



CITY OF
TUMWATER

CITY COUNCIL

***AMENDED* MEETING AGENDA**

**Online via Zoom and In Person at
Tumwater City Hall, Council Chambers,
555 Israel Rd. SW, Tumwater, WA 98501**

**Tuesday, October 03, 2023
7:00 PM**

- 1. Call to Order**
- 2. Roll Call**
- 3. Flag Salute**
- 4. Special Items:**
 - [a.](#) Proclamation: Fire Prevention Week, October 8-14, 2023
 - [b.](#) Introduction of New Firefighter Barret Brown (Brian Hurley)
- 5. Public Comment:** (for discussion of items not having a public hearing on tonight's agenda)
- 6. Consent Calendar:**
 - [a.](#) Approval of Minutes: City Council Work Session, September 12, 2023
 - [b.](#) Approval of Minutes: City Council, September 19, 2023
 - [c.](#) Payment of Vouchers (Shelly Carter)
- 7. Council Considerations:**
 - [a.](#) Service Provider Agreement with Carollo Engineering for Phase 1 Source Development & Cost of Service Review (Patrick Soderberg)
 - [b.](#) Common Interest and Confidentiality Agreement with Port of Olympia (Karen Kirkpatrick)
 - [c.](#) Lodging Tax Advisory Committee 2024 Funding Recommendations (Troy Niemeyer)
- 8. Committee Reports**
 - [a.](#) Public Health and Safety Committee (Leatta Dahlhoff)
 - [b.](#) General Government Committee (Michael Althausen)
 - [c.](#) Public Works Committee (Eileen Swarthout)
 - [d.](#) Budget and Finance Committee (Debbie Sullivan)
- 9. Mayor/City Administrator's Report**
- 10. Councilmember Reports**
- 11. Any Other Business**

12. Adjourn

Hybrid Meeting Information

The public are welcome to attend in person, by telephone or online via Zoom.

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Public and Written Comment

Attend in person to give public comment or register by 6:45 p.m. the day of the meeting to provide public comment using the web-based meeting platform:

https://us02web.zoom.us/webinar/register/WN_8frABoilRteMyqliE62nVg

After registering, you will receive a confirmation email with a login to join the online meeting.

As an alternative, prior to the meeting, the public may submit comments by sending an email to council@ci.tumwater.wa.us, no later than 5:00 p.m. on the day of the meeting. Comments are submitted directly to the Mayor and City Councilmembers and will not be read individually into the record of the meeting.

Post Meeting

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Accommodations

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Proclamation

WHEREAS, the City of Tumwater is committed to ensuring the safety and security of all those living in and visiting our City. Fire is a serious public safety concern both locally and nationally. Homes are the locations where people are at greatest risk; and

WHEREAS, home fires killed more than 2,800 people in the United States in 2021 , according to the National Fire Protection Association® (NFPA®), and fire departments in the United States responded to 338,000 home fires; and

WHEREAS, cooking is the leading cause of home fires in the United States and fire departments responded to more than 166,400 annually between 2016 and 2020, two of every five home fires start in the kitchen with 31% of these fires resulting from unattended cooking; and

WHEREAS, more than half of reported non-fatal home cooking fire injuries occurred when the victims tried to fight the fire themselves, children under five face a higher risk of non-fire burns associated with cooking than being burned in a cooking fire; and

WHEREAS, residents should turn pot handles toward the back of the stove; always keep a lid nearby when cooking; keep a three-foot kid-free zone around the stove, oven, and other things that could get hot; watch what they heat; and set a timer to remind them that they are cooking; and

WHEREAS, first responders are dedicated to reducing the occurrence of home fires and home fire injuries through prevention and protection education; and

WHEREAS, the 2023 Fire Prevention Week theme, “Cooking Safety Starts with YOU. Pay Attention to Fire Prevention,” effectively serves to remind us to stay alert and use caution when cooking to reduce the risk of kitchen fires.

NOW THEREFORE, I, Debbie Sullivan, Mayor of the City of Tumwater, do hereby proclaim the week of

October 8, 2023 - October 14, 2023

Fire Prevention Week

and I urge all residents and businesses in the City of Tumwater to heed these messages and to support the efforts of the Tumwater Fire Department and other emergency services to keep us safe from fires and in times of medical emergencies.

Signed in the City of Tumwater, Washington, and recognized on this 3rd day of October in the year, two thousand twenty-three.



A handwritten signature in blue ink that reads "Debbie Sullivan".

Debbie Sullivan

Mayor

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 1

CONVENE: 6:00 p.m.

PRESENT: Mayor Debbie Sullivan and Councilmembers Peter Agabi, Michael Althausen, Joan Cathey, Leatta Dahlhoff, Angela Jefferson, Charlie Schneider, and Eileen Swarthout.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Community Development Director Michael Matlock, Finance Director Troy Niemeyer, Fire Chief Brian Hurley, Police Chief Jon Weiks, Water Resources and Sustainability Director Dan Smith, Communications Manager Ann Cook, and Sustainability Coordinator Alyssa Jones Wood.

**ADDRESSING FOOD
INSECURITY AND
ACCESS:**

Director Matlock briefed the Council on food insecurity and access. He noted the briefing would not include any information on an active enforcement case but rather the larger issues and recommendations by staff to address food insecurity and access.

In 2021, approximately 10.2% of the U.S. population experienced food insecurity at some point during the year. In 2023, approximately 20% to 25% of adults have experienced food insecurity. The trend is improving in the state with approximately 8% of adults experiencing food insecurity in 2021. The numbers do not reflect food insecurity constantly but are reflective of food security at different times resulting in difficult choices of whether to pay for rent, medicine, or food.

The nation addresses food insecurity through state and federal food benefit programs, senior and school meal programs, community support for food delivery and services, food banks, mobile food pantries, community-based distribution, and community gardens. Additionally, a number of regulatory structures assist in providing food distribution and production.

The City supports a number of food access programs, such as Tumwater FRESH Farm at Isabella Bush Park in conjunction with TOGETHER and the Tumwater School District providing opportunities to students on how to farm and grow food, as well as distributing food in the community. Garden Raised Bounty focuses on providing community garden beds to enable people to have access to food. The City supports Senior Services for South Sound, which provides the meal program at Old Town Center for the City and Meals on Wheels for senior citizens. Other programs include the Summer Youth Employment Program, the Tumwater Community Garden Grant Program for grants to community members for establishing a community garden, the City and Tumwater School District's Summer Lunch Program, and meals for youth participating in the Tumwater Summer Youth Summer Camp. The City also works closely with the Thurston County Food Bank to sponsor a satellite food distribution operation at the Tumwater Fire Station. The City sponsors the employee fund drive for United of Thurston County each year.

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 2

City regulations enable urban agriculture, community gardens, farmers markets, food processing, food truck and trailers, provisions for food truck courts, restaurants, retail sale of food, food banks, and mobile food pantries.

Councilmember Jefferson provided a copy of an article published in 2011 about food sharing. The information prompted staff to consider other ways to address the issue. Research revealed some recent and innovative ways to provide access to food. Jurisdictions across the country and in the state have completed food system plans with a broad-based holistic approach to ensure an array of programs. Two examples include the preservation of farmland and recruiting new farmers to increase production and advocating for policies and enabling residents and businesses to make and process food locally. Other examples include providing access to high quality and disseminating better food through nutrition education to empower people to make healthier choices. Food waste is reduced through re-distribution and composting. Many of those examples help to reduce the impacts of climate change.

Staff reviewed the Spokane Regional Food Action Plan. Counties often address issues that smaller communities do not experience, especially in urban areas. The Spokane plan focuses on supporting the desire for healthy food for all and includes a number of actions, such as creating opportunities for people to grow and share food through the promotion of existing emerging educational programs for home and community gardening, cooking, and food preservation, increasing land availability, community gardens, and supporting sustainable food systems and urban agriculture education. Often the availability of food is not the issue. The issue is often distribution to ensure food is delivered to areas considered food deserts. The plan identifies and reduces barriers to access food, expands community-supported agriculture (CSAs), offers SNAP eligible populations the same options, promotes expansion of food distribution routes to low resource areas, assesses service capacity needs for food pantries, identifies opportunities for sharing resources, and advances equity within the food system.

The second example is the Whatcom County Food System Plan containing a number of goals to include cultivating equity and justice within the food system, protecting and regenerating soil, water, and lands for sustainable operations, building a resilient and vibrant local food economy, and ensuring access to healthy food for all. Each of the objectives include a range of actions for specific policy and regulatory actions. Should the City pursue a similar approach, the Council could develop policies and follow-up with specific regulatory actions to address any deficiencies in City codes or operations.

Staff recommends the Council schedule the development of a food system plan within the 2024 Work Program that is specific to Tumwater and scaled appropriately to the City with a focus on ways to provide healthy food to the community, reduce food waste, support local food processing, eliminate

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 3

barriers, address gaps in the current system, identify solutions to implement, and maintain and update resource materials for jurisdictional and community partners.

Councilmember Dahlhoff asked about the possibility of incorporating some of the elements within the periodic update of the Comprehensive Plan process. Director Matlock acknowledged the request pointing out that there are no required elements under the Growth Management Act (Growth Management Act); however, there could be an interface with the work program and the update of the Comprehensive Plan.

Councilmember Cathey commented on the need to consider programs while considering the context of any actions locally and within neighborhoods. She is concerned with delaying the work until next year. She spoke to the need for some balance in terms of what is required at the moment as the growing season transitions to fall. Director Matlock advised that the zoning code is not at a granular level dictating certain actions, like planting a garden which is considered accessory to the main use of a residence. The City does not regulate the growing of produce or fruit and the sharing of the food. The balance speaks to residential uses that might advance agriculture practices to a higher level that prompts discussions on what level is appropriate within a residential area. Answers to the questions are difficult as staff has not initiated the planning process for the plan.

Councilmember Cathey spoke to many of the existing programs requiring eligibility or an enrollment to receive food. Additionally, transportation issues also add another level of complexity. She has personally delivered food to an elderly couple who no longer drive as well as to another homebound individual. Many of the programs cited by staff are eligibility limited and some of the venues are only open during limited hours.

Councilmember Jefferson thanked staff for developing the presentation and researching the information as the issue of food is important to everyone. She is seeking a policy on food sharing and food stands in the City because accessing the food bank is not possible for some community members. Additionally, some people experience shame visiting the food bank. She cited an example of a young woman whose husband was addicted to drugs. She consequently receives food from a food sharing facility. She supports an option that enables a homeowner to place a vegetable stand in front of their home with some canned goods so neighbors can access the food they need. The City should be shielded from any potential liability. During a trip to the East Coast, she observed a food sharing pantry located on City property. Since food insecurity has doubled, more neighbors have begun hosting food sharing activities. It is important for the City to support and not discourage food sharing activities by ensuring some ease in the allowance of food sharing throughout Tumwater. She asked about the possibility of placing a food pantry near the Tumwater Fire Station. She also serves on the committee for

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 4

Little Food Pantry that has formed as a non-profit to work with other groups to distribute food to community members.

Councilmember Swarthout commented on the importance of publicizing the availability of the Food Bank operation at the Tumwater Fire Station affording the opportunity for the community to obtain food.

Councilmember Althausen pointed out how community members receiving SNAP or food stamp assistance can use the programs to take advantage of grocery store home delivery service. Additionally, other authorized users of someone's EBT card can use the card at point of sale locations.

Councilmember Cathey mentioned that many community members do not have access to the internet or use the internet and are not familiar with many local programs.

Councilmember Dahlhoff commented on the possibility of utilizing the City volunteer program and the Volunteer Coordinator to provide support of City efforts to ensure community members have access to food.

Councilmember Jefferson stressed the importance of moving forward to develop the plan understanding that staffing resources are limited and overworked. There are many moving pieces. She urged the Mayor and the City Administrator to authorize overtime to move forward on developing the plan.

City Administrator Parks described the opportunities available within the City's existing structure and regulatory environment. It is important to ensure clarity for both staff members and the community when communicating opportunities. Opportunities are available to increase the public's awareness of food resources and ways to access those resources. Access to various services within the community can be confusing for many in the community because of the variety of different providers of non-profits, governmental agencies, and private resources dedicated to providing services people need. Opportunities are available within the City's existing communications structure to move forward with addressing the issues and publicizing existing opportunities available to a wider audience. With respect to code amendments, specific processes require public participation. Those processes are structured, rigid, and take time to complete. Addressing a zone code amendment today would be outside the process of zoning code amendments. Staff is committed to informing the community of available resources in existence today.

Director Matlock added that regulatory changes within a public environment require a public hearing and environmental review for any changes. The process takes time.

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 5

Mayor Sullivan remarked on prior actions by the City to enable urban gardens and raising chickens and other animals based on the size of the property. Within her neighborhood of a four-block area, five gardens have been established with one garden covering an entire lot. The neighborhood also has two chicken operations. Many of the gardens likely produce more than the homeowner can consume providing an opportunity promote homeowners with gardens to share produce with neighbors or donate food to the food bank or other non-profit organizations.

Discussion followed on some of the uses currently allowed by the City. Councilmember Althaus suggested documenting uses that are currently allowed to serve as a basis for the analysis to be completed by staff. Many of the uses are not disallowed by the City's code.

Councilmember Dahlhoff offered that the process should not be complicated because it is the Council's responsibility to establish policy. Changes to the zoning code are likely unnecessary. The job of the Council is to set policy.

Several Councilmembers offered suggestions on next steps ranging from adoption of a motion establishing specific actions moving forward to preparation of an administrative memorandum outlining currently allowed activities by the City's zoning code. City Administrator Parks advised the Council to provide clarity as to the specific direction as some parameters cannot be exceeded in different zoning districts. Each zoning district, to a certain degree, would have a different regulatory environment for food-related activities. It is possible to prepare an administrative memorandum outlining allowed accessory uses by zoning district. However, for activities beyond those basics, the use may require site specific and zone specific actions. It is important that the Council does not have an expectation that some of the current issues in play would be resolved through the issuance of a memorandum that provides some clarifications. In many instances, staff issues an interpretation of the code that clarifies some type of use that was or was not permitted. It is important not to create an expectation by the Council that staff can pursue options that are not possible outside the typical regulatory process.

Discussion ensued on what is currently allowed by the code, the importance of clearly defining terms and definitions, and the urgency to move forward to address food insecurity. City Administrator Parks described the proposed next steps staff plans to pursue. The first step by staff is clarifying for both City staff and the public what is allowed under current zoning regulations. Concurrently, staff will pursue a holistic approach that includes much more than reviewing the zoning code but reviewing a wide variety of options and opportunities to address the issues of food insecurities Citywide comprehensively through the proposed Food Systems Plan. The first step is identifying the barriers, problems, gaps, and creating the different policies based on the analysis.

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 6

Director Matlock provided additional clarification on the process for amending codes. Code amendments are not based on a timeline except for Comprehensive Plan amendments, which are processed on an annual basis.

**2022 GREEN TEAM
SUSTAINABILITY
REPORT:**

Coordinator Jones Wood reviewed the results of the 2022 Green Team Sustainability Report.

The Green Team is an interdepartmental City employee committee focusing on the sustainability of City operations. City operations produced an estimated 3,736 metric tons of carbon dioxide equivalent in 2022 representing a 3% reduction from the 2015 baseline. The goal community-wide is to reduce net emissions by 45% by 2030 and 80% by 2050. Most of the greenhouse gas emissions in operations are from water infrastructure, City vehicle fleet, buildings and facilities, sewer and streetlights, solid waste, and traffic signals. Net emissions have reduced 71% in 2022. Net emissions represent the total emissions minus the City's participation in Puget Sound Energy's Green Direct Program. The City purchases renewable energy certificates for 100% of the City's electricity use for all operations.

In 2022, fleet vehicles used ~64,000 gallons of gasoline and ~18,000 gallons of diesel representing a 9% decrease from the fuel consumption baseline in 2019. In 2022, the Green Team developed and passed an anti-idling policy for fleet vehicles. In 2022, staff identified a reliable source of renewable diesel and initiated testing using the City's street sweeper. No issues have resulted from the use of the fuel. A full transition to renewable diesel R99 is in progress at the City's diesel fueling station. Renewable diesel is produced using fats and oils and is processed as a one-to-one replacement for petroleum diesel. Studies have documented that renewable diesel produces less carbon dioxide and nitrogen oxide emissions when compared to petroleum diesel. Switching to renewable diesel is delaying or supplanting the City's ongoing efforts to electrify vehicles. At the end of 2022, the City had one battery electric vehicle, 14 hybrid and plug-in hybrids, 121 gas-powered vehicles, and 32 diesel powered diesel. The City has ordered 10 electric Ford trucks and conducted meetings with Ford on the expectations of the vehicles and chargers. The fleet includes eight level-two charging ports. In October 2022, at the urging of the Green Team, the City's one battery electric vehicle was reclassified from a single dedicated vehicle to a pool vehicle.

In 2022, City operations used ~33,000 therms of natural gas. The City adopted a strategic priority for future buildings to be electric. At this time, there is no time-based target to reduce City operations natural gas consumption in existing buildings.

The City consumes a substantial amount of electricity in City facilities using 5.3% more electricity in City facilities than the 2019 baseline. Most of the usage is water infrastructure to produce and distribute the City's drinking

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 7

water to residents and businesses. Buildings and facilities used 25% followed by sewer infrastructure, streetlights and traffic signals, and EV chargers.

Solar panels on the City Hall roof produced 0.38% of City Hall's electricity consumption. The City purchased energy certificates for 100% of City operations electricity consumption.

The City's employee Commute Trip Reduction policy was paused during the COVID-19 pandemic as most of the focus of the policy was on telecommuting and incentivizing telecommuting. During the pandemic, most employees were telecommuting. The Green Team revised and relaunched the Commute Trip Reduction policy. The policy added walking, biking, and using transit and created an incentive for employees to purchase or lease new or used battery electric vehicles and plug-in hybrid vehicles. In 2022, the City installed three charging stations at City Hall for both public use and workplace charging.

Since installing the stations in April, 116 charge sessions have been recorded with an average cost per charge of less than \$1.50. Total cost for charging is \$172 to date.

In 2022, the City used 21.8 million gallons of potable water representing a 12% decrease from the baseline year. Parks and right-of-way were the largest consumers of water followed by indoor water usage representing an increase of 11%, a 10% increase from the previous year. Over the past three years, the consumption for rights-of way and buildings has reduced while consumption for parks continues to increase. The City used more reclaimed water totaling 39.6 million gallons for irrigating the golf course.

Solid waste usage is an estimate based on container size and frequency of pickup from LeMay. The City has not completed a solid waste audit. In 2022, the estimate was 428,169 pounds of solid waste produced except for solid waste produced at parks or by street sweeping. The City is composting and recycling 33% of City operations waste by weight. The goal is to reduce waste more.

Green Team activities in 2022 included producing the 2021 Green Team Sustainability Report, drafting and passing an internal anti-idling policy, drafting and passing an update to the internal Commute Trip Reduction Policy, and preparing a proposal to provide free EV charging for five years. The team assisted in the development of the compost procurement ordinance, drafted updates to the Tumwater Purchasing Manual to add sustainability requirements, and drafted a carbon offsets policy for work-related travel.

