

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

> Tuesday, January 07, 2025 7:00 PM

- 1. Call to Order
- 2. Roll Call
- 3. Flag Salute
- **4. Public Comment:** (for discussion of items not having a public hearing on tonight's agenda)
- 5. Consent Calendar:
 - a. Approval of Minutes: City Council, November 19, 2024
 - b. Approval of Minutes: City Council, December 3, 2024
 - c. Payment of Vouchers (Finance Department)
 - d. Contract between the City of Tumwater and the Washington State Department of Fish and Wildlife for the Phase 4 Bush Prairie Habitat Conservation Plan (HCP) Grant (General Government Committe Meeting)
 - <u>e.</u> Service Provider Agreement with HDR Engineering for On-Call Engineering Services Amendment No. 1 (Public Works Committee)
 - <u>f.</u> Service Provider Agreement with PBS Engineering for the Percival Creek Fish Passage Barrier Removal Project Amendment 4 (Public Works Committee)
 - g. Acceptance of Work with Reed Trucking and Excavating, Inc. for the Israel Road and Linderson Way Watermain Project (Public Works Committee)
 - <u>h.</u> Acceptance of Work with Specialized Pavement Marking, LLC. for the 2024 Citywide Striping project (Public Works Committee)
 - i. Exception to the Residency Requirement for David Shipley's Appointment on the Historic Preservation Commission (Executive Department)

6. Council Considerations:

- <u>a.</u> Service Provider Agreement with the Thurston Regional Planning Council for HCP Land Capacity Analysis Update (Community Development Department)
- <u>b.</u> Service Provider Agreement with the Thurston Regional Planning Council for Land Use Alternatives Review (Community Development Department)

- c. Interlocal Agreement with the Cities of Lacey, Olympia, and Tenino, and Thurston County to Support Implementation of the 2025 "Energize Thurston" Heat Pump Group Purchase Campaign (Water Resources & Sustainability Department)
- d. Service Provider Agreement with South Puget Sound Habitat for Humanity for the Energize Thurston 2025 Program Administration (Water Resources & Sustainability Department)
- e. Transportation Benefit District Briefing (TBD) (Transportation and Engineering Department)

7. Committee Reports

- a. Public Health and Safety Committee (Peter Agabi)
- b. General Government Committee (Michael Althauser)
- c. Public Works Committee (Eileen Swarthout)
- d. Budget and Finance Committee (Debbie Sullivan)

8. Mayor/City Administrator's Report

9. Councilmember Reports

10. Executive Session:

- a. Potential Litigation pursuant to RCW 42.30.110(1)(i)
- b. Real Estate Acquisition pursuant to RCW 42.30.110(1)(b)

11. Any Other Business

12. Adjourn

Hybrid Meeting Information

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

Watch Online

Go to http://www.zoom.us/join and enter the Webinar ID 869 3953 4872 and Passcode 958420.

Listen by Telephone

Call (253) 215-8782, listen for the prompts and enter the Webinar ID 869 3953 4872 and Passcode 958420.

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_qXqUSz-uRsmUnKdiKTQsXw

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

Video of this meeting will be recorded and posted on our City Meeting page: https://tumwater-wa.municodemeetings.com.

Accommodations

The City of Tumwater takes pride in ensuring that people with disabilities are able to take part in, and

benefit from, the range of public programs, services, and activities offered by the City. To request an accommodation or alternate format of communication, please contact the City's ADA Coordinator directly, call (360) 754-4129 or email ADACoordinator@ci.tumwater.wa.us. For vision or hearing impaired services, please contact the Washington State Relay Services at 7-1-1 or 1-(800)-833-6384.

CONVENE: 7:00 p.m.

PRESENT: Mayor Debbie Sullivan and Councilmembers Peter Agabi, Michael

Althauser, Joan Cathey, Angela Jefferson, Eileen Swarthout, and Kelly

Von Holtz.

Excused: Councilmember Leatta Dahlhoff.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Finance Department Director Troy Niemeyer, Police Chief Jon Weiks, Fire Chief Brian Hurley, Community Development Department Director Michael Matlock, Transportation & Engineering Department Director Brandon Hicks, Water Resources & Sustainability Department Director Dan Smith, Parks and Recreation Department Director Chuck Denney, Administrative Services Department Director Michelle Sutherland, Planning Manager Brad Medrud, IT Manager Lance Inman, Police Commander Jay Mason, Communications Manager Jason Wettstein, Engineering Services Manager Bill Lindauer, Capital Projects Manager Don Carney, City Clerk Melody Valiant, and Deputy City Clerk Tracie Core.

