordable housing.

HB 1494

Concerning the property tax exemptions for new and rehabilitated multiple-unit dwellings in urban centers.

- Effective date 7/27
- Implements several recommendations for technical clean-up for the Multifamily Tax Exemption (MFTE) program and expands the program to include more counties' unincorporated urban growth areas.
 - Clarifies a requirement can be fulfilled by either low- or moderate-income households and requires a deed restriction or covenant for 12-year projects with owner-occupancy.
 - Removes the expiration date preventing new cities from implementing the 20-year exemption with 99 years of affordability and lowers the population requirement from 65,000 as of July 2021 (19 cities) to 15,000 in the current year (70 cities as of 2024 estimates)

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HB 1494

Concerning the property tax exemptions for new and rehabilitated multiple-unit dwellings in urban centers.

- Restricts counties from issuing 8-year certificates.
- Clarifies that a low-income household that qualified on move-in for an MFTE unit may continue to qualify as long as they make at or under 150% of AMI
- Removes an additional zoning density requirement on cities with a population over 20,000 for issuing 20-year exemptions.
- Makes several changes to county eligibility for utilizing the MFTE program in their unincorporated areas:
 - Removes the expiration date preventing counties besides King and Pierce from designating new residential targeted areas (RTAs)
 - Increases the area an RTA can serve around transit service from .25 to .5 miles.
 - Lowers the transit service (or planned service) requirement for designating an RTA from every thirty minutes 10 hours per day to at least 10 times per day
 - These changes, in concert, mean the following counties will be eligible to designate RTAs: Pierce, Snohomish, King, Clark, Kitsap

HB 1494

Concerning the property tax exemptions for new and rehabilitated multiple-unit dwellings in urban centers.

- Requires cities to determine new RTAs are compliant with anti-displacement requirements in RCW 36.70A.070(2).
- Requires jurisdictions proposing RTAs or changing requirements for their MFTE program to notify all impacted taxing districts
- Requires jurisdictions to submit completed MFTE certificates to their county assessor.
- Adds an additional requirement for jurisdictions' annual reports to Commerce to include an analysis of affordable units and how the MFTE program contributes to existed and projected housing needs.
 - Commerce will introduce all-new reporting templates in 2026 to comply with this regulation.
- Provides additional penalties short of cancellation for jurisdictions to utilize for non-compliant properties.
- Closes a loophole that could have resulted in all owners in an owner-occupied development being penalized for one owner falling out of compliance.



80% OF AREA MEDIAN INCOME (AMI) BY COUNTY & HOUSEHOLD FOR 2024 (\$) ROUNDED UP TO THE NEAREST THOUSAND

- Household size includes the number of people submitted on your tax return.
- Household income is the total income of the household received before taxes (gross income). This includes wages, social security, pension, unemployment, welfare, child support, alimony and any other cash incomes

County	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Adams	51000	58000	65000	72000	78000	84000	90000	96000
Asotin	48000	54000	61000	68000	73000	79000	84000	90000
Benton	56000	64000	72000	80000	87000	93000	100000	106000
Chelan	52000	60000	67000	75000	81000	87000	92000	98000
Clallam	52000	59000	67000	74000	80000	86000	92000	97000
Clark	67000	76000	85000	95000	102000	110000	118000	125000
Columbia	52000	59000	67000	74000	80000	86000	92000	97000
Cowlitz	51000	58000	65000	72000	78000	84000	90000	96000
Douglas	52000	60000	67000	75000	81000	87000	92000	98000
Ferry	51000	58000	65000	72000	78000	84000	90000	96000
Franklin	56000	64000	72000	80000	87000	93000	100000	106000
Garfield	51000	58000	65000	72000	78000	84000	90000	96000
Grant	51000	58000	65000	72000	78000	84000	90000	96000
Grays Harbor	51000	58000	65000	72000	78000	84000	90000	96000
Island	58000	66000	74000	82000	89000	95000	102000	108000
Jefferson	51000	58000	65000	72000	78000	84000	90000	96000
King	78000	89000	100000	111000	120000	129000	138000	147000
Kitsap	68000	77000	87000	96000	104000	112000	119000	127000
Kittitas	56000	64000	72000	80000	86000	92000	99000	105000
Klickitat	51000	58000	65000	72000	78000	84000	90000	96000
Lewis	51000	58000	65000	72000	78000	84000	90000	96000
Lincoln	51000	58000	65000	72000	78000	84000	90000	96000
Mason	52000	59000	67000	74000	80000	86000	92000	97000
Okanogan	51000	58000	65000	72000	78000	84000	90000	96000
Pacific	51000	58000	65000	72000	78000	84000	90000	96000
Pend Oreille	51000	58000	65000	72000	78000	84000	90000	96000
Pierce	65000	75000	84000	93000	101000	108000	115000	123000
San Juan	57000	65000	74000	82000	88000	95000	101000	108000
Skagit	57000	65000	73000	81000	87000	93000	100000	106000
Skamania	67000	76000	85000	95000	102000	110000	118000	125000
Snohomish	78000	89000	100000	111000	120000	129000	138000	147000