The team has achieved and is working to maintain progress on reducing net emissions, increasing the percentage of renewable energy for City activities with 100% of electricity from renewable energy, and achieving and

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 8

continuing to work on progress to reduce water usage. Pending items requiring additional efforts include reducing total City operations emissions from activities, and reducing solid waste garbage. One issue to revisit next year is increasing the employee alternative transportation for commuting.

Next steps include funding and implementing electrification and efficiency improvements recommended by the Investment Grade Audit to be completed this year, passage of a resolution establishing a commitment to electrify existing City buildings by a certain date or as natural gas equipment reach end of life, conduct a formal waste audit of City operations, and continue implementing the Thurston County Climate Mitigation Plan.

Coordinator Jones Wood identified the members of the Green Team. She acknowledged the service provided by Dave Bradley to the City of a free greenhouse gas inventory for City Operations.

TUMWATER
CLIMATE WORK
PROGRAM
DISCUSSION:

The Council accepted the Thurston County Climate Mitigation Plan with strategies and a regional path for reducing net greenhouse gas emissions across the region by 45% by 2030 and 85% by 2050 compared to a 2015 baseline. Implementation of the plan can be accomplished by jurisdictions individually, all together, or jointly by one or more jurisdictions. This year, a new term was assigned to clarify the Thurston County Mitigation Collaborative serving as the structure of the Executive Committee, Community Advisory Workgroup, and the staff team working to implement the plan both individually and regionally. At the annual retreat, at least one regional action would be identified to work on each year. All three bodies would be convened to identify one regional action. Jurisdictions also have the ability to independently implement the plan with the expectation of all jurisdictions working on one implementation action each year.

To communicate that direction to the public, a template jurisdiction work program was developed for each jurisdiction to complete and release concurrently in one location to improve communications with the public in terms of projects each jurisdiction is responsible to complete over the next two years.

The City's work on solutions and mitigations span multiple departments. For the 2023-2024 work program, work is underway by the Water Resources and Sustainability Department, Transportation and Engineering, Parks and Recreation, and the Community Development Department. The City's communications team provides support to ensure all information is communicated well to the public. The work plan includes actions that will be implemented from January 2023 through the end of 2024.

Coordinator Jones Wood reported that the City is investing \$26 million between 2023 and 2024 on projects and programs that advance the strategies of the Thurston Climate Mitigation Plan. Approximately \$9.6 million of the

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 9

\$26 million is from grants with more funds pending and reflected in the work program as grant funding dependent. Of the \$26 million, most of the funds are being advanced and spent for transportation and land use sectors to address strategies in the Thurston Climate Mitigation Plan to increase the efficiency of the transportation system.

Buildings and energy are the largest emitting sectors in Thurston County. The strategies in the Thurston Climate Mitigation Plan focus on reducing emissions by reducing energy use in all building types, reducing energy use in new buildings, increasing the production of local renewal energy, and moving away from natural gas. Two solar installations were completed this year at water system sites in the City. Some pending and ongoing work in 2023 and 2024 include submitting for SolSmart Designation, adopting the new State Building Code requiring heat pumps in new construction, and continuing LED lighting upgrades at City facilities.

Transportation and land use strategies include increasing urban density, increasing the efficiency of the transportation system, increasing the option of electrical vehicles, and increasing mode share for lower carbon forms of transportation. Work in 2023 and 2024 includes multiple transportation projects and energy code adoption requiring EV-charging, EV-ready, and EV-capable stations in new developments.

Coordinator Jones Wood reviewed strategies for water and wastewater infrastructure. Some of the work in 2023 and 2024 for the sector is the Investment Grade Audit of City facilities to include a water audit, composting at City events whenever feasible, composting at City facilities, and continued implementation of the compost procurement ordinance.

The agriculture, forests, and prairie sector strategies include agriculture practices that sequester carbon, preserving tree canopy, and managing forests and prairies to sequester carbon. This year and next year, work is ongoing to update the urban forestry codes. An inventory of all trees on City properties will be completed along with a maintenance plan and budget as recommended in the Urban Forest Management Plan. A grant was secured to complete the inventory. Work also continues on the Habitat Conservation Plan and Program.

The last sector in the Thurston Climate Mitigation Plan is cross-cutting of issues that are independent of other sectors focused on advocacy with the public and the Legislature. Work in 2023 and 2024 includes the City's Sustainability web page, guest lectures, and the legislative agenda.

Mayor Sullivan said the Intercity Transit Authority participated in a seven-hour workshop on infrastructure for electric vehicles and hydrogen fuel cell vehicles. The workshop included much technical information. However, the

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 10

proposal was very expensive with an estimated cost of \$400 million for infrastructure only over a ten-year period.

Several Councilmembers complimented the efforts of Coordinator Jones Wood.

Councilmember Cathey questioned the strategies applicable to land use. Coordinator Jones Wood explained that some of the strategies include promoting dense development, 20-minute neighborhoods, and accessory dwelling units.

Councilmember Cathey questioned why the emphasis appears to focus on emissions. Coordinator Jones Wood responded that there are many ways of addressing climate change. The most common one for cities include emissions; however, the strategies can be more holistic and incorporate co-benefits as well. The measurement in the Thurston Climate Mitigation Plan is focused on carbon emissions recognizing that other factors are important as well.

Councilmember Cathey asked about the status of the urban forestry updates that were placed on hold because of the Wildland Urban Interface Code. Director Matlock reported staff continues to determine how the code will be implemented with several meetings planned to address the code. At this time there is no date scheduled for reinstituting the urban forestry amendments. He recommended delaying the amendments until the code is thoroughly reviewed and understood in terms of how it might affect the City. The proposed amendments have been drafted and continue to remain on the work program. There are also many concerns about the new energy code. The Wildland Urban Interface Code was not noticed by many jurisdictions. Many of the jurisdictions more affected by the code know less about the code than staff. Staff continues to remain focused on reviewing the code and meeting with other jurisdictions and organizations to help understand the new requirements. Staff is also concerned with the mapping included in the code.

Councilmember Dahlhoff asked about any opportunities to include additional dashboards to reflect the different sectors. Coordinator Jones Wood advised that some data is easily accessible and can be made into a dashboard, however the frequency of obtaining some data is limited, such as electricity data as it takes some time to secure. Translating the data to greenhouse gas emissions would also be difficult for some data for different sectors. Data that are complicated or requires a third party to provide the data would entail data with fewer changes. In some cases, including data in a dashboard format would be difficult due to the frequency at which we can attain new data. A dashboard reflecting only numbers would not clearly convey the story of the more qualitative benefits of the work.

**TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF VIRTUAL MEETING
September 12, 2023 Page 11**

**MAYOR/CITY
ADMINISTRATOR'S
REPORT:**

City Administrator Parks reported on an employment agreement for the Council's review and ratification at the September 19, 2023 meeting for the Administrative Services Director position. Staff conducted three interview panels of three candidates. An offer was extended and the applicant accepted the position. The candidate is extremely qualified.

City Administrator Parks reported on her recent Fire Department ride along and appreciated Fire Chief Hurley and staff for participating.

ADJOURNMENT:

With there being no further business, Mayor Sullivan adjourned the meeting at 7:51 p.m.

Prepared by Valerie L. Gow, Recording Secretary/President
Puget Sound Meeting Services, psmsoly@earthlink.net

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 1

CONVENE: 7:00 p.m.

PRESENT: Mayor Debbie Sullivan and Councilmembers, Joan Cathey, Michael Althausen, Leatta Dahlhoff, Angela Jefferson, Charlie Schneider, and Eileen Swarthout.

Excused: Councilmember Peter Agabi.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Finance Director Troy Niemeyer, Community Development Director Michal Matlock, Water Resources and Sustainability Director Dan Smith, Parks and Recreation Director Chuck Denney, Assistant Fire Chief Shawn Crimmins, Communications Manager Ann Cook, Sustainability Coordinator Alyssa Jones Wood and City Clerk Melody Valiant.

PROCLAMATION: Councilmember Swarthout read a proclamation declaring *September 19, 2023* as *National Voter Registration Day*. The proclamation encourages all eligible City of Tumwater residents to register to vote, to vote when they receive their ballot, and to encourage their neighbors to vote.

**NATIONAL VOTER
REGISTRATION
DAY - SEPTEMBER
19, 2023:**

Mayor Sullivan presented the proclamation to Tillie Naputi-Pullar, Thurston County Elections Manager. Ms. Naputi-Pullar thanked the Council for recognizing *National Voter Registration Day*. Voting is the cornerstone of democracy. Unless registered, citizens cannot vote. Thurston County has approximately 196,000 registered voters. The main goal in Voter Registration is reaching out to the young community. Only 70% of young people aged 18 to 24 years are registered to vote compared to 90% of other age groups. Voter registration has never been easier with same day voter registration possible enabling 16 and 17-year olds to pre-register before the November election. This year marks the 10th anniversary of *National Voter Registration Day* in Thurston County. Thurston County is celebrating the day by launching the *Urge Your Neighbor to Vote Challenge*. Thurston County is partnering with Timberland Regional Library to empower voters to urge their neighbors to vote. Frequent voters are asked to lend their knowledge to the more less-frequent voters to bridge the gap to create a more informed electorate. Libraries throughout Thurston County will carry ballot party kits that voters can use to host their own events to encourage friends and others to register and vote.

**INTRODUCTION OF
NEW FIREFIGHTER/
PARAMEDIC - NATE
RYLAARSDAM:** Assistant Fire Chief Crimmins introduced new Firefighter/Paramedic Nate Rylaarsdam. Firefighter/Paramedic Rylaarsdam was previously with the Bellingham Fire Department since 2012. He joined the Tumwater Fire Department in August 2023.

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 2

**SOLSMART SILVER
DESIGNATION:**

Coordinator Jones Wood reported the City recently received the SolSmart Silver designation, a national technical assistance and designation program from the Department of Energy encouraging local jurisdictions to reduce the solar soft costs and obstacles that inhibit residential and small solar installations.

The City pursued the designation to help achieve the Council's Strategic Priority of *Being A Leader In Environmental Sustainability* that includes a goal to streamline permitting for green projects as well as continued implementation of the Thurston Climate Mitigation Plan. The Thurston Climate Mitigation Plan includes an action to pursue more solar installations. The designation process includes three levels of Bronze, Silver, and Gold designations, with each level requiring separate requisites and points necessary to attain to achieve the designation. Ten cities in Washington have received SolSmart designations.

Coordinator Jones Wood described some actions in progress by the City prior to seeking the SolSmart designation. To improve the program, permitting and inspection staff attended trainings on best practices for permitting solar, planning and zoning staff participated in training on planning and zoning for solar and staff reviewed the zoning code and identified any obstacles that might have inhibited permits for installation of solar. Staff created a solar webpage with a solar permit checklist, application, zoning determination letter, fact sheet, and frequently asked questions on the City's website. Staff also promoted Olympia Community Solar's Solarized Group Purchase campaign, an action in the Thurston Climate Mitigation Plan. Staff developed and launched a solar dashboard to track the number of solar permits monthly and by year, total amount of solar installed in Tumwater, and the number of residents involved in or subscribed to community solar projects if they are renters or have many trees they want to retain while also wanting to support solar. Staff sent a thank-you letter to all residents in the City who have installed solar and to share information about the dashboard and how each resident with installed solar would be marked with a star or sun symbol near their home. A press release was released about the City's support of solar energy.

Although SolSmart Silver requires 100 points and Gold requires 200 points, the City has attained 210 points and will be submitting for the Gold designation after achieving a three-day turnaround time for solar permits.

Coordinator Jones Wood displayed the City's solar dashboard and

**TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 3**

shared some results to date. The number of permits continue to increase. The dashboard is updated monthly.

Coordinator Jones Wood addressed questions about the timeline for solar inspections by the City and other agencies. The three-day turnaround time for the SolSmart designation is reflective of the City's permit process and is not based on inspections by Puget Sound Energy or the Department of Labor and Industries. She was asked whether staff could pursue contacting other agencies to assist in improving and/or consolidating the inspection timeline process.

PUBLIC COMMENT: **Dave Nicandri, 505 South 4th Avenue SW, Tumwater,** reported on a productive and rewarding briefing from City staff concerning his repeated queries on the status of the Ninth Circuit Court of Appeals ruling on natural gas connections and appliances. He was satisfied with the answers. However, he plans to continue to attend and speak during Council meetings for the foreseeable future. He pointed out that he acknowledges climate change and global warming are real and need to be addressed. He authored a book with climate change as a backdrop. His hesitation and reservation surrounds punitive climate change solutions, most infamously, the ban on natural gas connections and production of appliances. The Council is scheduled to consider an interlocal agreement for the Thurston Climate Mitigation Plan. He asked whether additional materials could be provided regarding the agreement. The Climate Action Tracker, the body that monitors the Parris Agreement, noted that between 2015 and 2022 China's greenhouse gas emissions increased by 12%. Chinese coal production reached a record level in 2022 and between 2020 and 2022 China added 113 megawatts of new coal-fired capacity. Coal trains traveling through East Olympia each day are delivering coal to China and other countries. National Public Radio reported recently that even with built-up of coal fire capacity elsewhere, China permitted more coal plants in 2022 than any time in the preceding 7 years and that has lead to the increase in greenhouse gas emissions. He urged caution on the pell-mell push to electrification and expensive energy alternatives that are solely being pursued by North America and not globally.

**CONSENT
CALENDAR:**

- a. Approval of Minutes: City Council, September 5, 2023
- b. Payment of Vouchers
- c. Interlocal Agreement with Lewis County for Use of Jail Facilities Amendment No. 3
- d. Service Provider Agreement with National Public Safety Group, LLC for Law Enforcement Records Management System (LERMS) RMS/JMS Replacement Project Management
- e. Service Provider Agreement with Tumwater School District for Summer Youth Employment Program
- f. Audit Engagement Letter with the State Auditor's Office

**TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 4**

g. Audit Examination Engagement Letter with the State Auditor's Office

MOTION: **Councilmember Althaus moved, seconded by Councilmember Jefferson, to approve the consent calendar as published. A voice vote approved the motion unanimously.**

Mayor Sullivan reviewed the items approved on the consent calendar.

**COUNCIL
CONSIDERATIONS:**

**EMPLOYMENT
CONTRACT FOR
ADMINISTRATIVE
SERVICES
DIRECTOR:**

City Administrator Parks requested consideration for approval of the Employment Contract with Michelle Sutherland to serve as the City's Administrative Services Director. The City interviewed three qualified candidates and utilized a three-panel interview process that included a panel of City directors, a panel of staff members, and the Mayor and City Administrator. Ms. Sutherland was highly recommended by the other panels during the interview group process. Ms. Sutherland has served as the Administrative Services Director for the City of Shelton since 2019. Prior to her employment with the City of Shelton, she served as the HR Manager for a 400-unit correctional facility in Michigan. Ms. Sutherland has a Bachelor's Degree in Psychology/Business Administration, and is currently working on a Master's Degree in Management and Leadership from Western Governors University. Additionally, Ms. Sutherland has extensive HR experience to include labor negotiations and working closely with civil service commissions, which is important for Tumwater. As the Administrative Services Director, her primary roles are in HR with oversight and assistance to the Clerk's function and the public records function.

Ms. Sutherland thanked the Mayor and the City Administrator for the opportunity, as she is excited to work for the City of Tumwater and to serve the community of her residence.

MOTION: **Councilmember Jefferson moved, seconded by Councilmember Swarthout, to authorize the signing of an employment agreement with Michelle Sutherland to be the City's Administrative Services Director. A voice vote approved the motion unanimously.**

**INTERLOCAL
AGREEMENT WITH
THURSTON
COUNTY, CITIES OF
OLYMPIA AND
LACEY FOR**

Coordinator Jones Wood reported the proposed interlocal agreement (ILA) would replace the Phase 4 ILA for climate efforts previously executed in 2022. The implementation strategy for the Thurston Climate Mitigation Plan was developed around assumptions of no staff capacity to assist with implementation. Conditions have since changed where each of the partner jurisdictions now have assigned

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 5

**IMPLEMENTATION
 OF
 THE THURSTON
 CLIMATE
 MITIGATION PLAN:**

climate staff. The goals of the new ILA are to revise the implementation strategy and clarify roles and responsibilities. Previously, there was uncertainty as to whether jurisdictions would be able to implement the plan independently or whether it was necessary for all jurisdictions to work concurrently to complete actions. The proposed ILA provides clarification moving forward to implement as many actions as possible.

In October 2022, staff teams requested a pause of Climate Action Steering Committee meetings to take some time to reflect. Staff met with staff from the Thurston Regional Planning Council over the course of months to determine roles and responsibilities under the new structure moving forward to ensure effectiveness and efficiency.

A retreat was held with the Climate Action Steering Committee. Staff worked with appointed elected officials to ensure the proposed ILA was on track. Following additional meetings to review retreat outcomes, staff presented the information to the Climate Advisory Workgroup, a workgroup of approximately 15 stakeholders representing different community perspectives. Following a series of ongoing meetings, staff was informed that TRPC no longer desired to move forward with regional climate work, which required resolution to move forward lacking TRPC capacity. The proposed ILA was vetted through additional meetings and processes.

The proposed ILA recognizes staff capacity, defines the Thurston Climate Mitigation Collaborative (4 groups), clarifies the roles and relationships for all components of the Thurston Climate Mitigation Collaborative, establishes a framework for regionally coordinated implementation through the first greenhouse gas emissions shared target of 2030, and provides increased opportunity for the Community Advisory Workgroup (previously the Climate Advisory Workgroup) to vet actions through diverse perspectives. The Executive Committee is comprised of one elected official and one alternate from each jurisdiction. The committee will meet quarterly to discuss and review climate mitigation activities and ways for jurisdictions to work together. The staff team is comprised of staff from each jurisdiction.

The scope of the ILA is for implementation actions with the staff team and Executive Committee to work on regional coordination and regional implementation when possible. Some actions in the plan are not conducive for regional action, such as working on municipal buildings. The ILA establishes an annual Climate Mitigation Retreat of all three groups of the Thurston Climate Mitigation Collaborative to meet and review past efforts and work on strategic planning and identify one joint regional action.

**TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 6**

The proposed ILA establishes a timeline beginning in 2024 for updates to the Thurston Climate Mitigation Plan with minor administrative plan updates scheduled every other year. Beginning in 2028 and every six years thereafter, a comprehensive review of the plan will be undertaken. Additionally a greenhouse gas inventory will be completed every three years. For administrative support replacing TRPC, the ILA includes coordination and facilitation of the Executive Committee and Community Advisory Workgroup, production of an annual report, and hosting and maintaining a third party website for the collaborative. Each party to the ILA will contribute an equal share of funds. The schedule is conducive to the City of Tumwater's biennial budget process. The proposed estimate for the next 15 months is \$47,500 and \$17,500 for the last remaining months in 2023, and for 2024, the estimate is \$30,000. For comparison, the Phase 4 ILA for 2022 was approximately \$60,000.

The City of Lacey volunteered to serve as the contract holder for administrative support and Thurston County volunteered to serve as the contract holder for the greenhouse gas inventory. The duration of the agreement is until December 31, 2030.