SPECIAL ITEMS:

PROCLAMATION: GIS DAY, NOVEMBER 20, 2024: Councilmember Swarthout read a proclamation declaring *November 20*, 2024 GIS Day. The proclamation called upon the people of the City of Tumwater to learn about the GIS applications and data available on the City's website, and encourage geospatial education within the community.

Mayor Sullivan presented the proclamation to GIS Coordinator Jennifer Radcliff and other GIS staff members.

PUBLIC COMMENT:

Dave Nicandri, 505 4th Avenue SW, Tumwater, commented that as somehow who has written about pioneering geographers, such as Captain Cook, Lewis and Clark, George Vancouver, and Alexander McKenzie, he recognizes the importance of GIS. He congratulated voters in the state who had the good sense of voting in favor of Initiative 2066. He has testified many times before the Council over the last 18 months pleading for some common sensibility about the mad rush to electrify everything within the infrastructure system, which was particularly auspicious since the lights are flickering because of high winds. It is nice to know the City has back-up energy to keep the City's communications systems, employees, and visitors safe should the electrical grid go down as many weather forecasters have warned. The City would be advised to install a natural gas hook-up to keep the emergency generator running when needed rather than using fuel or diesel oil. He thanked Mayor

Sullivan for scheduling a meeting of the Historic Preservation Commission to enable the Commission to complete some productive efforts in support of the City. Given the wind, he stopped by the Davis-Meeker oak tree and observed that the tree is in good condition. He sent Councilmembers Althauser and Dahlhoff text messages about a 20-foot long 6-8-inch diameter piece of a large Douglas-fir branch that had fallen in proximity to the sidewalk leading to the Tumwater Library. The tree was a true widow maker, which speaks to the capriciousness of the idea that the oak tree ought to be removed when there is a tree literally across the street that could have easily killed someone because of the limb that fell in close proximity to the sidewalk.

Eric Johansen said he forwarded a two-page letter to the City Council. As mentioned by the previous speaker, he understands a meeting of the Historic Preservation Commission is planned later in the week. He is hopeful that some of his ideas shared with the Council could entail further discussion. The primary focus of his comments pertain to the Cowlitz Trail and to a lesser degree, the Davis-Meeker oak tree and tribal land acknowledgement. He cited GIS Coordinator Radcliff for her helpfulness and assistance during a recent call requesting a GIS layer of a City map. She affirmed the ability to produce the map and two hours later he had a copy of the map.

CONSENT CALENDAR:

- a. Approval of Minutes: City Council, November 4, 2024
- b. Payment of Vouchers
- c. Ordinance No. O2024-006, Ad Valorem for Regular Property Taxes for the Fiscal Year 2025
- d. Ordinance No. O2024-010 Amending Tumwater Municipal Code 2.06 and Tumwater Municipal Code 2.10 Relating to Administration and Personnel Creating a New Department to be Entitled the Information Technology Department
- e. Interlocal Agreement with Cities of Lacey, Olympia and Yelm for Accessory Dwelling Unit Plans
- f. Interagency Agreement with Washington Department of Commerce for Tumwater Fire Stations Solar + Storage Feasibility
- g. Grant from the Dept of Ecology for the Golf Course Stormwater Retrofit Project Amendment 2
- h. Interlocal Agreement with City of Olympia for Mark Noble Regional Training Center
- i. Interlocal Agreement with City of Olympia for FDCARES Program
- j. Acceptance of Work with Sound Pacific Construction for the 2022 Pedestrian Improvements project
- k. Acceptance of Work with Miles Resources, LLC. for the 2023 Pavement Maintenance project
- 1. Old Hwy 99 & 79th Ave Roundabout Schedule 74 Underground Conversion Design Agreement with Puget Sound Energy
- m. Bargaining Agreement between the City of Tumwater and the

International Association of Firefighters Local No. 2409 encompassing January 1, 2025, through December 31, 2027 n. Advisory Board Appointment of Alex Chacon to the Tree Board

MOTION:

Councilmember Althauser moved, seconded by Councilmember Von Holtz, to approve the consent calendar as published. A voice vote approved the motion unanimously.

Mayor Sullivan reviewed the items approved on the Consent Calendar.

PUBLIC HEARINGS:

ORDINANCE NO. 2024-007, 2025-2026 BIENNIAL BUDGET: Mayor Sullivan noted the public hearing is the second hearing on the City's 2025-2026 biennial budget. All cities and communities are experiencing difficulty with ending fund balances with many jurisdictions utilizing reserve funds to ensure a balanced budget. The City is fortunate that the utilization of ending fund balance has been reduced from a preliminary estimate.

