

**MEMORANDUM OF AGREEMENT**

**Concerning**

**SKAGIT TOURS**

**And**

**SKAGIT INFORMATION CENTER  
RETAIL SALES & SUPPORT**

**Between**

**THE CITY OF SEATTLE  
SEATTLE CITY LIGHT DEPARTMENT**

---

**And**

**NORTH CASCADES INSTITUTE**

---

**March 6, 2017**

**Final**

## Memorandum of Agreement

### Skagit Tours and Skagit Information Center Retail Sales 2017 Season

This Memorandum of Agreement (MOA) is entered into by and between The City of Seattle, by and through its Seattle City Light Department (City Light), a municipal corporation of the State of Washington, and North Cascades Institute (NCI), an educational non-profit organization incorporated in the State of Washington.

**WHEREAS**, Article 412 of the Skagit River Hydroelectric Project License issued by the Federal Energy Regulatory Commission (FERC) in 1995 requires that City Light continue to offer guided tours of the Ross and Diablo hydroelectric facilities (the Skagit Tours); and

**WHEREAS**, City Light agreed to continue offering guided tours of the Skagit River Hydroelectric facilities as part of the Settlement Agreement on Recreation and Aesthetics (Section 3.3.1) for the operating license from FERC; and

**WHEREAS**, City Light decided to partner with NCI and the National Park Service (NPS) to offer a range of tours in 2017; and

**WHEREAS**, in addition to this MOA with NCI, City Light will develop and execute a separate MOA with the NPS to cover their responsibilities for the Skagit Tours.

**NOW THEREFORE**, to define responsibilities of both parties to this MOA for the Skagit Tours in 2017 (all dates in this MOA are 2017 unless otherwise noted), City Light and NCI agree as follows:

- A. EDUCATIONAL STAFF FOR SKAGIT TOURS:** NCI will provide qualified staff to lead up to 129 Skagit Tours between June 29 and September 24, including 59 Diablo Lake and Lunch Tours; 30 Diablo Lake Afternoon Tours; 20 Powerhouse Insider Tours; and 20 Dam good Chicken Dinners (to be followed by a free, guided tour of Ladder Creek Gardens). NCI staff will also be available to lead two Newhalem Walking Tours daily between June 29 and September 4 (Labor Day) in coordination with NPS and City Light tour guides.
- B. EDUCATIONAL MATERIALS:** NCI will provide all equipment and educational materials, including handouts, displays, and educational guides, needed for the Skagit Tours. Educational materials will incorporate information and themes provided by City Light and the NPS on the North Cascades Ecosystem and Skagit Hydroelectric Project. City Light will review all education materials produced by NCI for the tours.
- C. CURRICULUM DEVELOPMENT & TRAINING:** NCI will develop curriculums that will be used by guides for the all the Skagit Tours. Curriculums will incorporate information and themes provided by both City Light and the NPS on the North Cascades and Skagit Hydroelectric Project. City Light will collaborate with NCI in the development of curriculums.

**D. TOURS NOT SUBJECT TO THE MOA:** City Light will conduct and provide staff and transportation for any special tours scheduled in 2017; these tours will not be subject to this MOA.

**E. MEALS:** NCI will provide food and service for participants on the Diablo Lake and Lunch Tours. Lunch will be offered at the Environmental Learning Center (ELC) for up to 45 participants per tour except on August 12 and September 2, 9, and 16 when the ELC is scheduled for other events.

Meals at the ELC for the Diablo Lake and Lunch Tours will include salad, soup, a light entrée, dessert, and beverage (coffee, tea, water). In addition, NCI will offer a snack to participants of this tour. The number of lunches and snacks to be provided by NCI for the Diablo Lake and Lunch Tour is estimated at 2,310.

City Light will provide the Dam Good Chicken Dinners and picnic lunches for the Powerhouse Insiders Tour. City Light will also provide lunches for tours on August 12 and September 2, 9, and 16 when NCI has other scheduled events that will preclude serving tour meals at the ELC. Lunch for the Diablo Lake and Lunch Tours on those four dates will be held at Gorge Inn.

**F. BOAT TRANSPORTATION:** City Light will operate the vessel *Alice Ross IV*, or similar vessel, for the boat tours and will provide a qualified boat captain and any required deckhands. NCI will be responsible for ensuring the boat tours are run on schedule to avoid interfering with City Light's obligation for providing ferry service on Diablo Lake. City Light will provide for the use of the existing City Light boat docks on Diablo Lake.

**G. BUS TRANSPORTATION:** NCI will provide a 15-passenger bus to shuttle boat tour participants to and from the ELC and City Light's tour boat dock on the 5 days/week that the boat tours are offered. The full cost of the shuttle bus will be borne by City Light. NCI will ensure that this vehicle is available for use for all boat tours and will not schedule it for other ELC programs.