Changes necessary in the administrative and technical support necessitated an annual retreat planned for the staff team and hosted on a rotating basis. The City of Lacey hosted the first retreat. The City of Lacey released a request for qualifications for administrative support to assist with the implementation process.

Councilmember Althausen asked whether administrative support would be provided by a consultant. Coordinator Jones Wood advised that a non-profit submitted a proposal. The non-profit provides similar services to other jurisdictions across the world.

Councilmember Swarthout acknowledged the efforts of Coordinator Jones Wood and other subject matter experts as the topic is difficult and having all jurisdictions involved with subject matter experts has created a productive process.

MOTION:

Councilmember Swarthout moved, seconded by Councilmember Althausen, to approve and authorize the Mayor to sign the Interlocal Agreement between Thurston County, City of Lacey, City of Olympia, and City of Tumwater to support regionally coordinated implementation of the Thurston Climate Mitigation Plan. A voice vote approved the motion unanimously.

**COMMITTEE
REPORTS:**

PUBLIC HEALTH &

The agenda for September 12, 2023 meeting included Thurston

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 7

SAFETY:

Leatta Dahlhoff

County Prosecutor's Office providing an update on the Blake decision and new provisions and an amendment to an interlocal agreement with Lewis County for use of jail facilities. Criminal cases in 2022 not including domestic violence totaled 341. Domestic violence cases totaled 139 for 480 cases the Prosecutor's Office handled for the City of Tumwater. Up to June 2023, cases not related to domestic violence totaled 215 with 59 domestic violence cases for a total of 274 cases from January to June 2023. The City is on track to increase cases by 20% in 2023. The Prosecutor also provided an update on *State vs. Blake* from February 2021 to August 2023. Thurston County currently offers a Drug/DWI Court in Superior Court, a mental health court and veterans court in the District Court, a behavioral health alternatives court in the Juvenile Court, and a diversion program operated from both by Superior and Districts Courts. The newest program is the Law Enforcement Assisted Diversion (LEAD). All court programs are available for Tumwater residents who have been involved in the criminal justice system. The committee requested the Prosecutor's Office provide a similar update from the Public Defender's Office to provide an overall holistic review of the City's contract with the Thurston County Prosecutor's Office, as well as requesting an update from Tumwater's School Resource Officers with the advent of school beginning, and an update on the code violation process by the Tumwater Police Department.

GENERAL

GOVERNMENT:

Michael Althausen

At the Wednesday, September 13, 2023 meeting, the committee reviewed the 2025 Comprehensive Plan Update on the Housing and Land Use Elements.

PUBLIC WORKS:

Eileen Swarthout

The September 21, 2023 and the October 5, 2023 meetings were cancelled. The next scheduled meeting is on Thursday, October 19, 2023 at 8 a.m.

BUDGET AND

FINANCE:

Debbie Sullivan

There was no meeting and no report.

**MAYOR/CITY
ADMINISTRATOR'S
REPORT:**

City Administrator Parks reported on three concurrent audits in progress. The first is an accountability audit from January 2020 through December 31, 2022. A financial statement audit covers the period from January 2022 through December 2022. The last audit is the Corona Virus State and Local Fiscal Recovery Funds covering January 2022 through December 2022. The last audit has been completed and the exit interview included the City Administrator and the Finance Director. The State Auditor's Office is issuing an unmodified clean audit with no concerns and no exit items.

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 8

Following the discussion at a recent worksession on food sharing, Director Matlock plans to issue an administrative interpretation to help clarify the current zoning for small food pantries similar to the interpretation issued for little libraries. The interpretation will not change the current zoning code but will provide clarity. Staff plans to include in the draft 2024 Work Program, an option for completing a Food System Plan as discussed by the Council during the worksession. The draft plan would likely include recommendations for changes to zoning regulations and other applicable recommendations.

City Administrator Parks shared some communications from the public complimenting staff for providing helpful assistance and for being accommodating in different situations. The Community Development Department team received positive feedback from a tenant at the Craft Market building for the service received from the department.

With respect to new recent code requirements, the State Building Code Council voted recently to delay the effective date of the proposed code provisions until March 15, 2024. Staff will continue to monitor the process. Staff continues to meet with staff from the Building Code Council, Association of Washington Cities (AWC), and the City's lobbyist to identify next steps and potential implications of the code changes to the City of Tumwater, particularly the Wildland and Urban Land Interface Code.

The City recently received a \$334,000 grant from the U.S. Department of Agriculture Forest Service to support a program expected to cost \$670,000. Funds will support the hiring of an urban forester for the City in 2025, assist in the study of heat island affects by installing temperature data loggers in 2024, assist in developing a canopy equity program expanding the urban forest in low canopy areas or over-burdened areas by 2027, develop a tree assessment assistant program, and help launch the City's Street Tree Trimming grants supporting tree maintenance adjacent to low- and moderate- income properties.

Councilmember Cathey requested additional clarification as to the term of food pantries as food pantries are different from a food stand or tables with produce from residential gardens. City Administrator Parks explained that the administrative interpretation is to assist in clarifying the differences between a food pantry and residents selling or giving away produce from their gardens. The intent is to help staff and the community understand what the zoning code currently allows in a residential zone district with respect to food sharing opportunities. It will likely entail something similar to the little library structure in terms of scale, location, and the type of activities centered on the

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 9

activity. Currently, the zoning code does not specifically speak to this type of use. However, the City established an interpretation for little libraries to identify instances that would be consistent with an accessory use for a residential zoning area. The Food System Plan discussed and recommended by staff at the Council's last worksession is intended to account for the entirety of the food system within the community and examples as provided by staff that included not only how food is distributed and how people are able to obtain food in some locations but also addressing production of food and where and how that could occur. Staff recommended completing an inventory of current codes related to the distribution and availability of food and identify with some specificity where the gaps exist in the current food system program. Staff will recommend actions that the City could pursue under the auspices of city government to help fill the gaps identified through the inventory process. Some changes would likely require amendments to zoning regulations. The amendment process can take several months and would be included in the work program for 2024.

Councilmember Cathey noted that food pantries only include non-perishable foods, such as canned food or packaged food. It is important to distinguish a resident with a table of produce from their garden in front of their home versus a food pantry. It is important for the community to understand the difference.

City Administrator Parks agreed and added that the zoning code currently lacks definitions for food sharing, food pantry, or other definitions that provide clarity in terms of how the zoning code addresses those types of uses.

Councilmember Cathey spoke to the status of amendments to urban forestry codes that was placed on hold due to the new code requirements from the State Building Code Council. She asked whether the City plans to place any amendments on hold as well because the new codes would not be implemented until March 2024. City Administrator Parks responded that the urban forestry grant the City received is intended to be a tool to help implement the provisions of the Urban Forestry Management Plan and assist with monitoring and implementation of urban forestry ordinances. The issue speaks to changes to any regulations and implementation of the Urban Forestry Management Plan that may include some code enforcement or code evaluation.

Councilmember Cathey noted that the City placed a hold on the update of the tree preservation code, which urgently needs an update. That work was paused until staff was able to identify the impacts of the new Wildland Urban Interface Code and how it might conflict

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 10

with any new changes to the tree preservation code. She asked whether the City plans to continue working on proposed amendments to tree ordinances. City Administrator Parks reported the ordinances have been drafted and are ready for the review process. However, a decision was rendered to put those ordinances on hold because of the implementation of the codes as drafted would be inconsistent with the Wildland Urban Interface Code. Staff is working on reviewing the code and working with the State Building Code Council, AWC, and the City's lobbyist to understand how the regulations would apply to the City, as well as encouraging the Building Code Council to consider changes to the new codes related to the Wildland Urban Interface Code. It appears that although the Building Code Council had a laudable goal in reviewing and developing the Wildland Urban Interface requirements based on the increase in wildfires in Western and Eastern Washington, the Council likely did not understand the implications of the new codes. Cities are helping the Building Code Council understand those implications to help resolve some of the differences to enable the City to reinstitute the draft ordinance review process.

Councilmember Cathey said she has been contacted by some community members about concerns with neighbors cutting down legacy trees and the enforcement by the City of current codes. Director Matlock advised that community members concerned about tree violations should contact the City. Code enforcement will respond to those incidents immediately.

Mayor Sullivan reported on her attendance to the Intercity Transit Authority Board meeting. The Authority adopted the 2022 Annual Report and the 2023-2028 Transit Development Plan. Members received an update from HR staff about recruitment difficulties for bus drivers. IntercityTransit is collaborating with Work Source and on August 31, 2023, 61 individuals registered for a recruitment event. The event produced 14 contingent job offers. The next bus operator class scheduled for October 9, 2023 could include up to 20 individuals to train as a bus driver. It is important to graduate a class of bus drivers to assist the agency implement transit service to pre-pandemic levels. The agency's Community Advisory Committee is actively recruiting and is accepting applications until October 6, 2023. Positions are open on the 23-member committee along with a youth position for a high school student.

Mayor Sullivan attended the Senior Picnic at Tumwater Historical Park.

Upcoming events include the Kindred Park opening ceremony, Fall Fest on September 30, 2023, and Tumwater's Drop Off Clean Off Day

**TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 11**

on October 7, 2023. The Market Building at the Craft District off Capitol Boulevard is planning an opening event on October 14, 2023.

**COUNCILMEMBER
REPORTS:**

Leatta Dahlhoff:

The LOTT Clean Water Alliance Board received an update on the digester system improvement Phase 2 procurement process and the Budd Inlet Reclaimed Water Plant Piping Replacement Construction Contract. The Board is scheduled to begin a strategic plan overview at the end of the year, which overlaps with each jurisdiction's periodic update of comprehensive plans. An opportunity might exist with the City's Housing Element of the Comprehensive Plan with LOTT providing an affordable housing connection rate reduction. The strategic work plan speaks to LOTT's interest to discuss opportunities and ways to incentivize accessory dwelling units (ADUs). Should issues in the different Comprehensive Plan Elements be conducive to working with LOTT, it might result in potential partnerships that could benefit both the City and LOTT.

Charlie Schneider:

There was no report.

Joan Cathey:

At the last Solid Waste Advisory Committee meeting, members and staff discussed ways to communicate the goal of reducing food waste and increasing food composting. Some progress has occurred in terms of reducing waste and increasing composting. The City of Tumwater is working on goals to reduce food waste and increase composting.

Councilmember Cathey reported she, Councilmember Althausen, and Councilmember Dahlhoff attended the General Government Committee meeting. She also attended the last meeting of the Olympic Clean Air Agency on the same day.

Eileen Swarthout:

Councilmember Swarthout attended the retreat for TRPC. Members discussed the agency's strategic plan and received a presentation from Washington State Department of Transportation's Diverse, Equity, and Inclusion Plan Manager and the Environmental Justice and Healthy Manager on the Healthy Environment for All (HEAL). Members confirmed TRPC's vision, mission, and values.

Councilmember Swarthout chaired the Tumwater Lodging Tax Advisory Committee meeting. Fifteen applicants applied for funding of \$190,000. Members rendered funding decisions for consideration by the Council later in the year.

Angela Jefferson:

Councilmember Jefferson attended the Senior Picnic on September 13, 2023 at Tumwater Historical Park. Many seniors enjoyed the

TUMWATER CITY COUNCIL MEETING
MINUTES OF HYBRID MEETING
September 19, 2023 Page 12

fellowship and good food. The chicken was donated by Safeway. The picnic theme next month is a chili competition.

At the September 14, 2023 Tumwater HOPES meeting, members were advised of a new organization to house the coalition. The coalition is no longer under the Thurston County Department of Health as of October 1, 2023. The new organization is ESD 113, When the coalition discussed the organization to choose of either ESD 113 or Family Support Center, members recommended ESD 113 because of medical employee benefits. Members also shared frustration over the constant change of managers with the organization led by three managers in three years. The current manager recently left the organization with a new manager to be identified soon. Health Department personnel explained why there has been such a high turnover rate and staff shortages experienced in the medical industry. The goal is for the organization to obtain some stability in Olympia.

At an earlier meeting in the day, Olympia and Beyond Board members discussed creating a destination management plan with a private consultant to assist the organization in making Thurston County a premier travel destination. The Destination Management Committee held its first meeting and all community stakeholders attended to include staff from the City.

Michael Althausen: The Regional Housing Council is scheduled to meet on Wednesday, September 27, 2023.

EXECUTIVE SESSION: Mayor Sullivan recessed the meeting at 8:20 p.m. for an executive session to discuss real estate acquisition pursuant to RCW 42.30.110(1)(b) for approximately 15 minutes.

RECONVENE & ADJOURNMENT: Mayor Sullivan reconvened the meeting at 8:35 p.m.

MOTION: Councilmember Swarthout moved, seconded by Councilmember Dahlhoff, to adjourn the meeting at 8:35 p.m. A voice vote approved the motion unanimously.

Prepared by Valerie L. Gow, Recording Secretary/President
 Puget Sound Meeting Services, psmsoly@earthlink.net

TO: City Council
 FROM: Shelly Carter, Assistant Finance Director
 DATE: October 3, 2023
 SUBJECT: Payment of Vouchers

1) Recommended Action:

Staff is seeking City Council ratification of:

- September 15, 2023, payment of Eden vouchers 173642 to 173665 in the amount of \$288,450.74 and electronic payments 902826 to 902838 in the amount of \$155,646.71 and wire payments of \$219,989.99; and Munis vouchers 181322 to 181393 in the amount of \$235,660.28 and electronic payments 903525 to 903545 in the amount of \$44,214.29.
- September 22, 2023, payment of Eden vouchers 173666 to 173676 in the amount of \$180,517.50 and electronic payments 902839 to 902846 in the amount of \$71,601.92 and wire payments of \$229,689.37; and Munis vouchers 181394 to 181463 in the amount of \$4,868,221.13 and electronic payments 903552 to 903584 in the amount of \$234,567.44.

2) Background:

The City pays vendors monthly for purchases approved by all departments. The Finance Director has reviewed and released the payments as certified on the attached Exhibit(s). The full voucher listings are available by request to the Assistant Finance Director. The most significant payments* were:

Vendor		
Herrera Environmental Consultants	33,464.10	Professional Services 5/27 to 7/28 – Stormwater Management Action Plan (SMAP)
Pacific Testing & Inspection, Inc	36,464.30	2023 Pavement Maintenance
AWC Employee Benefit Trust	135,721.80	October Premiums
Active Construction, Inc	366,973.72	PE#8 I5/Trosper/Capital Blvd Project
Cascade Recreation Svc	75,479.31	Preserve Park Equipment
Holt Services, Inc	22,679.43	Clearcreek Palermo Lagoon dredging & maintenance
LOTT Wastewater Alliance	1,548,818.23	August 2023 LOTT Fees collected
Miles Resources, LLC	863,932.38	PE#3 2023 Pavement Maintenance
Nisqually Indian Tribe	30,320.00	Aug 2023 Incarceration & Booking Fees
Reed Trucking & Excavating, Inc	1,369,649.10	PE#1 Israel Rd. & Linderson Way Water Main
Ron's Stump Removal	20,695.50	Removed 4 trees Lakepark Drive
Tumwater School District #33	340,810.00	June and July Impact Fees collected
Clary Longview, LLC	109,324.60	Two replacement Police vehicles – 2023 Ford Interceptors

Vendor		
HDR Engineering Inc	27,270.58	Professional Services 7/30 to 8/26 – Old Highway and 79 th Ave Roundabout
LEOFF Health & Welfare Trust	56,784.99	October Medical Premiums for Police Guild

* Includes vouchers in excess of \$20,000, excluding routine utility payments.

3) Policy Support:

- Strategic Goals and Priorities: Fiscally responsible and develop sustainable financial strategies.
- Vision Mission Beliefs-Excellence: Efficient stewards of public resources, building public trust through transparency.

4) Alternatives:

- ☐ Ratify the vouchers as proposed.
- ☐ Develop an alternative voucher review and approval process.

5) Fiscal Notes:

The vouchers are for appropriated expenditures in the respective funds and departments.

6) Attachments:

- A. Exhibit A – Payment of Vouchers – Review and Approval
- B. Exhibit B – Payment of Vouchers – Review and Approval

EXHIBIT "A"

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Tumwater, and that I am authorized to authenticate and certify to said claim.

Munis

Voucher/Check Nos 181322 through 181393 in the amount of \$235,660.28

Electronic payment No 903525 through 903545 in the amount of \$44,214.29

Eden

Voucher/Check Nos 173642 through 173665 in the amount of \$288,450.74

Electronic payment No 902826 through 902838 in the amount of \$155,646.71

Wire payments of \$219,989.99



Asst. Finance Director, on behalf of the Finance Director

Checks dated 09/15/2023

EXHIBIT "B"

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claim is a just, due and unpaid obligation against the City of Tumwater, and that I am authorized to authenticate and certify to said claim.

Munis

Voucher/Check Nos 181394 through 181463 in the amount of \$4,868,221.13

Electronic payment No 903552 through 903584 in the amount of \$234,567.44

Eden

Voucher/Check Nos 173666 through 173676 in the amount of \$180,517.50

Electronic payment No 902839 through 902846 in the amount of \$71,601.92

Wire payments of \$229,689.37

A handwritten signature in cursive script, reading "Shelly J. Carter", is written over a horizontal line.

Asst. Finance Director, on behalf of the Finance Director

Checks dated 09/22/2023

TO: City Council
 FROM: Patrick Soderberg, Water Resources Program Manager
 DATE: October 3, 2023
 SUBJECT: Service Provider Agreement with Carollo Engineering for Phase 1 Source Development & Cost of Service Review

1) Recommended Action:

Recommend the City Council approve and authorize the Mayor to sign the Service Provider Agreement with Carollo Engineering Inc. for Phase I of the Source Development, and Cost of Service Review project.

2) Background:

The City of Tumwater owns and operates a water system that serves a residential and non-residential population of approximately 62,000. The City's water supply sources include groundwater wells and reclaimed water from LOTT Clean Water Alliance. In total, existing water supplies provide about 6,000 gallons per minute (gpm). To meet projected water demands, the City needs to develop new water sources. The City's maximum day demands (MDD) are approximately 5,000 gpm, or 7 million gallons per day (mgd). With additional water demand from new industrial customers, the City expects MDD to increase to approximately 7,000 gpm, or 10 mgd by 2027.

To meet the objectives of this project, the Consultant shall complete the Phase I tasks:

- Task 1 – Project Management
 - Task 2 – Explore Drinking Water Supply Need and Supply Options
 - Task 3 – Cost of Service Study
-

3) Policy Support:

Strategic Priority B – Be a Leader in Environmental Sustainability
 #11 – Ensure ample water supply.

4) Alternatives:

- ☐ Reject the Service Provider Agreement.
-

5) Fiscal Notes:

The total cost of Phase I of this project is \$245,628.00 and is included in the Water Fund Capital Facilities Plan (WA-9).

6) Attachments:

- A. Service Provider Agreement with Carollo Engineering Inc. for the Source Development & Cost of Service Project
- B. Capital Facilities Plan Worksheet WA-9

**CITY OF TUMWATER
SERVICE PROVIDER AGREEMENT**

SOURCE DEVELOPMENT & COST OF SERVICE REVIEW

THIS AGREEMENT is made and entered into in duplicate this _____ day of _____, 2023, by and between the CITY OF TUMWATER, a Washington municipal corporation, hereinafter referred to as the “CITY”, and Carollo Engineers Inc., a Delaware corporation, hereinafter referred to as the “SERVICE PROVIDER”.