City Administrator Parks presented the 2025-2026 biennial budget. The presentation included information on the context and framework for the budget centering on the City's Mission, Beliefs, Financial Policies, and Council Goals and Strategic Policies, current and future challenges in response to growth in the City outpacing the City's ability to provide services, and the lack of revenue to keep pace with growth.

City Administrator Parks described the budget development process by staff and the City Council through Council retreats, reviews of financial forecasts and projections, input from the management team through workforce planning to identify required resources to accomplish City goals and priorities, four municipal finance work sessions with the Council, and development of the initial budget proposal and subsequent review to reduce expenditures in the Mayor's proposed budget. The City Council participated in three budget workshops. Since then, additional changes to the budget have reduced the amount of ending fund balance required.

The budget focuses on a multi-year strategy of balancing and stabilizing current conditions by matching expectations of work and delivery of services at the City's current revenue and staffing capacity, hiring additional employees in early 2025, and contracting with a municipal financial advisor to assist the City in identifying opportunities for development of a 10-year financial plan to assist in preparing and forecasting future budgets beginning with the 2027-2028 biennial budget.

Budget priorities identified include:

- Non-represented salary market adjustments
- Adding employee positions
- Space and security needs at City Hall
- Identification of deferred building maintenance throughout City facilities

City Administrator Parks shared a graphic representing the difference in salaries between union and non-union employees. The information reflects market rate increases to ensure salary parity and to assist in hiring and retaining employees. Employee positions covered by the market rate increase are approximately 125 with an average below market salary rate of 15%. The proposed salary adjustments average 14%.

The budget forecasts total revenue of \$95,703,000.00 with an existing beginning fund balance of \$119 million and projected general fund expenditures of \$106 million leaving a projected ending fund balance of \$13 million. To pay for all identified expenses in the budget, staff proposed using \$10.2 million of reserves to support the biennial budget. Because the amount was not acceptable or fiscally responsible, staff identified savings and potential new revenue sources reflecting an acceptable and fiscally responsible budget utilizing approximately \$5 million of the ending fund balance over the next two years.

City Administrator Parks addressed questions from the Council. Staff identified reserve accounts that are obligated by City resolutions and ordinance to maintain. All reserve accounts are maintained within the proposed budget. Of the projected ending balance of \$18,5 million, the City anticipates allocating \$5 million over the next two years to pay for expenses; however, over the next two years, efforts will be pursued to examine revenue sources, community expectations of service delivery, and ways to pay for service delivery expectations as it is not sustainable to utilize ending fund balance to balance the next biennial budget. It is necessary for this proposed budget to afford time for the Council and staff to undertake some difficult work to identify additional revenue sources, programming options, and different strategies to achieve a balanced budget.

City Administrator Parks added that the current revenue projection of \$96 million includes approximately \$1.2 million from an increase in revenue if the Council adopts a proposed increase of 6% in utility tax only for City-owned utilities equating to an average \$8.08 increase in a monthly utility bill.

City Administrator Parks addressed questions as to the reasons attributed to the budget deficit and indicated the primary reasons are increasing

expenses related to inflation and the inability for the property tax levy to increase above 1% limiting the City's revenue growth. The City's primary and most stable source of revenue continues to shrink each year.

City Administrator Parks reviewed a summary of the general fund budget comprised of the City's major expenditures and revenue by category. Salaries and benefits necessary to provide public services constitute approximately 67% of general fund expenditures. Police and fire services are the largest component followed by Parks and Recreation. The City's four enterprise funds of Water, Sewer, Storm, and Golf Course are self-funded by ratepayers and users of the systems with the exception of the Golf Course. One strategy is identifying all costs associated with the golf course to ensure transparency and to identify the amount of support from the general fund to sustain golf course The City's combined Capital Facilities Plans (General operations. Government and Transportation) anticipate expending \$71 million on a variety of parks, brewery redevelopment, transportation projects, and equipment. The Capital Facilities Plans are adopted every other year with the next review scheduled in late 2025. The plans include planned and necessary projects based on input from the community and requirements of the regulatory environment.

City Administrator Parks reviewed proposed expenditures, revenues, and ending fund balance for the 2025-2026 biennial budget of \$428,940,178, which is inclusive of all funds administered by the City of Tumwater.

The next step is seeking direction on the proposed utility tax and adoption of the budget at the December 3, 2024 Council meeting.

PUBLIC TESTIMONY:

Mayor Sullivan opened the public hearing at 7:50 p.m.

With there being no public testimony, Mayor Sullivan closed the public hearing at 7:50 p.m.

Mayor Sullivan advised that the proposed budget is scheduled for consideration during the December 3, 2024 meeting.