County	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Spokane	55000	63000	71000	79000	85000	91000	98000	104000
Stevens	51000	58000	65000	72000	78000	84000	90000	96000
Thurston	64000	73000	82000	91000	98000	105000	112000	119000
Wahkiakum	51000	58000	65000	72000	78000	84000	90000	96000
Walla Walla	51000	58000	65000	73000	78000	84000	90000	96000
Whatcom	60000	68000	77000	85000	92000	98000	105000	112000
Whitman	53000	60000	67000	75000	81000	87000	93000	99000
Yakima	51000	58000	65000	72000	78000	84000	90000	96000

Data taken from Department of Housing and Urban Development, 2024 and rounded up [Income Limits | HUD USER](#)

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2025 – 2026 City Council Goals & Priorities

As established by input at the Joint Planning Session on February 8, 2025

Community & Employee Engagement

1. Increase public engagement
 - i. Develop Community Outreach Policy
 - ii. Public outreach pre-budget season
 - iii. Re-establish outreach program with High Schools within Bremerton City Limits

Economic Development

2. Continue work with the Greater Kitsap Chamber, Kitsap Economic Development Alliance, Downtown Bremerton Association, etc. to promote economic development initiatives
3. Promote economic development initiatives
 - i. Main Street Certification
 - ii. Historic preservation policy
 - iii. Chronically vacant building policy development
 - iv. Incentives & funding to include but not limited to commercial areas
 - a. Wheaton Way Corridor
 - b. Charleston District
 - c. Harrison Heights
4. Develop Annexation Strategy in collaboration with Kitsap County
5. Update Lodging Tax Advisory Committee Policies and Procedures

Housing Equity

6. Ensure rental housing standards are met
7. Set Policy for surplussing excess city-owned parcels for affordable housing projects
8. Support creative humane housing solutions for wide variety of housing types
 - i. Support community partners in development of low-barrier hybrid shelter and low-income housing
 - ii. Continue to evaluate and adopt regulations that foster the development of housing for low income and support creation of “missing middle” housing
 - iii. Review Multi-Family Tax Exemption Policy
 - iv. Develop policies and ordinances that address displacement impacts to low-income residents in all housing types, including manufactured homes and mobile home parks

Parks and Environmental Stewardship

9. Develop policies that encourage environmental stewardship
10. Continue support of Kitsap Lake Water Quality Program
11. Support sustainable funding for Parks operation
12. Manage the watershed for water quality
 - i. Update Utility Lands Management Plan

Public Safety and Support

13. Increase public safety funding
14. Communicate impact of current public safety policies and programs

Transportation and Multimodal Support

15. Increase residential street maintenance funding
16. Establish ranking system for scoring transportation projects in collaboration with Public Works
17. Prioritize multimodal connectivity
 - i. Trail network throughout Bremerton
 - ii. Development of Jarstad Park to Kitsap Lake Trail
 - iii. Warren Ave bridge
 - iv. Develop data-based traffic-calming policy prioritizing pedestrians and cyclists
18. Prioritize Council-initiated Public Works Policies
19. Update the Complete Streets Ordinance including a resident-led commission



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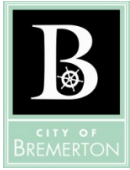
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4. Develop Annexation Strategy in collaboration with Kitsap County
5. Update Lodging Tax Advisory Committee Policies and Procedures

Housing Equity

6. Ensure rental housing standards are met
7. Set Policy for surplussing excess city-owned parcels for affordable housing projects
8. Support creative humane housing solutions for wide variety of housing types
 - i. Support community partners in development of low-barrier hybrid shelter and low-income housing
 - ii. Continue to evaluate and adopt regulations that foster the development of housing for low income and support creation of “missing middle” housing
 - iii. Review Multi-Family Tax Exemption Policy
 - iv. Develop policies and ordinances that address displacement impacts to low-income residents in all housing types, including manufactured homes and mobile home parks

Parks and Environmental Stewardship

9. Develop policies that encourage environmental stewardship
10. Continue support of Kitsap Lake Water Quality Program
11. Support sustainable funding for Parks operation
12. Manage the watershed for water quality
 - i. Update Utility Lands Management Plan

Public Safety and Support

13. Increase public safety funding
14. Communicate impact of current public safety policies and programs

Transportation and Multimodal Support

15. Increase residential street maintenance funding
16. Establish ranking system for scoring transportation projects in collaboration with Public Works
17. Prioritize multimodal connectivity
 - i. Trail network throughout Bremerton
 - ii. Development of Jarstad Park to Kitsap Lake Trail
 - iii. Warren Ave bridge
 - iv. Develop data-based traffic-calming policy prioritizing pedestrians and cyclists
18. Prioritize Council-initiated Public Works Policies
19. Update the Complete Streets Ordinance including a resident-led commission