WITNESSETH:

WHEREAS, the CITY desires to have certain services and/or tasks performed as set forth below requiring specialized skills and other supportive capabilities; and

WHEREAS, sufficient CITY resources are not available to provide such services; and

WHEREAS, the SERVICE PROVIDER represents that the SERVICE PROVIDER is qualified and possesses sufficient skills and the necessary capabilities, including technical expertise, where required, to perform the services and/or tasks set forth in this Agreement.

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

1. SCOPE OF SERVICES.

The SERVICE PROVIDER shall perform such services and accomplish such tasks, including the furnishing of all materials and equipment necessary for full performance thereof, as are identified and designated as SERVICE PROVIDER responsibilities throughout this Agreement and as detailed in Exhibit “A” Scope of Services and Exhibit “B” Level of Effort, attached hereto and incorporated herein (the “Project”).

2. TERM.

The Project shall begin no earlier than October 5, 2023, and shall be completed no later than October 31, 2024. This Agreement may be extended for

additional periods of time upon mutual written agreement of the parties.

3. TERMINATION.

Prior to the expiration of the Term, this Agreement may be terminated immediately, with or without cause, by the CITY.

4. COMPENSATION AND METHOD OF PAYMENT.

A. Payments for services provided hereunder shall be made following the performance of such services, unless otherwise permitted by law and approved in writing by the CITY.

B. No payment shall be made for any service rendered by the SERVICE PROVIDER except for services identified and set forth in this Agreement.

C. The CITY shall pay the SERVICE PROVIDER for work performed under this Agreement a total sum not to exceed TWO HUNDRED FORTY FIVE THOUSAND SIX HUNDRED TWENTY EIGHT and 00/100 DOLLARS (\$245,628.00) as reflected in Exhibit "A", Scope of Services.

D. Upon execution of this Agreement, the SERVICE PROVIDER must submit IRS Form W-9 Request for Taxpayer Identification Number (TIN) and Certification unless a current Form W-9 is already on file with the CITY.

E. The SERVICE PROVIDER shall submit an invoice to the CITY for services rendered during the contract period. The CITY shall initiate authorization for payment after receipt of said invoice and shall make payment to the SERVICE PROVIDER within approximately thirty (30) days thereafter.

F. When subcontracting services or purchasing goods from third parties, as identified and approved in this Agreement, the SERVICE PROVIDER must submit written documentation establishing that the goods and/or services have been provided and the third party has been paid in order to receive payment for such goods and/or services.

G. Invoices may be submitted immediately following performance of services, but in no event shall an invoice be submitted more than twenty (20) business days following the end of the contract term or the end of the calendar year, whichever is earlier.

5. INDEPENDENT CONTRACTOR RELATIONSHIP.

A. The parties intend that an independent contractor relationship

will be created by this Agreement. Subject to paragraphs herein, the implementation of services pursuant to this Agreement will lie solely within the discretion of the SERVICE PROVIDER. No agent, employee, servant or representative of the SERVICE PROVIDER shall be deemed to be an employee, agent, servant or representative of the CITY for any purpose, and the employees of the SERVICE PROVIDER are not entitled to any of the benefits the CITY provides for its employees. The SERVICE PROVIDER will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, subcontractors or representatives during the performance of this Agreement.

B. In the performance of the services herein contemplated the SERVICE PROVIDER is an independent contractor with the authority to control and direct the performance of the details of the work; however, the results of the work contemplated herein must meet the approval of the CITY and shall be subject to the CITY'S general rights of inspection and review to secure the satisfactory completion thereof.

C. As an independent contractor, the SERVICE PROVIDER shall be responsible for the reporting and payment of all applicable local, state, and federal taxes.

D. It is recognized that the SERVICE PROVIDER may or will be performing services during the Term for other parties; provided, however, that such performance of other services shall not conflict with or interfere with the SERVICE PROVIDER'S ability to perform the services. The SERVICE PROVIDER agrees to resolve any such conflicts of interest in favor of the CITY.

6. SERVICE PROVIDER EMPLOYEES/AGENTS.

A. The SERVICE PROVIDER shall perform the services required hereunder in accordance with the prevailing standard of care by exercising the skill and ability ordinarily required of consultants performing the same or similar services, under the same or similar circumstances, in the State of Washington.

B. The CITY may at its sole discretion require the SERVICE PROVIDER to remove an employee, agent or servant from employment on this Project. The SERVICE PROVIDER may however employ that individual on other non-CITY related projects.

7. HOLD HARMLESS INDEMNIFICATION.

A. SERVICE PROVIDER Indemnification. The SERVICE PROVIDER agrees to indemnify, defend and hold the CITY, its elected officials,

officers, employees, agents, and volunteers harmless from any and all claims, demands, losses, actions and liabilities (including costs and all attorney fees) to or by any and all persons or entities, including, without limitation, their respective agents, licensees, or representatives, arising from, resulting from, or connected with this Agreement to the extent caused by the negligent acts, errors or omissions of the SERVICE PROVIDER, its partners, shareholders, agents, employees, or by the SERVICE PROVIDER'S breach of this Agreement. The SERVICE PROVIDER expressly waives any immunity that may be granted to it under the Washington State Industrial Insurance Act, Title 51 RCW. The SERVICE PROVIDER'S indemnification shall not be limited in any way by any limitation on the amount of damages, compensation or benefits payable to or by any third party under workers' compensation acts, disability benefit acts or any other benefit acts or programs. This waiver has been mutually negotiated by the parties.

B. CITY Indemnification. The CITY agrees to indemnify, defend and hold the SERVICE PROVIDER, its officers, directors, shareholders, partners, employees, and agents harmless from any and all claims, demands, losses, actions and liabilities (including costs and attorney fees) to or by any and all persons or entities, including without limitation, their respective agents, licensees, or representatives, arising from, resulting from or connected with this Agreement to the extent solely caused by the negligent acts, errors, or omissions of the CITY, its employees or agents. No liability shall attach to the CITY by reason of entering into this Agreement except as expressly provided herein.

C. Survival. The provisions of this Section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

8. INSURANCE.

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

B. The SERVICE PROVIDER shall provide a Certificate of Insurance evidencing:

1. Automobile Liability insurance with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage.

2. Commercial General Liability insurance written on an

occurrence basis with limits no less than \$2,000,000 combined single limit per occurrence and \$2,000,000 aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability.

3. Professional Liability insurance written on a claims made basis with limits of no less than \$2,000,000 per claim, and \$2,000,000 policy aggregate limit.

C. The CITY shall be named as an additional insured on the Commercial General and Automobile liability insurance policies, as respect to work performed by or on behalf of the SERVICE PROVIDER and a copy of the endorsement naming the CITY as additional insured shall be attached to the Certificate of Insurance. The CITY reserves the right to request certified copies of any required policies.

D. The SERVICE PROVIDER'S Commercial General and Automobile liability insurance policies shall contain a clause stating that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respects to the limits of the insurer's liability.

E. Any payment of deductible or self-insured retention shall be the sole responsibility of the SERVICE PROVIDER.

F. The SERVICE PROVIDER'S Commercial General and Automobile liability insurance policies shall be primary insurance as respect to the CITY and the CITY shall be given written notice of any cancellation, suspension or reduction in coverage within two (2) business days of SERVICE PROVIDER'S receipt of such notice.

9. TREATMENT OF ASSETS.

Title to all property furnished by the CITY shall remain in the name of the CITY and the CITY shall become the owner of the work product and other documents, if any, prepared by the SERVICE PROVIDER pursuant to this Agreement.

10. COMPLIANCE WITH LAWS.

A. The SERVICE PROVIDER, in the performance of this Agreement, shall comply with all applicable federal, state or local laws and ordinances, including being licensed to do business in the City of Tumwater by obtaining a Tumwater business license and any additional regulations for licensing,

certification and operation of facilities, programs and accreditation, and licensing of individuals, and any other standards or criteria as described in this Agreement to assure quality of services.

B. The SERVICE PROVIDER specifically agrees to pay any applicable CITY business and occupation (B&O) taxes which may be due on account of this Agreement.

11. NONDISCRIMINATION.

A. The CITY is an equal opportunity employer.

B. Nondiscrimination in Employment. In the performance of this Agreement, the SERVICE PROVIDER will not discriminate against any employee or applicant for employment on the grounds of race, creed, religion, color, national origin, citizenship or immigration status, families with children status, sex, marital status, honorably discharged veteran or military status, the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, sexual orientation, genetic information, age or other basis prohibited by state or federal law; provided that the prohibition against discrimination in employment because of disability shall not apply if the particular disability prevents the proper performance of the particular worker involved. Such action shall include, but not be limited to: employment, upgrading, demotion or transfers, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and programs for training including apprenticeships. "Race" is inclusive of traits historically associated or perceived to be associated with race including, but not limited to, hair texture and protective hairstyles. For purposes of this subsection, "protective hairstyles" includes, but is not limited to, such hairstyles as afros, braids, locks, and twists. It is not an unfair practice when a distinction or differential treatment on the basis of citizenship or immigration status is authorized by federal or state law, regulation, rule or government contract.

C. Nondiscrimination in Services. The SERVICE PROVIDER will not discriminate against any recipient of any services or benefits provided for in this Agreement on the grounds of race, creed, religion, color, national origin, citizenship or immigration status, families with children status, sex, marital status, honorably discharged veteran or military status, the presence of any sensory, mental or physical disability or the use of a trained dog guide or service animal by a person with a disability, sexual orientation, genetic information, age or other basis prohibited by state or federal law. "Race" is inclusive of traits historically associated or perceived to be associated with race including, but not limited to, hair texture and protective hairstyles. For purposes of this subsection, "protective hairstyles" includes, but is not limited to, such hairstyles as afros, braids, locks, and twists. It

is not an unfair practice when a distinction or differential treatment on the basis of citizenship or immigration status is authorized by federal or state law, regulation, rule or government contract.

D. If any assignment and/or subcontract have been authorized by the CITY, said assignment or subcontract shall include appropriate safeguards against discrimination. The SERVICE PROVIDER shall take such action as may be required to ensure full compliance with the provisions in the immediately preceding paragraphs herein.

E. Nondiscrimination in Benefits. Pursuant to Tumwater Municipal Code (TMC) Chapter 3.46, the SERVICE PROVIDER shall provide employee benefits or an equivalent sum to the domestic partners of their employees involved in the SERVICE PROVIDER'S operations applicable to this Agreement if such benefits are provided to employees' spouses as more particularly set forth in Chapter 3.46 of the TMC, a copy of which is attached hereto as Exhibit "B".

12. ASSIGNMENT/SUBCONTRACTING.

A. The SERVICE PROVIDER shall not assign its performance under this Agreement or any portion of this Agreement without the written consent of the CITY, and it is further agreed that said consent must be sought in writing by the SERVICE PROVIDER not less than thirty (30) days prior to the date of any proposed assignment. The CITY reserves the right to reject without cause any such assignment.

B. Any work or services assigned hereunder shall be subject to each provision of this Agreement and proper bidding procedures where applicable as set forth in local, state and/or federal statutes, ordinances and guidelines.

C. Any technical service subcontract not listed in this Agreement, must have express advance approval by the CITY.

13. NON-APPROPRIATION OF FUNDS.

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the CITY will not be obligated to make payments for services or amounts incurred after the end of the current fiscal period, and this Agreement will terminate upon the completion of all remaining services for which funds are allocated. No penalty or expense shall accrue to the CITY in the event this provision applies.

14. CHANGES.

Either party may request changes to the Scope of Services and performance

SERVICE PROVIDER AGREEMENT – Source Development & Cost of Service Review - Page 7 of 11

to be provided hereunder, however, no change or addition to this Agreement shall be valid or binding upon either party unless such change or addition be in writing and signed by both parties. Such amendments shall be attached to and made part of this Agreement.

15. MAINTENANCE AND INSPECTION OF RECORDS.

A. The SERVICE PROVIDER at such times and in such forms as the CITY may require, shall furnish to the CITY such statements, records, reports, data, and information as the CITY may request pertaining to matters covered by this Agreement.

B. The SERVICE PROVIDER shall maintain books, records and documents, which sufficiently and properly reflect all direct and indirect costs related to the performance of this Agreement and shall maintain such accounting procedures and practices as may be necessary to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject at all reasonable times to inspection, review, or audit, by the CITY, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

C. To ensure the CITY'S compliance with the Public Records Act, RCW 42.56, the SERVICE PROVIDER shall retain all books, records, documents and other material relevant to this agreement, for six (6) years after its expiration. The SERVICE PROVIDER agrees that the CITY or its designee shall have full access and right to examine any of said materials at all reasonable times during said period.

16. POLITICAL ACTIVITY PROHIBITED.

None of the funds, materials, property or services provided directly or indirectly under the Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office.

17. PROHIBITED INTEREST.

No member, officer, or employee of the CITY shall have any interest, direct or indirect, in this Agreement or the proceeds thereof.

18. NOTICE.

Notice provided for in this Agreement shall be sent by certified mail to the addresses designated for the parties on the signature page of this Agreement.

19. ATTORNEYS FEES AND COSTS.

If any legal proceeding is brought for the enforcement of this Agreement, or because of a dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to any other relief to which such party may be entitled, reasonable attorney's fees and other costs incurred in that action or proceeding.

20. JURISDICTION AND VENUE.

A. This Agreement has been and shall be construed as having been made and delivered within the State of Washington. It is agreed by each party hereto that this Agreement shall be governed by laws of the State of Washington, both as to interpretation and performance.

B. Any action of law, suit in equity, or judicial proceeding for the enforcement of this Agreement or any provisions thereof shall be instituted and maintained in the superior court of Thurston County, Washington.

21. SEVERABILITY.

A. If, for any reason, any part, term or provision of this Agreement is held by a court of the United States to be illegal, void or unenforceable, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If it should appear that any provision hereof is in conflict with any statutory provision of the State of Washington, said provision which may conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provisions.

22. CITY-PROVIDED INFORMATION AND SERVICES.

The CITY shall furnish the SERVICE PROVIDER available studies, reports and other data prepared by or for the City and pertinent to the SERVICE PROVIDER's services and the SERVICE PROVIDER shall be entitled to use and reasonably rely upon all such information provided by the CITY .

23. ESTIMATES AND PROJECTIONS.

In providing opinions of cost, financial analyses, economic feasibility

projections, schedules, and quantity and/or quality estimates for potential projects, the SERVICE PROVIDER has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; the incoming water quality and/or quantity; the way the CITY's plant(s) and/or associated processes are operated and/or maintained; and other economic and operational factors that may materially affect the ultimate project elements, including, but not limited to, cost or schedule. Therefore, the SERVICE PROVIDER makes no warranty that the CITY's actual project costs, financial aspects, economic feasibility, schedules, and/or quantities or quality realized will not vary from the SERVICE PROVIDER's opinions, analyses, projections, or estimates.

24. THIRD PARTIES.

The Agreement is between the signatory Parties and does not create any third-party rights.

25. ENTIRE AGREEMENT.

The parties agree that this Agreement is the complete expression of the terms hereto and any oral representations or understandings not incorporated herein are excluded. Further, any modification of this Agreement shall be in writing and signed by both parties. Failure to comply with any of the provisions stated herein shall constitute material breach of contract and cause for termination. Both parties recognize time is of the essence in the performance of the provisions of this Agreement. It is also agreed by the parties that the forgiveness of the nonperformance of any provision of this Agreement does not constitute a waiver of the provisions of this Agreement. This Agreement may be executed in any number of counterparts, which counterparts shall collectively constitute the entire Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first hereinabove written.

CITY:

CITY OF TUMWATER
555 Israel Road SW
Tumwater, WA 98501

SERVICE PROVIDER:

CAROLLO ENGINNERS
1218 3rd Avenue Suite 1600
Seattle, WA 98101
UBI #: 601-888-955
Phone Number: 503-290-2827

Debbie Sullivan, Mayor

Signature (Notarized – see below)
Printed Name:
Title:

ATTEST:

Melody Valiant, City Clerk

APPROVED AS TO FORM:

Karen Kirkpatrick, City Attorney

STATE OF Washington

COUNTY OF Thurston

I certify that I know or have satisfactory evidence that _____(name) is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the _____(title) of _____(company) to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:_____

Notary Public in and for the State of Washington,
My appointment expires:_____

Exhibit A

CITY OF TUMWATER
SOURCE DEVELOPMENT PLANNING PHASE I
SCOPE OF WORK

May 2023

INTRODUCTION

The following scope of work has been developed to assist the City of Tumwater (City) with exploring, analyzing, and implementing new water supply sources. The results of this planning effort will be documented in a Source Development Plan. The project is expected to be executed in three phases – explore, analyze, implement. This scope of work fully defines Phase I and provides an outline of Phases II and III. It is expected that a contract will be executed only for Phase I at this time and could be amended in the future to support the future Phases II and III. The following tasks under this scope of work have been prepared based on Carollo Engineers' (Consultant) current understanding of the proposed project, previous efforts by the Consultant team members on other water projects, and discussions with City staff.

BACKGROUND

The City of Tumwater (City) owns and operates a water system that serves a population of approximately 30,000 residents. The City's water supply sources include wells at the Palermo, Airport, and Bush Well Fields, as well as water reuse from LOTT Clean Water Alliance. In total the City's existing water supplies provide approximately 6,000 gallons per minute (gpm). To meet their projected water demands, the City needs to develop new water sources. The City's maximum day demands (MDD) are currently approximately 5,000 gpm, or 7 million gallons per day (mgd). With additional water demand from new industrial customers, the City expects MDD to increase to approximately 7,000 gpm (10 mgd) by 2027.

SCOPE SUMMARY**Phases and Tasks**

To meet the objectives of this project, the Consultant shall complete the tasks summarized in the list below and discussed in detail in the following sections.

- Phase I – Explore:
 - Task 1 – Project Management.
 - Task 2 – Explore Supply Need and Supply Options.
 - Task 3 – Cost of Service Study.
- Phase II – Analyze (Task 4):
 - Analyze Supply Options.
 - Document Implementation Plan.

- Phase III – Implement:
 - Preliminary design.
 - Final design and construction documents.
 - Construction and Monitory support services.

Deliverables

The deliverables for this project include the following:

- Phase I (included in this initial scope of work)
 - Technical Memorandum (TM) 1 – Source Development Objectives.
 - TM 2 – Potential Supply Options.
 - Draft Supply Source Analysis and Implementation Roadmap.
- Phase II (future potential tasks)
 - TM 3 – Evaluation of Potential Supply Portfolios.
 - TM 4 – Implementation Plan.
 - Final Supply Source Implementation Roadmap.

Meetings

The Consultant team recognizes the importance of collaboration with City staff in the development of the Source Development Plan. The meetings proposed for this project are listed below and are described in detail in the scope of work section below.

- Phase I (included in this initial scope of work)
 - Workshop 101 – Kick-off.
 - Workshop 201 – Supply Need and Availability.
 - Workshop 202 – Potential Supply Options.
- Phase II (future potential tasks)
 - Workshop 301 – Supply Portfolios and Evaluation Criteria.
 - Workshop 302 – Supply Portfolio Comparison.
 - Workshop 401 – Implementation Plan.