If requested by NCI and approved by City Light, City Light tour guides will be allowed to assist NCI with shuttle bus transportation between the ELC and City Light's tour boat dock for boat tour participants. If NCI needs to utilize City Light's guides in this manner to transport tour participants, NCI will contact City Light for approval beforehand. In advance of any City Light guide transporting tour participants by use of NCI's shuttle bus, NCI will (1) ensure that the City Light guides are primary, non-contributory insureds under NCI's business automobile liability insurance coverages as set forth below in Section T; and (2) provide and ensure that such City Light employees are properly trained and prepared to operate such vehicles. City Light guides will become drivers only if they meet NCI driving requirements in training and driving records background checks. Moving violations may exclude City Light guides from driving.

**H. REGISTRATION:** NCI will be responsible for taking reservations prior to and during the 2017 tour season for all Diablo Lake and Lunch Tours; Diablo Lake Afternoon Cruises;

and Powerhouse Insiders Tours. NCI will also take reservations for the Dam Good Chicken Dinner. The estimated number of tour registrations is 3,978 (assuming 75-95% of capacity filled); the estimated number of Chicken Dinner reservations is 600 (assuming 75% capacity). NCI will register the groups using their Salesforce database. Rates for the tours in 2017 will be as follows:

<b>Diablo Lake &amp; Lunch Tour</b>	<b>Diablo Lake Afternoon Cruise</b>	<b>Powerhouse Insiders Tour</b>	<b>Dam Good Chicken Dinner</b>
Adult: \$42	Adult: \$30	Adult: \$20	Adult: \$19
4-12 yrs: \$21 (3 yrs and under: free)	4-12 yrs: \$15 (3 yrs and younger: free)	10-12 yrs: \$15 (not suitable for children under 10)	Youth: 6-12 yrs: \$14 Children 5 yrs or younger: \$5
62 yrs and over: \$40	62 yrs and over: \$28	62 yrs and over: \$18	62 yrs and over: \$19

NCI will track all registrations and will remit to City Light all tour revenues, with a sale report, on a monthly basis. NCI will honor any voucher or pass produced (used in lieu of the registration fee) by a City Light employee(s) or rate payer wishing to participate in a tour. NCI will keep a separate list of vouchers for auditing purposes. NCI will also provide City Light with weekly registration updates beginning with the first week of May.

If it anticipated that more than the maximum allowed number of tours will be offered (as described in Section O below), NCI shall notify City Light no later than August 31. The parties may mutually agree to amend this MOA in writing to allow for the additional tours or may individually decide to limit additional tours that fall outside the scope of this MOA. NCI acknowledges that additional tours must be agreed to in writing by City Light prior to the additional tours taking place.

- I. CLEANING AND MAINTENANCE:** NCI will be responsible for cleaning and maintaining the ELC dining hall and the shuttle bus used for the tours. City Light will clean and maintain the tour boat and all other City Light facilities that are part of the tours.
- J. PROMOTION:** NCI will promote all Skagit Tours, except any specialty tours, through existing publications and media, including its web site. City Light will market and promote the group tours through advertising and contacting tour operators. Tour operators contacting City Light will be referred to NCI for registration. NCI will also promote a combination Diablo Lake Afternoon Cruise and Powerhouse Insiders Tour
- K. SKAGIT INFORMATION CENTER:** NCI tour guides will assist with staffing the Skagit Information Center, in cooperation with the NPS and City Light, as part of the 2017 season. In addition, NCI will provide an inventory of books, maps, and other materials relevant to the North Cascades National Park and ecosystem for sale in the Skagit Information Center. NCI will also supply and maintain any equipment and fixtures needed to support retail sales. Inventory and associated sale fixtures will be available when the Information Center opens for the 2017 season (late May). NCI will reclaim any unsold inventory at the end of

the 2017 season (end of September). City Light and/or the NPS will inform NCI when inventory supplies are low and need to be replenished.

**L. SALES TRAINING FOR SKAGIT INFORMATION CENTER:** NCI will provide training in retail sales to NPS and City Light staff working in the Skagit Information Center. City Light will provide internet access to the Skagit Information Center for tracking sales.

**M. HUMAN RESOURCES & TRAINING:** NCI will hire, train, and manage staff providing guide service, operating vehicles, and taking tour reservations. In addition, curriculum training will be provided to NCI guides, NPS seasonal rangers and City Light guides. NCI will also provide training in retail sales to NPS and City Light staff working in the Skagit Information Center.

