

Publication: Skagit Valley Herald; Date: Sep 27, 2011; Section: Front Page; Page: A1



Anacortes City Council gives Tethys contract extension

By **WHITNEY PIPKIN** Staff Writer

ANACORTES — After much public comment and nearly two hours of discussion at a meeting Monday night, the City Council unanimously approved an extension to its contract with the company that is proposing to build a bottling plant until the company can find a site for the project.

The city entered into a contract with Everett-based Tethys Enterprises Inc. one year ago that gives the company rights to 5 million gallons per day of water for a proposed food and beverage plant.

The deal was contingent on the company finding a suitable site with rail access to build its 1 million-square-foot plant, but Tethys CEO Steve Winter said the company needs more time. After making clear that there would be future opportunities to vet some citizens' concerns about the plant, council members voted to extend the deadline by which the company could find a site to the end of 2012.

The meeting also included the first opportunity for public comment on the proposed project, which was cut off after nearly 20 of the almost 70 people who attended gave their two-minute statements. Comments were split almost evenly between those who opposed and those who supported extending the project's deadline.

Anacortes residents had been critical of the lack of public comment provided when the city first signed the contract last fall. Many of them said they still have more questions than answers about the project and asked that the city add more definitive guidelines into the contract.

"What Mr. Winter is asking for is a stupendous amount of water and to come back later and tell us what the cost are really going to be," Anacortes resident Bill Dietrich said. "If you deny the contract tonight, that gives the city time to take the time to write a more aggressive contract."

Winter attempted to address some of the community's concerns at the onset of the meeting by explaining more about his vision for the company.

He said he started the company to both create manufacturing jobs for the Northwest and change the way the bottling industry does business by introducing more environmentally sound practices.

An economic impact study on the project, recently conducted by a third-party consulting firm, estimated the plant as proposed would provide up to 500 jobs that pay an average annual salary of \$48,000.

Val Ross Johnson, of Anacortes said he had conducted his own research on similarly-sized water bottling plants in the U.S. and found that most of them employed between 35 and 115 people and paid less than \$35,000 a year.

Another resident pointed out that the Tethys plant as proposed would provide up to 17 percent of the country's bottled water and wondered if there was a market to support that magnitude.

Winter later addressed the concerns, drawing a distinction between water bottling plants and the food and beverage bottling plant he'd like to build here.

He said the latter have higher regulations they must meet and provide higher wage jobs.

As far as the number of jobs and bottled products the plant would produce, Winter acknowledged that his plan is a bold one, designed to change the way the bottling industry operates.

"We are proposing to supply a substantial part of the U.S.... To change the footprint of the industry, we need to change the way it's done and consolidate jobs at a single place," he said.

Among those who said they support the project and its potential to create new jobs were representatives from the Anacortes Chamber of Commerce, Anacortes School District and the Economic Development Association of Skagit County.

EDASC Executive Director Don Wick said the project fulfills all of the his association's goals for job creation, including jobs that will match the skills of those who are un- and under-employed in the county.

Others, including city staff, mentioned the project's benefits to the city's tax base and to the local school system.

Local businessman Duncan Frazier said he would like to thank the person who had the foresight to secure water rights and get Anacortes "into the water business" in the first place. The city has rights to nearly 55 million gallons of water per day, and currently uses or sells just under 22 million gallons per day.

Anacortes Public Works Director Fred Buckenmeyer said during a presentation about the city's water system that those millions of gallons amount to a small fraction when compared to the 10.7 billion gallons per day that essentially run through the Skagit River, the city's water source.

"Even though we have seure water rights, it's still only a tiny fraction of the water that's in the system," he said.

Buckenmeyer also tried to address "misconceptions" he said he'd heard about the project, such as that the city's new \$56 million water treatment facility was spurred by the potential bottling plant. He said that facility was being planned long before Tethys' request came to the Council.

Winter reiterated another statement made by Buckenmeyer to assure residents that they would not have to pay for any upgrades to the system required by any additional needs of the bottling plant. Winter said his company would "fully fund those improvements if necessary."

City staff said that concerns many residents had about the project's impact on the local rail system, as it receives up to 350 railcars per day, and on the environment would be addressed during the permitting process for building the plant.

Print