PHASE I SCOPE OF WORK

TASK 1: Project Management

Consultant will conduct project management activities, and coordinate project meetings and workshops, to support the successful delivery of the Source Development Plan. This includes project administration, monthly invoicing, client and team coordination and quality management necessary to successfully complete the project to the City's expectations. Additionally, the Consultant will develop a Project Management Plan (PMP), lead the initial team kick-off meeting, and facilitate project status meetings with the City project manager throughout the project.

1.1. Administer and Manage Project

- 1.1.1. Manage Schedule and Budget. Develop a project schedule. Manage project to meet schedule and budget.
- 1.1.2. Coordinate Project Execution. Coordinate project execution with team including subconsultants.
- 1.1.3. Prepare Monthly Progress Reports. Prepare and submit monthly progress reports and invoices showing current project status and identifying key issues or elements of the project that will need to be addressed in proceeding weeks. Include a spending S-curve that shows projected burn rate, actual burn rate, and percent complete.

1.2. Develop Project Website and Project Management Plan

- 1.2.1. Develop Project Website: Develop a SharePoint site for sharing project information with the City and all team members.
- 1.2.2. Prepare PMP: Prepare an electronic PMP that describes:
 - 1) Project objectives.
 - 2) Roles and responsibilities.
 - 3) Team contact information.
 - 4) Communication protocols.
 - 5) Quality management approach.
 - 6) Scope of services.
 - 7) Budget.
 - 8) Schedule.
 - 9) Logs – decisions, action items, scope changes.
 - 10) The Draft PMP will be introduced and discussed with City's project team at the Kick-off Workshop. A revised, Final PMP will be delivered following incorporation of City comments.

1.3. Manage Project Quality

- 1.3.1. Manage Project Quality. Coordinate execution of the project's quality management approach, which will include the following.
 - 1) Project manager overview to verify consistency and compliance with contract requirements.
 - 2) Quality manager review of all deliverables to verify technical accuracy and consistency.
 - 3) Resolution of all City review comments. Each City comment on draft deliverables will be tracked, responded to, and addressed in the final draft.

1.4. Facilitate Workshops/Meetings

Prepare agendas, presentation materials, and document discussions, including action items and decisions, in meeting minutes for the following workshops (WS):

- 1.4.1. WS 101 – Kick-off.
 - 1) Purpose: Kick-off the project by discussing communication and file sharing protocols, scope, schedule, and initial data request.

- 2) Expected Consultant attendees: Principal in Charge, Project Manager, Project Engineer, Hydrogeologist, and Water Rights Specialist.
 - 3) Expected meeting duration: One hour.
 - 4) Location: Virtual.
- 1.4.2. Project Status Calls. Project status conference calls with the City project manager and other key team members will be held every two weeks, as needed. Prepare a standing agenda and document discussions, including action items and decisions in meeting notes.
- 1) Purpose: Review project status, including scope, budget, and schedule.
 - 2) Expected Consultant attendees: Project Manager.
 - 3) Expected meeting duration: One (1) hour every two weeks.

Task 1 Assumptions

- a. Eight monthly progress reports will be submitted electronically via email with the invoices.
- b. Project management budget based on 8 month schedule for Phase I.

Task 1 City Deliverables

- a. City project team contact information.
- b. PMP review comments.

Task 1 Consultant Deliverables

- a. Draft and Final PMP.

TASK 2: Explore Supply Need and Supply Options

This task clarifies the goals and objectives of the City's future water source development. Consultant will confirm the demand forecast previously developed in 2021 Water System Plan Update (WSP) considering any new information about future large-scale consumers since the WSP. The supply strategy analysis from the WSP will be updated to incorporate new information about future supplies to quantify the supply need through the planning horizon (through 2038).

2.1. Request and Review Data

Request and review City data related to source development. Consultant will issue a data request to the City that is expected to consist of the following:

- 1) Historical billing data for 2017 through 2022.
- 2) Supply source updates since 2021 Water System Plan.
- 3) Water rights updates since 2021 Water System Plan.
- 4) Previous groundwater/water rights studies.
- 5) Previous studies related to future water source options.
- 6) Information on expected future large-scale water customers.
- 7) Existing conservation program.
- 8) Current and projected reclaimed water allotment.

2.2. Confirm Demand Forecast

- 2.2.1. Update the 2021 WSP Demand Forecast. Incorporate new information on timing and quantity of expected future large-scale water customers. Chart historical average day and maximum day demand for years 2017 through 2022 and compare to forecasted demand.
- 2.2.2. Establish 50-year Demand Projections. Extend the 20-year demand projections to 50-year demand projections to allow the City to plan for long-term supply reliability.

2.3. Establish Supply Need

- 2.3.1. Update the 2021 WSP Supply Strategy Analysis. Take into consideration the most recent understanding of current and future supplies to update the City's supply strategy analysis that was developed as part of the 2021 WSP in order to establish the City's supply need over the 20-year planning horizon.
- 2.3.2. Develop Purpose and Need Statement. Consultant shall guide City staff in drafting a statement that defines the water supply challenge to be solved (quantity and timing) and the objectives to be considered as part of a successful solution.

2.4. Identify Potential Supply Options

Consultant shall guide City staff in identifying up to 10 potential supply options to be evaluated. The goal at this stage is to cast a wide net. A high-level exploration of the feasibility of each option will be conducted in the next subtask. These options, in no particular order, may include the following:

- 1) Develop/maximize existing groundwater water rights.
- 2) Develop new wellfields.
- 3) Develop aquifer storage and recovery wells.
- 4) Develop surface water supply.
- 5) Expand water reuse.
- 6) Purchase water from adjacent purveyor.
- 7) Regional collaborative opportunities.
- 8) Enhanced conservation program.

2.5. Screen Supply Options

- 2.5.1. Establish Evaluation Criteria. Consultant shall collaborate with City staff to select up to eight criteria to use in evaluating and comparing the supply alternatives. Consultant shall guide City staff in assigning weights to each criterion to define their relative importance to the supply strategy. These criteria may include:
 - 1) Supply Quantity.
 - 2) Water Quality.
 - 3) Resilience/Reliability.
 - 4) Implementation Timeframe and Simplicity.
 - 5) Environmental Friendliness.
 - 6) Life-cycle Cost.
 - 7) Likelihood of Source Development Success.
 - 8) Impact of Climate Change on Supply Resiliency.

- 2.5.2. Develop Factsheets. Consultant shall develop factsheets to thoroughly describe each potential supply option as it pertains to the City of Tumwater. The factsheets will identify knowns, unknowns, opportunities, challenges, associated with each of the evaluation criteria established in Subtask 2.5.1. These factsheets will be shared with the City prior to WS 202 (Subtask 2.8.2) to get further information and feedback from City staff. Factsheets will document if and why any options are considered unfeasible at this time.

2.6. Develop a Supply Source Analysis and Implementation Roadmap

Rank each supply option based on the factsheets developed. Use the rankings to develop a prioritization for supply options. Group supply options into portfolios if needed to meet demand projections. Develop a flow-chart-style trigger-based analysis and implementation roadmap that will guide the City through the analysis process and help the City make implementation decisions as more information is known and conditions change. This roadmap will be updated during Phase II.

2.7. Document Project Objectives, Supply Options, and Roadmap

- 2.7.1. TM 1 – Source Development Objectives. Consultant shall prepare a draft and final TM 1 to document the City's supply need, supply availability, and supply development objectives. This TM will discuss Tasks 2.2 and 2.3 listed above.
- 2.7.2. TM 2 – Potential Supply Options. Consultant shall prepare a draft and final TM 2 to document information for each supply option. This TM will discuss Tasks 2.4 and 2.5.2 listed above.
- 2.7.3. TM 3 – Analysis and Implementation Roadmap. Consultant shall prepare a draft and final TM 3 to document the conclusions of Phase I and the recommendations for Phase II. TM 3 will include the supply source analysis and implementation roadmap and the selection criteria established in Subtask 2.5.1. This TM will discuss Tasks 2.6 listed above.

2.8. Facilitate Workshops

Prepare agendas, presentation materials, and document discussions, including action items and decisions, in meeting minutes for the following workshops:

- 2.8.1. WS 201 – Supply Need and Availability and Evaluation Criteria.
- 1) Purpose: Clarify supply need and availability with City staff. Develop a source development purpose and need statement to clarify the City's objectives. Establish evaluation criteria to guide the screening process. Refine list of supply options.
 - 2) Expected Consultant attendees: Project Manager, Project Engineer, Hydrogeologist, and Water Rights Specialist.
 - 3) Expected meeting duration: Three hours.
 - 4) Location: In-person at City office.
- 2.8.2. WS 202 – Potential Supply Options.
- 1) Purpose: Explore supply options with City staff. Get input from City staff on knowns, unknowns, opportunities, and challenges for each option.
 - 2) Expected Consultant attendees: Project Manager, Project Engineer, Hydrogeologist, and Water Rights Specialist, Conservation Specialist.
 - 3) Expected meeting duration: Two hours.
 - 4) Location: In-person at City office.

Task 2 Assumptions

- a. No changes will be made to the demand forecast projection parameters consisting of growth rates, conservation, system leakage, other authorized use, climate change, peaking factor, and existing large-scale consumer growth assumptions.

Task 2 City Deliverables

- a. Items listed in Subtask 2.1.

Task 2 Consultant Deliverables

- a. Draft and final TM 1 – Project Objectives.
- b. Draft and final TM 2 – Potential Supply Options.
- c. Draft and final TM 3 – Analysis and Implementation Roadmap.

TASK 3: Cost of Service Study**3.1. Collect Data**

- 3.1.1. Request and Review Data. Consultant's approach begins with gathering and reviewing the data necessary to complete the Cost of Service Rate Study (Study) for the City. That data includes but is not limited to:
 - 1) Current budgets and projections for future years.
 - 2) The latest system master plans and CIPs, including expansion, replacement, and improvement projects, and a description of the projects that are included in the plan.
 - 3) Customer billing records for the previous 3 years.
 - 4) Service area growth projections.
- 3.1.2. WS 301 – Cost of Service Study Kickoff Workshop. During this task, Consultant and City staff will outline modeling assumptions such as growth and inflation factors, production and treatment costs, and capital funding inputs. This step presents an opportunity for Consultant to better understand the City's cost drivers and rate planning considerations before diving into the analysis. Consultant will also discuss its modeling approach with City staff during this task. Consultant's Microsoft Excel-based model will incorporate a user-friendly graphic user interface and scenario manager. Consultant will incorporate additional features and priorities as appropriate for the Study.
 - 1) Purpose: Discuss data transfer, outline goals for the project, and review any specific issues that may influence the results of the Study.
 - 2) Expected Consultant attendees: Project Manager, Financial Lead, Financial Analyst.
 - 3) Expected meeting duration: One hour.
 - 4) Location: Virtual.

3.2. Develop Financial Plan

3.2.1. Analyze and Project Customer Usage. Consultant will review the City's customer usage data and analyze it to understand relevant trends and customer profiles. This analysis will focus on:

- 1) Summarizing total system usage on a customer class basis.
- 2) Calculating peaking factors for individual customer classes.
- 3) Identifying long-term usage trends.

As a quality management step, Consultant will perform a "price out" comparison of the City's recorded actual revenues against our calculated revenues from the usage information. Any deviation requires reconciliation.

Consultant will then forecast the customer account and usage assumptions for the study period (up to ten years).

3.2.2. Recommend Financial Forecast and Revenue Requirements. Consultant will develop a detailed financial forecast of revenues and expenses for the 10-year study period. Consultant will test the adequacy of revenues from the current rate structure to meet the City's policy objectives, beginning with three tests:

- 1) Cash Flow Needs Review – do revenues exceed expenses?
- 2) Debt Coverage Test – does the revenue structure provide enough revenues to meet debt coverage for any potential loans or bonds?
- 3) Reserve Funds Review – are operating and capital reserve fund balances projected to meet or exceed policy targets?

Consultant will review with the City any shortcomings on these tests and create a plan for funding through the study period.

3.2.3. WS 302 – Revenue Requirement Workshop.

- 1) Purpose: Present assumptions, analysis, and findings for the Financial Plan task.
- 2) Expected Consultant attendees: Project Manager, Financial Lead, Financial Analyst.
- 3) Expected meeting duration: Two hours.
- 4) Location: In-person at City office.

3.3. Analyze Cost of Service

Consultant will complete a cost of service analysis consistent with industry standard practice. Our team will:

- 1) Identify the City's primary cost drivers based on operating and capital costs.
- 2) Identify what users are driving system investment and operations.
- 3) Create a clearly defined and defensible nexus between costs and system users.
- 4) Thoroughly document these findings in a way that is understandable and explainable for stakeholders.

These goals will be accomplished through the following subtasks.

- 3.3.1. Functionalize and Allocate Functional Costs to Cost Components. Consultant will allocate the City's O&M budget line items to one or multiple cost components based on the service requirements of that particular cost. The development of functional cost allocations will be consistent with guidance from American Water Works Association's *M1 Manual: Principals of Water Rates, Fees and Charges*. This allocation will recognize base or volume related costs, maximum day and maximum hour capacity or demand costs, fire protection costs,, and customer service costs.
- 3.3.2. Develop Units of Service. Consultant will develop an estimate of the units of service associated with each of the cost causative elements for water service. For instance, customer service-related costs will be converted to units of service on a per account basis, while volumetric categories will be on a per hundred cubic feet (HCF) basis.

The units of service will be estimated based on the service characteristics identified for each customer class. These units of service will be developed recognizing customer usage analysis, most recent and best available data, and engineering judgment regarding customer class service requirements. At the completion of the units of service analysis, the Consultant team will align the functional allocation of revenue requirements with the determined units of service. Consultant will organize this units of service classification based on fixed and variable costs.
- 3.3.3. Distribute Costs to Customer Classes. Consultant will allocate the total cost of service for each customer class based on how many units each class demands. The relative responsibility of each customer class will be specifically determined based on each class' or user's estimated service requirements.
- 3.3.4. WS 303 – Cost of Service Workshop.
 - 1) Purpose: Present assumptions, analysis, and findings for the Cost of Service task.
 - 2) Expected Consultant attendees: Project Manager, Financial Lead, Financial Analyst.
 - 3) Expected meeting duration: Two hours.
 - 4) Location: Virtual.

3.4. Design Rate and Fee Schedules

- 3.4.1. Recommend Water Rates. Consultant will design water rates to generate sufficient revenues while meeting the City's objectives. Consultant will review and evaluate up to three potential rate structure alternatives that promote an equitable allocation of costs among customers, including but not limited to, fixed charge allowance, uniform rates, and tiered rates. The proposed rate structures for residential and nonresidential rates may vary.

Consultant will calculate the bill impacts for various customer classes and usage levels to compare the existing rates to the proposed rates.
- 3.4.2. Analyze Affordability. Consultant will evaluate the affordability of the City's existing rates and the alternative rate designs from Task 3.4.1 using up to three affordability indices. Consultant will compare the affordability of customer bills at various usage levels in a summary table and/or chart for ease of understanding. Based on the results of the affordability analysis, Consultant will recommend adjustments to the existing rate structure to address affordability concerns.
- 3.4.3. Update Connection Fees. Consultant will review the existing connection fee methodology and make recommendations, as appropriate, for modifications to the approach. If desired by

the City, Consultant will update the connection fee calculations using the recommended approach. Consultant will also recommend an approach for increasing connection fees (i.e., multi-year phase-in of recommended increase, indexed annual increases). Any recommended increase to connection fees will be reflected in the revenue requirements in Task 3.2 to offset projected rate increases.

3.4.4. WS 304 – Rate and Fee Design Workshop.

- 1) Purpose: Present assumptions, analysis, and findings for the Rate and Fee Design task.
- 2) Expected Consultant attendees: Project Manager, Financial Lead, Financial Analyst.
- 3) Expected meeting duration: Two hours.
- 4) Location: In-person at City office.

3.5. **Develop Rate Model**

- 3.5.1. Develop Cost of Service Rate Model. Consultant will develop a customized cost of service rate model for use by City staff to determine revenue requirements, allocate costs to customer classes, and design rates. The model will include a user-friendly dashboard interface, which will allow the user to easily run various scenarios.
- 3.5.2. Provide Model Training Session. Consultant will develop user guides and provide up to six hours of model training to City staff. Training will cover the Water System Plan CIP Tool and Cost of Service Rate Model. CIP Tool training will cover adding new projects and updating existing projects. Cost of Service Rate Model training will cover inputting updated financial and operational data, running scenarios, viewing results, and troubleshooting common issues.

3.6. **Document and Present Cost of Service Study Results**

- 3.6.1. Cost of Service Report. Consultant shall prepare a draft, final draft, and final report outlining inputs and assumptions, methodology and calculations, and final recommendations and rate tables. This report will document the nexus between rates and cost of service. Following City staff feedback on the draft report, Consultant will revise the report and deliver a final draft report for City Council and/or committee review. Following integration of the City's comments and feedback, Consultant will finalize and deliver the final report to the City.
- 3.6.2. Stakeholder Meeting Support. Consultant will support City staff's presentation at one stakeholder engagement session. Consultant will work with City staff to outline the approach and recommendations of the Study and contribute to presentation materials for this meeting. Consultant will not attend this presentation.
- 3.6.3. City Council Presentation Support (OPTIONAL). If requested, Consultant will support City Staff's presentation at up to two public City Council meetings. Consultant will work with City staff to outline the approach and recommendations of the Study and contribute to presentation materials for these meetings.

3.7. Evaluate Additional Rate Design Alternatives (OPTIONAL)

If desired, Consultant will evaluate up to two additional rate structure alternatives for water rates and calculate the bill impacts for various customer classes and usage levels to compare the existing rates to the proposed rates.

Task 3 Assumptions

- a. None.

Task 3 Consultant Deliverables

- a. Draft, Draft Final, and Final Cost of Service Report.

PHASE II OUTLINE – ANALYZE

Phase II is not part of this scope of work. It will be scoped after Phase I is complete. This outline of Phase II is for informational purposes only.

TASK 4: Analyze Supply Options

The analyze phase of the Source Development Planning project consists of first developing supply portfolios that are a combination of the feasible supply options identified in Phase I, second gathering more information and analyzing the portfolios, and finally comparing the portfolios to recommend a preferred supply portfolio and develop a roadmap for implementation.

4.1. Develop Supply Portfolios

Group the feasible supply options into portfolios that meet the supply purpose and need.

4.2. Analyze Supply Portfolios

- 4.2.1. Evaluate Water Rights Availability.
- 4.2.2. Evaluate Hydrogeological Feasibility.
- 4.2.3. Analyze Hydraulics.
- 4.2.4. Develop Life-cycle Cost Estimates.
- 4.2.5. Evaluate Permitting Implications.
- 4.2.6. Evaluate Environmental Implications.
- 4.2.7. Evaluate Constructability.
- 4.2.8. Evaluate Water Blending.
- 4.2.9. Evaluate Conservation Opportunities.