City Light and NPS will also participate in season tour guide training. City Light will be responsible for training tour guides on boat safety; powerhouse logistics, security and safety; power generation; Skagit Project history; cultural resources; and fish. The NPS will focus on training related to ecosystem and landscape ecology of the North Cascades; interpretative skills; and public outreach. NCI will coordinate with the NPS and City Light to develop a training schedule that includes all three parties. NCI will coordinate with City Light on use of the boat for training and for mock tours. The final mock tours before the season start will be open to City Light, NPS and NCI employees.

**N. TOUR EVALUATION:** NCI will distribute forms developed by City Light to tour participants to evaluate the tours. NCI will summarize the number of participants and the evaluation forms at the end of the 2017 season and provide a report to City Light.

**O. COST REIMBURSEMENT TO NCI:** NCI shall submit invoices to City Light for compensation of services rendered.

**1. Payment:** City Light shall pay NCI for all costs incurred for the Skagit Tours for 2017 (see attached NCI Skagit Tours 2017 budget). NCI will not provide any more or any fewer than 89 boat tours (Diablo Lake and Lunch Tours and Diablo Lake Afternoon Cruise), 20 Powerhouse Insiders Tours, and 20 Dam Good Chicken Dinners without written approval from City Light. Meals at the ELC will be reimbursed at a cost of \$10.32 per tour participant for the Diablo Lake and Lunch Tours; snacks will be reimbursed at \$1.58 per tour participant for the Afternoon Cruises. City Light shall pay administrative overhead at a rate of 13% for labor and non-capital expenses. City Light will pay NCI a \$2,000 annual use fee to support Salesforce website/database maintenance.

**2.** The estimated payment under this MOA is **\$249,246**; this amount may change if the number of meals/snacks served is different from the estimated number of 2,310 for the Diablo Lake and Lunch Tours (see Section E) or if additional tours are provided, as agreed to by City Light.

**3.** To address the possible need for additional tours and meals, this MOA includes a \$700 contingency. Total authorized about under this MOA is therefore **\$249,946**.

4. **Invoices:** NCI will submit invoices in June and August for one-half of the costs related to hiring seasonal staff, Salesforce website/database maintenance fee, and use of NCI vans. These costs will be provided as single line items. Otherwise invoices shall itemize changes for labor (to include hours and rate/hour) related to tour registration, tour related website maintenance, marketing, curriculum development, management, training, food preparation, and cleaning and maintenance. Expense detail shall include number of meals served each month and educational and marketing materials/supplies. City Light will submit payment for services rendered within 30 days of receipt of the invoice. NCI will assess a 1% fee on all late payments and every month thereafter.
5. **Submission of Invoices:** The invoice shall be sent to the attention of City Light's Natural Resources and Environmental Planning Manager at the following address:

Seattle City Light  
PO Box 34023  
Seattle, WA 98124-4023

**ATTENTION:** Colleen McShane

An electronic copy of the invoice will be provided as well to [colleen.mcshane@seattle.gov](mailto:colleen.mcshane@seattle.gov).

- P. **REVENUE REMITTANCE TO CITY LIGHT:** NCI shall submit a monthly check to City Light to remit tour revenues. Remittances shall be accompanied by a report of the number of adult, senior, and youth registrations for each tour date. Revenue checks shall be sent to:

Seattle City Light  
PO Box 34023  
Seattle, WA 98124-4023

**ATTENTION:** Fernando Estudillo

A copy of the registration report will also be provided to Colleen McShane, Natural Resources and Environmental Planning Manager at [colleen.mcshane@seattle.gov](mailto:colleen.mcshane@seattle.gov).

- Q. **AMENDMENT:** Any desired changes to this MOA must be made in writing. All amendments shall be approved by the signatories to this MOA or their designated representative.
- R. **GOVERNING LAW:** This MOA shall be governed in accordance with the laws of the State of Washington.
- S. **INDEMNIFICATION:** NCI shall indemnify and hold City Light harmless from any and all losses, claims, actions, damages, and expenses arising out of or resulting solely from NCI's performance or lack of performance under this MOA. In the event that any suit based upon such losses, claims, actions, damages, or expenses is brought against City Light, NCI, upon notice of the commencement thereof, shall defend the same at its sole cost and expense; and if final judgment be adverse to City Light, NCI shall promptly satisfy the same. Provided that, the liability described in this subsection shall be diminished by the fact, if it

be a fact, that any such death, injury, damage, loss, cost or expense may have been contributed to, or may be alleged to have been contributed to, in part, by the negligence of City Light, its officers, employees or agents; in which case, NCI and City Light shall bear its proportionate share of any damages and expenses, including attorney's fees. Nothing contained in this subsection shall be construed as requiring NCI to defend or provide indemnity to City Light against liability for damages arising out of bodily injury to persons or damage to property, including losses, claims, actions, damages, and expenses, caused by or resulting from the sole negligence of City Light, its employees, officers, or agents. In connection with this indemnification, the parties recognize that NCI shall have sole responsibility for any liability which may result from happenings in the dining hall at the Environmental Learning Center, except for any negligence of City Light, its officers, employees or agents, which create liability in connection therewith, and that City Light shall have sole responsibility or any liability which may result from happenings on City Light's boat, or its loading or unloading operations, except for any negligence of NCI, its officers, employees or agents, which create liability in connection therewith.