4.3. Compare Supply Portfolios

- 4.3.1. Synthesize Results. Synthesize the evaluation results and compare the favorability of the supply portfolios.
- 4.3.2. Conduct Sensitivity Analysis. Analyze the sensitivity of the evaluation results to criterion weighting and scoring.
- 4.3.3. Recommend Preferred Water Supply Portfolio. Collaborate with City staff to select a preferred water supply portfolio.

4.4. Update the Supply Source Analysis and Implementation Roadmap

Use the new information established in Phase II to update the trigger-based analysis and implementation roadmap developed in Phase I. The purpose of the roadmap is to guide the City to make future decisions about supply development as conditions change.

4.5. Document Findings

Consultant shall prepare technical memorandums to document the evaluation process and findings of the supply analysis.

- 4.5.1. TM 4 – Evaluation of Supply Portfolios. Consultant shall prepare a draft and final TM 4 to document the supply portfolios and the evaluation of comparing them.
- 4.5.2. TM 5 – Implementation Plan. Consultant shall prepare a draft and final TM 5 to document the City's preferred implementation plan. This memo will include the updated analysis and implementation roadmap.

4.6. Facilitate Workshops

Prepare agendas, presentation materials, and document discussions, including action items and decisions, in meeting minutes for the following workshops:

- 4.6.1. WS 301 – Supply Portfolios and Evaluation Criteria.
 - 1) Purpose: Present proposed supply portfolios.
- 4.6.2. WS 302 – Supply Portfolio Comparison.
 - 1) Purpose: Present evaluation results and recommend a preferred supply portfolio.

PHASE III OUTLINE – IMPLEMENT

Phase III is not part of this scope of work. Implementation tasks will be scoped as needed after Phase I is complete. The implement phase consists of testing and design required to develop specific supply sources. An example high-level scope is provided for the Lathrop Well. Another example of implementation is to develop a conservation program for the City.

TASK 5: Implement

5.1. Lathrop Well Implementation

Assess the current well efficiency and aquifer yield at the Lathrop well through aquifer testing. Collect water quality data to identify potential treatment requirements. Evaluate if potential financial or strategic reasons exist for moving the Lathrop well's permitted point of withdrawal prior to infrastructure upgrades. Develop a design package for the well improvements, treatment system and connection to distribution system.

5.2. Develop Water Conservation Program

Establish objectives and define measures for a City of Tumwater water conservation program. Estimate implementation costs and identify staff resource needs. Estimate the conservation program's effect on future water demands.

PROJECT SCHEDULE

The estimated project duration for Phase I is eight months following notice to proceed. This is inclusive of two-week City review periods for each project deliverable outlined in the above Scope of Work. An updated preliminary project schedule will be provided with the project management plan.

GENERAL PROJECT ASSUMPTIONS

The scope and fee for this planning effort is based on the following assumptions:

- The City of Tumwater and its staff are referred to as "City" throughout this document.
- Carollo Engineers, Inc. and partner subconsultants are referred to as "Consultant" throughout this document.
- All meetings/workshops will be held virtually unless otherwise stated in specific scope task descriptions.
- Draft deliverables will be provided in electronic copy (.pdf and .docx) and transmitted via the project SharePoint site or secure file transfer. The City will consolidate comments from multiple reviewers into a single set and resolve any internal conflicting comments prior to providing to the Consultant. City comments and Consultant responses to Draft TMs will be tracked via "red line" markups incorporated into an electronic version of the memo.
- Final deliverables will be provided in electronic copy (.pdf and .docx) and transmitted via the project SharePoint site or secure file transfer.
- The City will provide all data requested for the evaluation in a timely manner.
- Meeting notes and related materials will be transmitted electronically (.pdf and/or .docx) via the project SharePoint site.
- The City will print and produce additional copies of all documents as necessary for its use.
- All OPCC shall be a Class 5 level, as defined by American Association of Cost Engineering (AACE).

Exhibit B

CITY OF TUMWATER SOURCE DEVELOPMENT PLANNING PHASE I LEVEL OF EFFORT 15-Mar-23																		
TASK / DESCRIPTION	CAROLLO LABOR										SUB				DIRECT EXPENSE			TOTAL COST
	Kammereck	Ivey	Thurman/ Huang	Reilly	Barnes	Lightner	Christensen	Varies	Total Hours	Carollo Labor Cost	Maddaus	Mott MacDonald	Total Sub Markup 10%	Total Sub Cost	Carollo Other Direct Charges	PECE @ \$/hr 14.00	Total Direct Charges	
	Principal in Charge/QM	Financial QM	Project Manager	Project Professional	Financial Lead	Financial Analyst	GIS	Document Processing										
	\$ 295	\$ 295	\$ 250	\$ 190	\$ 275	\$ 180	\$ 140	\$ 120										
Task 1 – Project Management	7	2	55	7	6	0	0	0	77	\$ 19,385	\$ 500	\$ 3,950	\$ 445	\$ 4,895	\$ -	\$ 1,078	\$ 1,078	\$ 25,358
1.1 Administer andManage Project			32						32	\$ 8,000	\$ -	\$ 3,590	\$ 359	\$ 3,949	\$ -	\$ 448	\$ 448	\$ 12,397
1.2 Develop Project Website and PMP			8	4					12	\$ 2,760	\$ -		\$ -	\$ -	\$ -	\$ 168	\$ 168	\$ 2,928
1.3 Manage Project Quality	6								6	\$ 1,770	\$ -		\$ -	\$ -	\$ -	\$ 84	\$ 84	\$ 1,854
1.4 Facilitate Workshops	1	2	15	3	6	0	0	0	27	\$ 6,855	\$ 500		\$ 86	\$ 946	\$ -	\$ 378	\$ 378	\$ 8,179
1.4.1 Workshop 101 - Kick-off	1		3	3					7	\$ 1,615	\$ 500	\$ 360	\$ 86	\$ 946	\$ -	\$ 98	\$ 98	\$ 2,659
1.4.2 Project Status Calls		2	12		6				20	\$ 5,240	\$ -		\$ -	\$ -	\$ -	\$ 280	\$ 280	\$ 5,520
Task 2 – Explore Supply Need and Supply Options	20	0	57	180	0	0	20	36	311	\$ 60,889	\$ 12,480	\$ 29,456	\$ 4,194	\$ 46,130	\$ 600	\$ 4,354	\$ 4,954	\$ 111,973
2.1 Request and Review Data			2	6					8	\$ 1,640	\$ 460	\$ 4,320	\$ 478	\$ 5,258	\$ -	\$ 112	\$ 112	\$ 7,010
2.2 Confirm Demand Forecast	2		2	20					24	\$ 4,890	\$ -		\$ -	\$ -	\$ -	\$ 336	\$ 336	\$ 5,226
2.3 Establish Supply Need	2		2	12					16	\$ 3,370	\$ -		\$ -	\$ -	\$ -	\$ 224	\$ 224	\$ 3,594
2.4 Identify Potential Supply Options	4		4	4					12	\$ 2,940	\$ 1,220	\$ 720	\$ 194	\$ 2,134	\$ -	\$ 168	\$ 168	\$ 5,242
2.5 Screen Supply Options	5	0	17	54	0	0	12	10	98	\$ 18,870	\$ 6,580		\$ 2,072	\$ 22,792	\$ -	\$ 1,372	\$ 1,372	\$ 43,034
2.5.1 Establish Evaluation Criteria	1		1	4					6	\$ 1,305	\$ 360	\$ 1,180	\$ 154	\$ 1,694	\$ -	\$ 84	\$ 84	\$ 3,083
2.5.2 Develop Factsheets	4		16	50			12	10	92	\$ 17,565	\$ 6,220	\$ 12,960	\$ 1,918	\$ 21,098	\$ -	\$ 1,288	\$ 1,288	\$ 39,951
2.6 Develop a Supply Source Analysis and Implementation Roadmap	2	0	8	20	0	0	0	0	30	\$ 6,390	\$ -	\$ 2,440	\$ 244	\$ 2,684	\$ -	\$ 420	\$ 420	\$ 9,494
2.7 Document Project Objectives, Supply Options, and Roadmap	2	0	6	40	0	0	8	22	79	\$ 13,749	\$ 2,680		\$ 448	\$ 4,928	\$ -	\$ 1,106	\$ 1,106	\$ 19,783
2.7.1 TM 1 - Source Development Objectives	1		2	12				6	21	\$ 3,795	\$ -		\$ -	\$ -	\$ -	\$ 294	\$ 294	\$ 4,089
2.7.2 TM 2 - Potential Supply Options	1		2	16			4	10	33	\$ 5,597	\$ 2,680	\$ 1,080	\$ 376	\$ 4,136	\$ -	\$ 462	\$ 462	\$ 10,195
2.7.3 TM 3 - Analysis and Implementation Roadmap	1		2	12			4	6	25	\$ 4,357	\$ -	\$ 720	\$ 72	\$ 792	\$ -	\$ 350	\$ 350	\$ 5,499
2.8 Facilitate Workshops	0	0	16	24	0	0	0	4	44	\$ 9,040	\$ 1,540		\$ 758	\$ 8,334	\$ 600	\$ 616	\$ 1,216	\$ 18,590
2.8.1 WS 201 - Supply Need and Availability and Evaluation Criteria			8	12				2	22	\$ 4,520	\$ 540	\$ 3,198	\$ 374	\$ 4,112	\$ 300	\$ 308	\$ 608	\$ 9,240
2.8.2 WS 202 - Potential Supply Options			8	12				2	22	\$ 4,520	\$ 1,000	\$ 2,838	\$ 384	\$ 4,222	\$ 300	\$ 308	\$ 608	\$ 9,350
Task 3 – Cost of Service Study	0	31	1	12	130	284	0	10	468	\$ 99,745	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 6,552	\$ 8,552	\$ 108,297
3.1 Collect Data	0	0	0	0	6	14	0	0	20	\$ 4,170	\$ -		\$ -	\$ -	\$ -	\$ 280	\$ 280	\$ 4,450
3.1.1 Request and Review Data					4	6			10	\$ 2,180	\$ -		\$ -	\$ -	\$ -	\$ 140	\$ 140	\$ 2,320
3.1.2 WS 301 - Cost of Service Study Kickoff Workshosp					2	8			10	\$ 1,990	\$ -		\$ -	\$ -	\$ -	\$ 140	\$ 140	\$ 2,130
3.2 Develop Financial Plan	0	3	0	0	24	52	0	0	79	\$ 16,845	\$ -		\$ -	\$ -	\$ 1,000	\$ 1,106	\$ 2,106	\$ 18,951
3.2.1 Analyze and Project Customer Usage					4	16			20	\$ 3,980	\$ -		\$ -	\$ -	\$ -	\$ 280	\$ 280	\$ 4,260
3.2.2 Recommend Financial Forecast and Revenue Requirements		2			12	24			38	\$ 8,210	\$ -		\$ -	\$ -	\$ -	\$ 532	\$ 532	\$ 8,742
3.2.3 WS 302 - Revenue Requirements Workshop		1			8	12			21	\$ 4,655	\$ -		\$ -	\$ -	\$ 1,000	\$ 294	\$ 1,294	\$ 5,949
3.3 Analyze Cost of Service	0	5	0	0	14	38	0	0	57	\$ 12,165	\$ -		\$ -	\$ -	\$ -	\$ 798	\$ 798	\$ 12,963
3.3.1 Functionalize and Allocate Functional Costs to Cost Components		2			4	16			22	\$ 4,570	\$ -		\$ -	\$ -	\$ -	\$ 308	\$ 308	\$ 4,878
3.3.2 Develop Units of Service		1			2	6			9	\$ 1,925	\$ -		\$ -	\$ -	\$ -	\$ 126	\$ 126	\$ 2,051
3.3.3 Distribute Costs to Customer Classes		1			4	8			13	\$ 2,835	\$ -		\$ -	\$ -	\$ -	\$ 182	\$ 182	\$ 3,017
3.3.4 WS 303 - Cost of Service Workshop		1			4	8			13	\$ 2,835	\$ -		\$ -	\$ -	\$ -	\$ 182	\$ 182	\$ 3,017
3.4 Design Rate and Fee Schedules	0	8	0	0	36	76	0	0	120	\$ 25,940	\$ -		\$ -	\$ -	\$ 1,000	\$ 1,680	\$ 2,680	\$ 28,620
3.4.1 Recommend Water Rates		2			8	16			26	\$ 5,670	\$ -		\$ -	\$ -	\$ -	\$ 364	\$ 364	\$ 6,034
3.4.2 Analyze Affordability		1			4	8			13	\$ 2,835	\$ -		\$ -	\$ -	\$ -	\$ 182	\$ 182	\$ 3,017
3.4.3 Update Connection Fees		4			16	40			60	\$ 12,780	\$ -		\$ -	\$ -	\$ -	\$ 840	\$ 840	\$ 13,620
3.4.4 WS 304 - Rate and Fee Design Workshop		1			8	12			21	\$ 4,655	\$ -		\$ -	\$ -	\$ 1,000	\$ 294	\$ 1,294	\$ 5,949
3.5 Develop Rate Model	0	2	1	12	12	24	0	0	51	\$ 10,740	\$ -		\$ -	\$ -	\$ -	\$ 714	\$ 714	\$ 11,454
3.5.1 Develop Cost of Service Rate Model		2			8	16			26	\$ 5,670	\$ -		\$ -	\$ -	\$ -	\$ 364	\$ 364	\$ 6,034
3.5.2 Provide Model Training Session	0		1	12	4	8			25	\$ 5,070	\$ -		\$ -	\$ -	\$ -	\$ 350	\$ 350	\$ 5,420
3.6 Document and Present Cost of Service Study Results	0	9	0	0	30	64	0	10	113	\$ 23,625	\$ -		\$ -	\$ -	\$ -	\$ 1,582	\$ 1,582	\$ 25,207
3.6.1 Cost of Service Report		3			10	40		10	63	\$ 12,035	\$ -		\$ -	\$ -	\$ -	\$ 882	\$ 882	\$ 12,917
3.6.2 Stakeholder Meeting Support		2			8	8			18	\$ 4,230	\$ -		\$ -	\$ -	\$ -	\$ 252	\$ 252	\$ 4,482
3.6.3 City Council Presentation Support (OPTIONAL)		4			12	16			32	\$ 7,360	\$ -		\$ -	\$ -	\$ -	\$ 448	\$ 448	\$ 7,808
3.7 Evaluation Additional Rate Design Alternatives (OPTIONAL)		4			8	16			28	\$ 6,260	\$ -		\$ -	\$ -	\$ -	\$ 392	\$ 392	\$ 6,652
TOTAL	27	33	113	199	136	284	20	46	856	\$ 180,019	\$ 12,980	\$ 33,406	\$ 4,639	\$ 51,025	\$ 2,600	\$ 11,984	\$ 14,584	\$ 245,628

CITY OF TUMWATER CAPITAL FACILITIES PLAN WORKSHEET

CONTACT: Dan Smith
FUND: Water
DEPT: Water Resources & Sustainability
PROJECT NO.
NEW: YES
PRIOR:

WA-9

PROGRAM TITLE: New Source Development Planning

PROGRAM DESCRIPTION:

This project will initiate the planning efforts for additional source development in the City of Tumwater, and reserves funding for the design and installation of wells and other infrastructure necessary to produce potable water. Phase 1, source development planning, is proposed for 2022-2023. Phase 2+ includes funds for the design, permitting and installation and testing of new wells, and ultimately construction of a production site and treatment plant. Cost estimates for future phases will be refined following planning efforts in 2022-2023.

IS PROJECT RECOMMENDED BY PLAN/POLICY? Yes PLAN: Water System Plan PAGE# 6-8 GROWTH: 80%

FINANCIAL DATA

EXPENSES	PRIOR YRS	6YR TOTAL	2022	2023	2024	2025	2026	2027	FUTURE YEARS	GRAND TOTAL
Capital Costs:										
Planning & Design		\$ 1,375,000	\$ 125,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000		\$ 1,375,000
Land & R-O-W		\$ -								\$ -
Construction		\$ 1,000,000					\$ 500,000	\$ 500,000	\$ 6,000,000	\$ 7,000,000
Equipment		\$ -								\$ -
Other		\$ -								\$ -
TOTAL EXPENSES	\$ -	\$ 2,375,000	\$ 125,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 750,000	\$ 6,000,000	\$ 8,375,000
Sources of Funds:										
General Government		\$ -								\$ -
Grants		\$ -								\$ -
Operating Income		\$ 475,000	\$ 25,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 150,000	\$ 150,000	\$ 1,000,000	\$ 1,475,000
Connections		\$ 1,900,000	\$ 100,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 600,000	\$ 600,000		\$ 1,900,000
Revenue Bonds		\$ -							\$ 5,000,000	\$ 5,000,000
Other		\$ -								\$ -
TOTAL SOURCES	\$ -	\$ 2,375,000	\$ 125,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 750,000	\$ 750,000	\$ 6,000,000	\$ 8,375,000

TO: City Council
FROM: Karen Kirkpatrick
DATE: October 3, 2023
SUBJECT: Common Interest and Confidentiality Agreement with Port of Olympia

1) Recommended Action:

Approve and authorize the Mayor to sign the Common Interest and Confidentiality Agreement with the Port of Olympia.

2) Background:

The Port of Olympia is a public port district and the City of Tumwater is a Washington municipal corporation. The Port owns the Olympia Regional Airport as well as other property in the City of Tumwater. In November 2016, the City and Port have entered into an Interlocal Agreement under RCW 39.34 to jointly develop the Bush Prairie Habitat Conservation Plan in order to provide programmatic incidental take coverage under the Endangered Species Act and allow for future development on property within the Parties' respective jurisdictions and/or direct ownership. The Port and the City (although separate and distinct entities) share longstanding and continuous interests in jointly acting on matters of mutual concern, and they have a common interest in communicating and collaborating on the matters covered in the proposed Common Interest and Confidentiality Agreement (attachment "A").

3) Policy Support:

Strategic Priority: be a leader in environmental sustainability and complete and implement the Habitat Conservation Plan.

4) Alternatives:

Not authorize the signing of the Common Interest/Joint Defense Agreement.

5) Fiscal Notes:

N/A

6) Attachments:

A. Common Interest and Confidentiality Agreement

COMMON INTEREST AND CONFIDENTIALITY AGREEMENT

THIS COMMON INTEREST AND CONFIDENTIALITY AGREEMENT (the “Agreement”) is effective as of the ____ day of _____, 2023 (the “Effective Date”).

1. Parties. The parties to this Agreement are the Port of Olympia (the “Port”) and the City of Tumwater (the “City”), (individually a “Party” and collectively the “Parties”).

2. Covered Matters. This Agreement relates to communications between the Parties and their agents, including their attorneys, regarding matters including but not limited to the Parties negotiation and development of a habitat conservation plan for the Olympia Airport and surrounding areas in the jurisdiction of the City of Tumwater (commonly known as the “Bush Prairie Habitat Conservation Plan”); associated application for an incidental take permit under the Endangered Species Act; regulation or oversight by state and federal agencies, including the United States Fish and Wildlife Service; compliance with any federal, state, or local legal obligations; and other matters as they may arise or be added to this list (all together the “Covered Matters”).

3. Mutual Interest. The Port is a public port district and the City is a Washington municipal corporation. The Port owns the Olympia Regional Airport as well as other property in the City of Tumwater. City and the Port have entered into an Interlocal Agreement under RCW 39.34 to jointly develop the Bush Prairie Habitat Conservation Plan in order to provide programmatic incidental take coverage under the Endangered Species Act and allow for future development on property within the Parties’ respective jurisdictions and/or direct ownership.

Although each of the Parties remains a separate and distinct legal entity, they share longstanding and continuing interests in jointly acting on matters of mutual concern. The Parties therefore agree that they have a common interest in communicating and collaborating on the Covered Matters. The Parties further agree that it is in their mutual best interest to cooperate to the extent permitted by law and develop and share certain information while retaining the attorney-client privilege, work-product protection, joint-defense and common interest privilege, and any other applicable privileges that might arise in the context of the Covered Matters.

The Parties wish to work together and have their attorneys and other agents work together in advancing their common interests in the Covered Matters. In doing so, and in order to maintain privileges, protections, and confidentiality to the full extent allowed by the law, the Parties and their agents shall follow the procedures set forth in this Agreement regarding “Received Protected Material,” as that term is defined below, that has been produced or disclosed in furtherance of this Agreement and their joint pursuit of the Covered Matters.

a. Protected Material

In the course of pursuing the Covered Matters, each Party will identify and create information and documents that are protected by the attorney-client privilege, work-product doctrine, or other applicable privileges, with such information and documents including but not limited to factual analyses; mental impressions; legal memoranda; reports of witness interviews;

draft briefs, declarations, and pleadings; billing information; consultant and expert correspondence; information and reports; and other items in oral, written, or electronic form (collectively “Protected Material”). The Parties agree that no protection or privilege will be waived or destroyed through disclosure between or among the Parties and their counsel.

b. Sharing of Protected Material

Through this Agreement, the Parties confirm that it is in their mutual best interest to cooperate and share certain Protected Material as a means of pursuing the Covered Matters. To further this Agreement, the Parties have exchanged and intend to continue exchanging such Protected Material between and among themselves. All Protected Material shared between or among the Parties (“Received Protected Material”) shall retain all protection to which it was entitled had it not been so shared.

Nothing in this Agreement requires any Party to provide information or documents in its possession to any other party and nothing in this Agreement prevents any Party from obtaining, developing, or using its own information or documents in pursuit of the Covered Matters.

c. Persons Included in Protections

Each of the Parties agrees to maintain confidentiality of all Received Protected Material exchanged between and among them. Received Protected Material shall not be disclosed to any persons other than (i) the Parties; (ii) attorneys for the Parties and staff of those attorneys’ law firms that are assisting those attorneys with the Covered Matters; (iii) consultants and technical experts and their staff engaged by the Parties in connection with the Covered Matters. Any Party wishing to disclose Received Protected Material to any consultant or expert shall first require that consultant or expert to agree to be bound by this Agreement in writing, either through a confidentiality provision in the consultant’s or expert’s engagement letter or by signing **Exhibit A**, attached hereto.

Received Protected Material provided to any person listed in this Section (3)(c) shall be used only for purposes of the Covered Matters unless the sending Party or Parties consents in writing. Received Protected Material shall not be shared with any person other than those listed in this Section (3)(c) or as agreed in writing.

Except as might be required by court order or permitted by further written agreement by all Parties, no Party may disclose Received Protected Material provided by another Party to any person or entity other than a Party to this Agreement. The Parties agree that they shall use Received Protected Material solely in connection with the Covered Matters and for no other purpose.

4. Third-Party Requests for Protected Material. If a Party receives a request, including a subpoena or request for public records under chapter 42.56 RCW, for production of Received Protected Material, that Party will promptly notify each other Party. At the reasonable request of any Party, each other Party shall cooperate to oppose any request for such Received Protected Material or limit the scope of any disclosure to the extent permitted by law. This

cooperation requirement shall not prevent any Party from complying with a third-party's request when the producing Party believes in good faith that disclosure is warranted; provided that, the other Parties receive reasonable notice before such production. This Agreement shall not prohibit disclosure of information or documents that a Party has prepared or obtained on its own initiative where that information or document contains no Received Protected Material obtained directly or indirectly from another Party.

5. No Agency Relationship. This Agreement shall not create any agency or similar relationship between or among the Parties. No Party shall have the authority to waive any applicable privilege or doctrine on behalf of any other Party, nor shall any waiver of applicable privilege or doctrine based on conduct of one Party be construed to apply to any other Party.

6. Maintenance of Privileges. The Received Protected Material exchanged by the Parties is protected from disclosure to third parties as a result of the attorney-client privilege, work-product doctrine, and other privileges and protections. Through this Agreement, the Parties confirm that in pursuing their common interests regarding the Covered Matters they do not, by sharing Received Protected Material, intend to waive any applicable protection. The Parties intend to preserve all applicable privileges and protections to the maximum extent permitted by law.

7. Adverse Positions. The Parties recognize that they might take positions that are inconsistent with or even adverse to each other in the Covered Matters or other legal proceedings. If the Parties advance inconsistent or adverse positions, they will nonetheless be bound by the provisions of this Agreement. The Parties shall not use Received Protected Material or other material obtained under this Agreement in actions against each other. The Parties may obtain those materials through normal discovery procedures or other sources independent of this Agreement, to afford an opportunity for appropriate privileges and protections to be asserted.

8. Withdrawal. This Agreement shall continue in force until a revised agreement is fully executed or the habitat conservation plan and incidental take permit are approved by the United States Fish and Wildlife Service. Any Party may withdraw from this Agreement only after submitting written notice to all other Parties. The withdrawing Party shall continue to be bound by this Agreement with regard to any Received Protected Material received, obtained, or learned at any time and this Agreement shall continue to govern the use and disclosure of Received Protected Material shared with or disclosed to the withdrawing Party. Upon withdrawal, the withdrawing Party shall prospectively cease to have any entitlement to receive Received Protected Material. Subsequent to the withdrawal, the withdrawing Party shall return to the sender all copies of Received Protected Material it received and delete any electronic copies in its possession.

A Party shall not be deemed to have withdrawn from this Agreement by virtue of any action other than as set out under this Section 8. If any counsel or other agent for a Party ceases that counsel or agency relationship, the obligations set out in this Agreement shall continue to apply to the former counsel or agent.

9. Return of Received Protected Material. Any Received Protected Material shall be returned promptly upon written request of the sending Party or its agent.

10. Enforcement. This Agreement may be enforced through any applicable cause of action in legal law or equity. Entry into this Agreement shall not affect the rights of any Party with respect to any other Party.

11. Injunctive Relief. The Parties agree that unauthorized disclosure of any Received Protected Material may cause the Parties to suffer irreparable harm for which there is no adequate legal remedy. The Parties acknowledge that immediate injunctive relief is an appropriate and necessary remedy for violations of this Agreement that involve potential or actual unauthorized disclosure of Received Protected Material. Nothing in this Section 11 limits a Party from seeking additional remedies.

12. Separate and Independent Representation. Nothing in this Agreement shall be construed to affect the separate and independent representation of each Party by its counsel. Neither the entry into this Agreement nor the receipt or use of Received Protected Material shall be deemed to create an attorney-client relationship between one Party and counsel for another Party. Nothing in this Agreement shall be construed to affect the separate and independent representation of the Parties by their respective counsel. Each Party waives any claim it might have for disqualification of counsel for any other Party related to the Covered Matters based on access to Received Protected Material.

13. Independent Analysis. The Parties recognize their right and obligation to pursue independent analysis to protect their own best interests regarding the Covered Matters. Any Party that undertakes independent analysis may freely use information or documents obtained pursuant to those efforts in any manner that Party desires, including through disclosure to third parties, without the consent of any other Party to this Agreement. Similarly, this Agreement does not limit the use by any Party of information, documents, or materials obtained outside the scope of this Agreement or the use of any information, documents, or materials that are not Received Protected Material.

14. Effective Date. This Agreement incorporates the prior intent and practice of the Parties and is effective as of the Effective Date, even if one or more Party has not signed this Agreement by that date. This Agreement shall apply to all Received Protected Material, including any Received Protected Material exchange between or among the Parties before the Effective Date. By entering into this Agreement, the Parties confirm their understanding that any Received Protected Material previously exchanged by them is protected by and subject to the terms of this Agreement.

15. Additional Agreements. Nothing in this agreement shall prevent the Parties from entering into additional common interest and confidentiality agreements when the Parties determine that circumstances warrant an additional or supplemental agreement. Further, no additional or subsequent common interest and confidentiality agreement entered into by the Parties shall undermine the effect of this Agreement.

16. Counterparts. This Agreement may be executed in counterparts. Additional Parties and their counsel may separately subscribe to and be bound by the terms of this Agreement by signature of those additional Parties and the original Parties.

CITY OF TUMWATER

By: _____

Printed name: DEBBIE SULLIVAN

Its: MAYOR

Dated: _____

PORT OF OLYMPIA

By: _____

Printed name: ROBERT (RUDY) RUDOLPH

Its: PORT OPERATIONS DIRECTOR

Dated: _____

ATTEST:

APPROVED AS TO FORM:

Melody Valiant, City Clerk

Richard L Hughes, General Counsel
Law Office of Richard L. Hughes, PLLC

APPROVED AS TO FORM:

Karen Kirkpatrick, City Attorney

EXHIBIT A

The undersigned, _____, hereby acknowledges receipt of a copy of the Common Interest and Confidentiality Agreement (the “Agreement”).

The undersigned confirms having read the Agreement and agrees to be bound by all provisions thereof.

The undersigned agrees that all co-workers, employees, assistants, or other similar personnel having access to Protected Material shall be shown a copy of this Agreement and shall be specifically instructed that they are bound by its terms.

Signed and agreed to on this _____ day of _____, 2023.

By: _____
Printed name: _____

TO: City Council
 FROM: Troy Niemeyer, Finance Director
 DATE: October 3, 2023
 SUBJECT: Lodging Tax Advisory Committee 2024 Funding Recommendations

1) Recommended Action:

Approve a motion to include the Lodging Tax Advisory Committee's (LTAC) 2024 funding recommendations into the City's budget.

2) Background:

Pursuant to RCW 67.28.180, Tumwater collects a 4% lodging tax on hotel/motel stays within the City. Each year, the Lodging Tax Advisory Committee recommends to Council the use of 2% of Lodging Tax funds for programs to generate tourism in Tumwater. The other 2% is allocated to fund historic/cultural preservation activities as presented to the Committee. RCW 67.28.1816 allows the municipality to accept the LTAC funding recommendations or some of the recommendations. The municipality cannot fund an applicant not recommended by LTAC. See the process outlined in Attachment D to change the LTAC recommendations.

3) Policy Support:

VISION | MISSION | BELIEFS: Our Vision - Tumwater of the future will be people-oriented and highly livable, with a strong economy, dynamic places, vibrant neighborhoods, a healthy natural environment, diverse and engaged residents, and living connection to its history.

4) Alternatives:

☐ Return the recommendation to LTAC for further consideration.

5) Fiscal Notes:

For 2024, LTAC recommends funding a total of \$190,000.00 to generate tourism in Tumwater. LTAC received 15 applications with a total funding request of \$265,471.00. Due to canceled events caused by COVID-19 travel/event restrictions in 2020-2022, the Committee had unspent funds from prior years, resulting in a higher allocation in the 2023 funding cycle. Those were spent down in 2023. As a result, 2024 has returned to a more "normal" funding year.

For the historic/cultural preservation activities and programs, the Lodging Tax Advisory Committee approved a motion to use \$160,000 in Lodging Tax funds. To the extent funding falls behind, the City's General Fund would cover additional costs, specifically the costs for the Historic Programs. See Attachment C.

6) Attachments:

- A. 2024 LTAC Tourism Marketing and Special Event Applicant Summaries
- B. Lodging Tax Funding History with 2024 LTAC Funding Recommendations
- C. Lodging Tax Historic and Cultural Funding for 2024 Memo from Chuck Denney
- D. MRSC article: Informal AG Opinion Clarifies Lodging Tax Awards

2024 LTAC Tourism Marketing and Special Event Applicant Summaries

A

Applicant	Summary	Requested Amount
<p>Team Tomorrow LLC Christen Greene, Founder, Head of Talent 3701 Pacific Avenue SE, #403 Olympia, WA 98501</p>	<p>Funds will be used for similar costs/programs as previous year: to bring people from throughout the region and beyond together for an affordable, fun weekend at a professional live music festival. To help cover the cost of goods and services necessary to hold a successful event of this size and scope: Booking world-class talent, Staffing: hospitality, security, box office, production. Production: PA, lighting, fencing, stage. Marketing: social media, printed collateral and radio. Intend to use any funds received from Tumwater to help cover the costs of accommodations for Artists, as well as online targeted marketing on Bandsintown or Meta. The South Sound Block Party is the region's only first-class music festival booking multiple internationally touring acts as well as locals who are on the rise.</p>	<p>\$7,500</p>
<p>Olympic Flight Museum Teri Thorning, Olympic Air Show Coordinator 7637-A Old Highway 99 SE Tumwater, WA 98501</p>	<p>Funds will be used for similar costs/programs as previous years: for promotion and operation costs of the 2024 Olympic Air Show and for the procurement of aerobatic demonstrations and related expenses. Tumwater funds are applied separately for the purpose of performer fees and incentives to include lodging, rental vehicles, marketing, promotion, and operational costs. The event serves as the Olympic Flight Museum's primary fundraising activity, and raises revenue which helps fund year-round operations of the museum to help explore, preserve, educate and promote the history of aviation. Because of this event, the museum can provide a year-round attraction and place to visit when tourists are looking for activities in every season. The Olympic Flight Museum attracts approximately 30,000 visitors annually.</p>	<p>\$45,000</p>
<p>Tumwater Artesian Brewfest Parks and Recreation - City of Tumwater Director Chuck Denney 555 Israel Road SW Tumwater, WA 98501</p>	<p>Funds will be used for similar costs/programs as previous years: to support promotions and marketing of the Tumwater Artesian Brewfest and the legacy of brewing in Tumwater. Marketing to target audiences to more likely generate hotel stays (over the age of 21, craft beverage/beer/brewing interests, residing beyond the South Sound region - Seattle to Portland metro regions). Marketing to include targeted social media ads, brewing publications, newspaper advertisements in Seattle, JBLM, Portland, and South Sound, regional radio, television, and online ads. Posters and coasters advertising the event are delivered to local breweries and restaurants, as well as to each brewery participating in the event around Washington and Oregon.</p>	<p>\$18,000</p>

2024 LTAC Tourism Marketing and Special Event Applicant Summaries

<p>Visitors and Convention Bureau of Thurston County Annette Pitts, CEO PO Box 1394 Olympia, WA 98507</p>	<p>Funds will be combined with other funds and used for similar costs/programs as previous years: to support destination marketing and development initiatives and to promote Tumwater as a key destination for sports. Continue to base content development decisions on the strategy outlined in the Business & Marketing Plan. Feature new content-photos, videos, blogs, event listings, etc. on our website, social media posts and email newsletters sent to opt-in subscribers from around the world. Employ a comprehensive public relations campaign that includes story pitches to major media outlets, social media influencer partnerships, FAM tours and crisis communications if needed. Conduct multi-channel advertising campaigns that combine print, digital, paid social media, and most significantly, digital programmatic display advertising. Continue to fund and share professional photography with Tumwater, provide market intelligence about visitor trends, offer LTAC Award Support suite of services to market activities and events Tumwater LTAC funds. Continue to employ, cultivate, and develop a program that is inclusive, committed to D.E.I. as a core driving force. Will work with Tumwater through the Thurston County Destination Master Planning process to help shape the course of work moving forward and the City of Tumwater as a destination for visitors and locals.</p>	<p>\$43,971</p>
<p>Tumwater Valley Golf Club (TVGC) Todd Anderson, Recreation Manager 555 Israel Road SW Tumwater, WA 98501</p>	<p>Funds will be used for similar costs/programs as previous years: to compete to host the WIAA State High School Golf Championships and build upon the "Wow Factor" TVGC has created to set ourselves apart in order to compete with Eastern Washington's desired weather. This year's participants were welcomed by street banners lining Capitol Boulevard and Tumwater Valley Drive. TVGC created a tunnel of signs to the first tee that highlighted each school represented. This turned out to be a popular photo opportunity. Typically only seen at exclusive events, TVGC created a hospitality tent for volunteers, coaches and officials. If successful with securing these funds, TVGC will purchase a set of outdoor dual wireless sound systems, ten logo table covers, signage and flags that will be used for the closing ceremony as well as during the event. This event brings thousands of people to Tumwater.</p>	<p>\$2,000</p>

2024 LTAC Tourism Marketing and Special Event Applicant Summaries

<p>Tumwater Soccer Club Kick in the Grass Soccer Tournament Craig Boone, Kick in the Grass Director PO Box 14304 Tumwater, WA 98511</p>	<p>Funds will be used for similar costs/programs as previous years: to offset costs associated with running the 45th Annual Kick in the Grass soccer tournament. Costs include field rentals, equipment, referee fees, tournament awards and administrative expenses. Lodging Tax funds allow TSC to keep registration fees down. This event is expected to bring over 6,000 people to Tumwater. KITG is the longest running soccer tournament in the State and also one of the most affordable sanctioned tournaments. The Club informs local businesses of the event so they will be prepared for extra customers and many participants/guests stay in Tumwater hotels and eat at Tumwater restaurants. The tournament focuses on recreational level teams and is the Club's primary fundraiser which allows the Club to offer affordable soccer opportunities to youth in the Tumwater School District.</p>	<p>\$15,000</p>
<p>Washington State Senior Games Dianne Foster, Board of Directors President PO Box 14547 Tumwater, WA 98511</p>	<p>Funds will be used for similar costs/programs as previous years: to support the 2024 Washington State Senior Games in July and August in venues throughout the South Sound. Costs include marketing, venue rental, insurance, event officials, supplies, t-shirts, and medals. The Games consistently attract the largest gathering of senior athletes in the State, with activities held in venues throughout Tumwater, Olympia, and Lacey. The impact of the Senior Games on the local economy is significant. Approximately 60% of the participants and their families come from all over the State, and 20% come from other states and Canada. Many of these competitors, their families, and officials stay in local motels, eat in local restaurants, and enjoy the many amenities of the local area. Events presented in Tumwater are Track & Field, the 5K and 10K road runs, Race Walking, Power Walking, Racquetball, Tennis, and Golf. A few of the events, swimming at the Briggs Y along with volleyball and basketball at Olympia High School border the City of Tumwater, which will also draw tourism-generating activities to the City of Tumwater due to close proximity.</p>	<p>\$15,000</p>
<p>Tumwater Area Chamber of Commerce Gabe Toma, President 855 Trosper Road SW, #108-229 Tumwater, WA 98512</p>	<p>Funds will be used for similar costs/programs as previous years: provide Visitor Information Services operated by a team of Tumwater School District educators and their students. The Tumwater Visitor Center serves as a promotional tool for the community to display and highlight lodging, restaurants, and recreational opportunities so that travelers can easily see their options and are encouraged to eat, play and stay in Tumwater. The Tumwater Visitor Center is designed to provide a brick-and-mortar visitor experience for area tourists. Now that the Visitor Center on the Capitol Campus is closed, this is a unique opportunity to reach tourists who typically would have visited that location and draw them directly to Tumwater. <i>This program was funded in 2023 but they were unable to move forward with the program at that time.</i></p>	<p>\$12,000</p>