- T. **INSURANCE:** Paragraph 14. (Insurance) of the LEASE between City of Seattle/City Light Department and NCI dated June, 2005 shall be incorporated by reference and apply to all NCI responsibilities under this MOA *except* that for the purpose of this MOA the following language shall be deemed to be added to sub-paragraph 14.A.(b) ("Business Automobile Liability):

*Whenever NCI shall be operating or otherwise providing any owned, non-owned, leased or hired 15 passenger van or any other higher-passenger capacity vehicle in connection with tours performed under the Skagit Tours and Skagit Information Center Retail Sales & Support 2017 Season MOA, it shall ensure that Business Automobile Liability insurance with minimum limits of liability of \$5,000,000 each occurrence combined single limit bodily injury and property damage shall be in force with "The City of Seattle" as an additional insured for primary and non-contributory limits of liability. The minimum limits may be evidenced either with primary limits or any combination of primary and excess/umbrella limits of liability, but are minimum limits only and shall not be deemed to limit the liability of NCI or any of its insurers to any limit less than the stated policy limits and "The City of Seattle" shall be an additional insured for the full limits of liability available to NCI, whether such limits are primary, excess, contingent or otherwise.*

- U. **INDEPENDENT CONTRACTOR:** The relationship of NCI to City Light by reason of this Agreement shall be that of an independent contractor and shall neither be liable for nor obligated to pay employment benefits, social security or other taxes that may arise as an incident of employment.
- V. **TERM OF AGREEMENT:** The term of this MOA shall be for the period from April 1 through December 31. At the end of the 2017 tour season City Light and NCI will meet to evaluate the Skagit Tours program and plan for the 2018 season and subsequent MOA for that year.

IN WITNESS WHEREOF, this MOA is approved by the following:

  
\_\_\_\_\_  
Colleen McShane, Director  
Natural Resources & Hydro Licensing  
Seattle City Light

3-16-17  
Date

  
\_\_\_\_\_  
Lynn Best, Chief Environmental Officer  
Environment, Land and Licensing Business Unit  
Seattle City Light

3-16-17  
Date

  
\_\_\_\_\_  
Saul Weisberg, Executive Director  
North Cascades Institute

3.8.17  
Date

## Skagit Tours -- 2017 Budget

	<u>Tours</u>	<u>Comments</u>
<b>Education</b>		
2 Seasonal Educators	\$ 33,596	3% increase
Training / Supervision	\$ 17,827	Planning, curricula, supervision (3% increase)
Materials & Supplies	\$ 500	Educational materials / Uniforms
<b>Total Education</b>	<b>\$ 51,923</b>	
<b>Vehicles</b>		
Tour Bus	\$ 10,500	12 Weeks
Vehicle for Transportation	\$ 500	
<b>Total Vehicles</b>	<b>\$ 10,500</b>	
<b>Food Service</b>		
3 Seasonal Cooks / Dishwashers	\$ 46,968	3% increase
Facilities	\$ 12,875	Cleaning and maintenance (3% increase)
Estimated Meal Cost	\$ 27,483	see meal calculation below
<b>Total Food Service</b>	<b>\$ 87,326</b>	
Registration	\$ 58,597	3% increase
Website /Database Maintenance	\$ 2,000	Annual expenses for online web-based registration
<b>Total Registration</b>	<b>\$ 60,597</b>	
<b>Marketing support</b>	<b>\$ 10,300</b>	Advertising & Design media relations, graphic design and marketing, print publications, distribution, enews, web, etc.
<b>Sub-Total</b>	<b>\$ 220,646</b>	
Administration ~13%	\$ 28,600	HR, Accounting, Payroll, Insurance, etc.
<b>Total Annual Cost</b>	<b>\$ 249,246</b>	

<u>Meal Calculation</u>	
Meal cost per Person	\$ 10.32
Snacks cost per Person	\$ 1.58
Boat Trips w/ Meals	55
Avg People per Boat trip	42
	<b>27,483</b>
<b>Estimated Meal Cost</b>	<b>\$ 27,483</b>

[http://www.bls.gov/regions/west/news-release/consumerpriceindex\\_seattle.htm](http://www.bls.gov/regions/west/news-release/consumerpriceindex_seattle.htm)  
 2.3% CPI Inflation (food away from home)  
 " "  
 reduced by 4 weddings  
 45 Capacity