2024 LTAC Tourism Marketing and Special Event Applicant Summaries

<p>Washington Center for the Performing Arts Jill Barnes, Executive Director 512 Washington Street SE Olympia, WA 98501</p>	<p>Funds will be used for similar costs/programs as previous years: marketing and outreach activities, mail print advertising, and send over one million email per year, including e-newsletters and targeted event e-blasts, advertise performances in print and electronic media – utilizing local media partners, and increasingly advertise on social media platforms. Maintain a very successful website with over 1,000 clicks/day which has the ability to sell tickets 24/7. Send press release materials throughout Western Washington. Dozens of local organizations rent The Center and promote their events throughout our region. These materials focus on activities at the Washington Center for the Performing Arts, Kenneth J. Minnaert Center for the Arts, and Harlequin Productions - a recently established administrative contract to operate the box office and front house services. Actively seek partnerships with hotels, restaurants and retail establishments that complement the goals of the individual organizations. Completed a two-phase \$8.8 million capital campaign in November 2022, to enhance the quality and efficiency of producing live performing arts and cultural events. These interior renovations helped reinvigorate interest in the space, drawing new audiences to the Center this season.</p>	<p>\$15,000</p>
<p>Tumwater Downtown Association John Morton, President 1950 Black Lake Boulevard SW Tumwater, WA 98512</p>	<p>Funds will be used for similar costs/programs as previous years: marketing and promotion of the 24th Annual July 4th Artesian Festival at the Tumwater Valley Golf Course, along with direct costs that include the fireworks show, children's activities, games, additional entertainment, marketing and promotion. TDA will continue to expand on the history and tradition of the Artesian Festival and will continue to promote all aspects of the 4th of July celebration. The event will expand to include live music and entertainment at the festival. Marketing efforts utilize direct mailings, flyers, magazines, website promotion, social media platforms, radio advertising, and extensive marketing in the greater Western Washington area. Prior years have had as many as 14,000 people attend. What originally began as just a fireworks show has grown into Tumwater's largest single day family-oriented event.</p>	<p>\$30,000</p>

2024 LTAC Tourism Marketing and Special Event Applicant Summaries

<p>Fred U. Harris Lodge #70 Lester Dickson, Past Grand Master/Chair Juneteenth Committee PO Box 5072 Lacey, WA 98503</p>	<p style="text-align: center;">**NEW APPLICANT**</p> <p>Funds will be used: to promote the City of Tumwater as a partner for Juneteenth, encourage participants to explore the City of Tumwater, and costs to host the Juneteenth celebration. Resources bought and used at the event will be from businesses in the City of Tumwater. Juneteenth celebrates freedom from slavery of marginally recognized racial group at the time, that occurred almost a century after the American War of Independence from British rule. Juneteenth is an event that has been celebrated by Fred U. Harris Lodge #70 for over forty (40) years prior to Juneteenth being recognized as a federal and state holiday. This event has always been free to the public and included traditional food commemorating the event. Within the last two years, attendance has grown from 500-600 per event to over 1,500 at last year's event, with attendees from the cities of Lacey, Tumwater, Olympia, Tacoma, Seattle, and Portland. Fred U. Harris Lodge #70, a Masonic Lodge, has held its meetings and special events in the City Tumwater for over two decades. Social media posts leading up to the event will feature current events available in the City of Tumwater, and encourage attendees to explore eateries and events within the City.</p>	<p style="text-align: center;">\$10,000</p>
<p>Capital Lakefair Chris Rea, Office Manager PO Box 2569 Olympia, WA 98507</p>	<p>Funds will be used for similar costs/programs as previous years: support marketing and float travel promotion - promoting Tumwater on all festival travels. Funds go toward hotel, gas, car rentals and to decorate the 2024 float theme. While the float is in the parade, an announcer at each parade will read a description giving Tumwater, Lacey, and Olympia top kudos. The Lakefair float is transported to more than 15 parades each year around the Pacific Northwest. It incorporates signage and elements that promote the cities of Tumwater, Olympia, and Lacey. Lakefair also includes verbiage in parade scripts supplied to announcers along the parade route and TV announcers for larger events such as Seattle Seafair, Portland Rose Festival, and the Spokane Lilac Festival. Capital Lakefair's mission is to promote and host a family-friendly 5-day annual community festival that celebrates Thurston County and provides an opportunity for non-profit organizations and scholarship program recipients to benefit from the festival. Lakefair Week draws visitors, vendors, musicians, and other festival organizations from all around the PNW. Lakefair promotes Tumwater as a top supporters on the logo, social media, website, local articles about Lakefair, annual program, and on applications vendors and entertainers have to fill out in order to be accepted into Lakefair events. Lakefair is willing to partner with any Tumwater lodging establishment(s) and include them in all of the promotional materials.</p>	<p style="text-align: center;">\$6,000</p>

2024 LTAC Tourism Marketing and Special Event Applicant Summaries

<p>Tumwater Craft Marketing City of Tumwater Ann Cook, Communications Manager 555 Israel Road SW Tumwater, WA 98501</p>	<p>Funds will be used for similar costs/programs as previous years: paid and earned media as part of a comprehensive marketing campaign. This multi-faceted approach combines various strategies and channels to effectively promote the City as a destination for all things Craft. All LTAC funds will be spent directly on goods and services-with no overhead. Marketing Tumwater as a destination involves crafting a compelling narrative that showcases the unique attributes, attractions, and experiences. Tumwater Craft marketing campaign is targeted to attract visitors interested in unique, locally-made products and experiences. An effective marketing campaign using lodging tax funds (LTAC) can result in increased tourism revenue, economic growth for local businesses, and a heightened sense of community pride. Lingering impacts of COVID-19 have slowed plans for emerging food and beverage industries and opening of the Craft District. There are new businesses in the Tumwater Warehouse District, Craft District, and the City. This proposal expands marketing to support the overall Tumwater Craft initiative.</p>	<p>\$25,000</p>
<p>Olympia Tumwater Foundation John Freedman, Executive Director PO Box 4098 Tumwater, WA 98501</p>	<p>Funds will be used for similar costs/programs as previous years: creating two videos, Deschutes River Canyon History and Salmon in the Deschutes River Canyon, to be produced by Sky Bear Media, a Native American-owned and operated company in Thurston County. A HISTORY OF THE DESCHUTES RIVER CANYON would include five segments: geology and formation; indigenous peoples; pioneer populations; early industrial era; and current cultural uses. Each segment will serve as a stand-alone piece but all five segments can be viewed together to offer a complete history of the Deschutes River canyon, from geologic times to today. A HISTORY OF SALMON IN THE DESCHUTES RIVER video will include dramatic footage of the fall salmon runs, interviews with fish biologists, and a behind-the-scenes look at one of the Northwest's most iconic wildlife species. Both videos will incorporate footage from the 2023 LTAC project, showcasing the scenic attributes of the Historic District and environs. Additional footage will include: historic photographs, maps, images from the Schmidt House archives, Brewmaster's House collection, images from respected sources, and interviews with distinguished experts in their fields. The final videos will be accessible on YouTube, TikTok, and other social media, as well as websites including the City of Tumwater, Olympia Tumwater Foundation, and Experience Olympia & Beyond. The primary audience will be the cultural tourist, which studies have shown to have the greatest destination spending potential.</p>	<p>\$11,000</p>

2024 LTAC Tourism Marketing and Special Event Applicant Summaries

<p>Deschutes Rugby Club Thor Hoyte, President 6305 Hawks Prairie Court NE Olympia, WA 98516</p>	<p align="center">**NEW APPLICANT**</p> <p>Funds will be used for: expense of competition and other related event costs. The additional support will allow the club to create quality regional events that will grow the City of Tumwater as a destination. Deschutes Rugby Club runs multiple events that bring people to the City of Tumwater. In Tumwater, the Club has a well-developed relationship with Chapman Cider and are working to cultivate additional relationships with Tumwater breweries/distilleries to host events to drive patronage to these partners. Team jerseys boldly display Chapman's logo front and center which provides advertising to hundreds of local, regional and out-of-state Rugby patrons, backed with exposure to the businesses product and location. This would be the case for all Tumwater business partners. Deschutes Rugby Club's main playing fields are in Lacey, and it runs three adult sides that compete in matches and tournaments from around WA, OR & ID. These traveling teams and their fans will need a combination of food, beverages and accommodation. Alongside competition matches, the Club will be hosting the tri-state finals which will have a minimum of 10 traveling squads welcomed to the area and are hosting the Geo-regions annual Hall of Fame dinner bringing together up to 300 individuals from around WA, OR & ID. Deschutes Rugby Club will promote overnight stays in Tumwater via its website, social media, newsletter and through direct communications with partners, sponsors and rugby network over the WA, OR and ID region. The Club works hard to communicate online (via our website, social media, email and newsletter) alongside directly engaging with a variety of clubs and organizations for example the British American Business Association and PNW Rugby amongst others.</p>	<p align="center">\$10,000</p>
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Total Funding Request: \$265,471

CITY OF TUMWATER

B

Lodging Tax Funding History

Funded Organization	2021 Request	2021 Funded	2022 Request	2022 LTAC Funded	2023 Request	2023 LTAC Funded	2024 Request	2024 LTAC Funded
Team Tomorrow LLC	-	-	25,000	2,400	10,000	\$ 4,900	7,500	\$ 4,516
Olympic Flight Museum	39,000	35,750	39,000	36,000	42,300	\$ 36,250	45,000	\$ 41,144
Tumwater Artesian Brewfest - City of Tumwater	12,000	9,375	18,000	13,500	18,000	\$ 14,000	18,000	\$ 14,049
Visitor and Convention Bureau of Thurston County	50,000	34,000	75,089	38,400	61,000	\$ 36,300	43,971	\$ 37,632
Tumwater Valley Golf Club - City of Tumwater	-	-	-	-	6,500	\$ 5,250	2,000	\$ 2,000
Tumwater Soccer Club	14,000	9,300	14,000	11,100	15,000	\$ 11,900	15,000	\$ 12,712
Washington State Senior Games	-	-	15,000	13,800	15,000	\$ 13,000	15,000	\$ 13,046
Tumwater Area Chamber of Commerce	12,000	4,500	-	-	15,000	\$ 7,000	12,000	\$ -
Washington Center for the Performing Arts	15,000	8,500	15,000	11,000	15,000	\$ 11,300	15,000	\$ 12,042
Tumwater Downtown Association	30,000	17,000	30,000	20,000	30,000	\$ 19,200	30,000	\$ 21,408
Fred U. Harris Lodge #70 (NEW 2024)			0	-	-	\$ -	10,000	\$ -
Capital Lakefair	4,000	2,900	6,000	3,600	6,000	\$ 3,400	6,000	\$ 3,178
Tumwater Craft Marketing - City of Tumwater	18,995	13,000	20,000	15,000	20,000	\$ 14,250	25,000	\$ 16,390
Olympia Tumwater Foundation	8,423	3,625	-	-	10,000	\$ 6,200	11,000	\$ 6,189
Deschutes Rugby Club (NEW 2024)			-	-	-	\$ -	10,000	\$ 5,687
Craft District Opening Celebration - City of Tumwater	4,000	3,625	6,000	5,000	-	\$ -	-	
Gateway Rotary Club of Thurston County	-	-	5,000	2,000	5,000	\$ 2,000	-	
Tumwater Marching Band Festival	5,000	4,400	5,000	5,000	5,000	\$ 4,800	-	
Tumwater Historical Association	5,000	4,100	5,000	3,800	5,000	\$ 3,800	-	
Lodging Tax Requests:	217,418		278,088.67		278,800		265,471	
Lodging Tax Funded:		150,075		180,600		193,550		189,993
2024 Recommended Funding Level:							190,000	
Beginning Fund Balance:		350,262		450,717		503,462		474,912
Tax Proceeds:		155,880		191,626	<i>actual</i>	165,000	<i>estimated</i>	165,000 <i>estimated</i>
Total LTAC Funds for the Year:		506,142		642,343		668,462		639,912
Total Program Expenses:****		(55,425)		(138,881)	<i>actual</i>	(193,550)	<i>estimated</i>	(190,000) <i>estimated</i>
Less Desired Minimum Fund Balance:		75,000		75,000		75,000		75,000
Ending Balance:		375,717		428,462		399,912		374,912

**** Includes repeating events; new events; craft marketing

MEMO

Date: September 18, 2023
 To: Lodging Tax Advisory Committee
 From: Chuck Denney, Parks and Recreation Director



Proposed Action

This memo outlines the distribution of Lodging Tax funds for tourism-related historic and cultural events and activities in Tumwater.

Background

Based on the imposed 4% Lodging Tax, the City receives two allocations of revenue. The first 2% funds are designated by City Council (Resolution No. R2016-006) for tourism-related historic and cultural programs. The second 2% funds are for tourism-generating events and marketing. This memo addresses the use of the first 2% historic and cultural program funds.

In 2023, funding was distributed as follows:

Historic/Cultural	<u>2022</u>
Historic Buildings (City)	\$60,000
Historic Programs (OTF)	\$60,000
Historic Old Brewhouse Tower (City)	\$30,000

Because of COVID-19 economic conditions, LTAC revenues plummeted significantly. Costs to maintain the historic programs and the Old Brewhouse Tower, houses, and cemetery did not go down. The City also maintained the support of the Olympia Tumwater Foundation for their continued operation. They provided background information, support, and research related to City activities, including work on assessing and organizing the City's historical archive.

In 2023, the City maintained the City's historic house inventory (Brewmaster's House and Crosby House) and the historic cemetery with minor improvements, utilities, security, repairs, pest control, landscaping and insurance. The City has received state grant funding to improve conditions and security at the historic cemetery and this work will continue into 2024. The City's Volunteer Program also dedicated hours to a number of major maintenance improvements to the cemetery. The Parks Department has continued to work with Mills & Mills, the adjacent private cemetery and funeral home, to help maintain and improve the cemetery property.

The City continued to contract with the Olympia Tumwater Foundation for provision of historic programming and services. This included the Heritage Builders Program, a rotating historical

display at City Hall, research regarding the historic home registry and process, event participation, support of the historic home program, and adapting historical district walking tours. Public access and events are planned to re-start at the historical homes in 2024.

Work to preserve and restore this iconic old brewhouse structure and provide public access to one of Washington's important heritage stories is underway. The brick replacement and masonry repair project is complete and engineering for seismic stabilization is in the design phase. In 2022, over \$140,000 has been spent on geoengineering, architectural and engineering services. The City is currently conducting an analysis of future use and occupancy requirements. The Brewhouse Tower is closed to visitors during rehabilitation.

Lodging tax funds are an important part of the project viability as they provide a source of cash for improvements outside of the grant that can be used for capital improvements and marketing.

2024 Proposal

Based on the prior City Council direction and the City's inventory of historic assets, the funds for 2024 are planned to be expended in the following fashion:

Historic/Cultural	<u>2024</u>
Historic Buildings (City)	\$70,000
Historic Programs (OTF)	\$60,000
Historic Old Brewhouse Tower (City)	\$30,000

The City had \$150,000 in LTAC revenue in 2021 and 2022, which was sufficient to cover these programs. Funding for 2022 was less than previous years due to COVID-19 reductions in revenue. To the extent funding falls behind, the City's General Fund would cover those additional costs, specifically the costs for the Historic Programs.

Funds will be spent similar to prior years. The building portion pays for operational costs for the Crosby and Brewmaster houses and the historic cemetery. We will continue to work with volunteers to do minor maintenance of the cemetery.

The City is continuing to contract with the Olympia Tumwater Foundation for historic programs and services. The City has found this partnership to be an effective and efficient means of providing quality programming to the community and resource for City and other historic projects in Tumwater. The presentation and interpretation of Tumwater's history is an important aspect to the overall "Tumwater Craft" initiative that celebrates and builds upon the community's legacy around brewing.

To meet JLARC's reporting requirements, we will need a motion from the Committee to approve the \$160,000 for the Historic and Cultural Program funds as described above for 2024.

Informal AG Opinion Clarifies Lodging Tax Awards

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August 24, 2016 by [Toni Nelson](#)

Category: [Lodging Tax \(Hotel-Motel Tax\)](#)



We've received many questions in the past about awarding lodging tax funds, and specifically whether a municipality may award an amount to a recipient that is different from the recommendations made by the lodging tax advisory committee (LTAC). An [informal opinion](#) from the Attorney General's office, released last week (August 17), answers this question and provides municipalities with some additional options for the distribution of awards beyond what we thought previously.

First, Some Background...

In 2013, the legislature amended [RCW 67.28.1816](#) and expanded the role of the LTAC for municipalities with population of 5,000 or more. Applicants seeking lodging tax distributions must now submit an application directly to the LTAC, and the LTAC must select candidates from the pool of applications and provide a list of the candidates and recommended awards to the municipality for final determination.

[RCW 67.28.1816](#)(2)(b)(ii) states:

The local lodging tax advisory committee must select the candidates from amongst the applicants applying for use of revenues in this chapter and provide a list of such

candidates and recommended amounts of funding to the municipality for final determination. The municipality may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee.

Previous MRSC guidance on this issue has been that a city or county does not have to fund the full list as recommended by the LTAC and can choose to make awards in the recommended amounts to all, some, or none of the candidates on the list.

What Does the Informal AG Opinion Say?

The [informal opinion](#), written by Assistant Attorney General H. Lee Overton, provides some clarity to the question of whether a municipality can award an amount that differs from the LTAC recommendation. In his opinion letter, he writes in his brief answer:

When awarding lodging tax revenues pursuant to [RCW 67.28.1816](#)(2)(b)(ii), a municipality may award amounts different from the local lodging tax advisory committee's recommended amounts, but only after satisfying the procedural requirements of [RCW 67.28.1817](#)(2), according to which the municipality must submit its proposed change to the advisory committee for review and comment at least forty-five days before final action on the proposal.

So what does this mean for local legislative bodies? The informal opinion basically says that the roles of the LTAC and the municipality are clear: the LTAC is to make recommendations and the municipality is to make a final determination. The legislative body has the ability to award an amount that differs from the recommendation, but in order to do so it must first submit the proposed changes to the LTAC under the provisions of [RCW 67.28.1817](#)(2) which states in part:

Any municipality that proposes [...] a change in the use of revenue received under this chapter shall submit the proposal to the lodging tax advisory committee for review and comment. The submission shall occur at least forty-five days before final action on or passage of the proposal by the municipality. The advisory committee shall submit comments on the proposal in a timely manner through generally applicable public comment procedures. The comments shall include an analysis of the extent to which the proposal will accommodate activities for tourists or increase tourism, and the extent to which the proposal will affect the long-term stability of the fund created under [RCW 67.28.1815](#). Failure of the advisory committee to submit comments before final action on or passage of the proposal shall not prevent the municipality from acting on the proposal.

Accordingly, the role of the advisory committee is preserved while also preserving the authority of the municipality as the final decision maker.

MRSC is a private nonprofit organization serving local governments in Washington State. Eligible government agencies in Washington State may use our free, one-on-one [Ask MRSC service](#) to get answers to legal, policy, or financial questions.