COUNCIL CONSIDERATIONS:

ORDINANCE NO.
O2024-009
AMENDING TMC
3.28.040 IMPOSING
UTILITY TAXES ON
WATER, SEWER AND
STORMWATER

Director Niemeyer presented the proposal to increase utility tax on City utilities from 6% to 12% to increase revenue in the general fund.

Director Niemeyer reviewed the history of utility tax, which was established by the City in 1974 at 3%. It remained at 3% until 1991, when the City Council increased the rate to 6%.

UTILITIES:

The increase will fund general government services, as the source of tax is unrestricted and can pay for any general fund expenditure. The tax would apply to Water, Sewer, and Stormwater utilities for residential and commercial users.

Director Niemeyer reviewed tax rates of neighboring jurisdictions. Proposed changes in rates and utility tax reflect an average residential bill lower than neighboring jurisdictions of \$5 to \$7 monthly.

The City realizes that increasing utility rates and taxes can be difficult for some households and offers a Utility Hardship Program of financial assistance to customers once annually with certain income limits or for hardship reasons. The program is currently under-utilized with staff working with Communications staff to advertise the program to the community. Another program is the Lifeline Program offering a 50% discount similar to the county's program for discounts on property tax for seniors and low-income disabled individuals.

Councilmember Jefferson commented on the lack of participates in the Utility Hardship Program and urged staff to increase efforts in communication with the community. She suggested adding messages on the monthly billing statement as well as on the billing envelope.

Mayor Sullivan advised that the program was previously administered by the Community Action Council of Mason and Thurston, which has since been returned to the City to administer, which should result in an increase in participation.

Councilmember Cathey addressed the increase in utility fees each year and the impact to seniors and lower income households in the City. She prefers not increasing the utility tax because of the financial impact to many community members. Director Niemeyer advised that the utility tax has not been increased for 33 years; however, utility rates are evaluated annually and are typically increased to keep pace with inflation and growth.

City Administrator Parks provided additional information on the reason for the proposed utility tax and the increase in each utility service rate. Utilities are self-supporting proprietary funds with rates paid by users for water, sewer, and stormwater services. All capital projects required for growth, regulatory compliance, or repairs and maintenance must be supported by each fund. Utility tax is the only exception and is unrestricted in its use. The purpose of the proposed increase in utility tax is to support expenditures within the general fund. Currently, the Hardship Program is under-utilized with staff focused on proactively communicating the availability of the program. The Lifeline Program currently serves 110 Tumwater customers, which is also insufficient.

The City plans to communicate the program to the community, as well as reviewing the parameters of the programs to ensure consistency with state law and to identify the possibility of expanding the eligibility parameters to increase participation. She described outcomes if the budget is reduced by \$1.2 million in the general fund to include priorities not completed because of insufficient revenue to fund priorities. Staff has reviewed many options of delaying, deferring, or cutting to produce a budget that only requires \$5 million from the ending fund balance for the next two years instead of \$6.2 million if not for an increase in the utility tax. Distribution of current 6% utility tax includes 1.5% to help fund capital facilities projects with the remaining 4.5% funding activities from the general fund.

Councilmember Cathey conveyed appreciation for describing the issue and the status of the City.

Mayor Sullivan commented on the priority by staff to advertise the programs to the community. One result of recent efforts generated \$250 in community donations to support the programs.

Director Niemeyer responded to inquires as to the number of paper bills the City sends to customers. Currently, of the 10,000 customer accounts, the City sends approximately 4,000 billings with 6,000 receiving a bill electronically. He described the difference in utility bills between the three cities. The City of Olympia currently assesses a 12.5% utility tax. The City of Olympia's 2024 total monthly bill was \$143.88 and increases to \$148.33 because of utility rate increases. Lifeline Program funds are not included in the general fund budget and are considered a trust fund held separately. The funds for the Hardship Program are generated by community donations. Initially, the program was funded by the City with a contribution of \$3,000. Ongoing community donations continue to fund the program.

City Administrator Parks added that the Lifeline Program is reflective of a reduction in utility revenue to account for reduced bills. The Lifeline Program is a monthly program providing a 50% reduction in utility rates as long as the user meets the qualifications established by the City.

Director Niemeyer affirmed Councilmember Jefferson's explanation that if the City does not increase the utility tax, the City would need to explore other taxing options or reduce services or programs, as well as eliminating positions.

Councilmember Von Holtz commented on how an increase of \$8 in utility tax would affect many households who may not qualify for assistance but are low-income residents. There are many in the community one bill away from becoming unhoused. She understands

inflation and efforts by staff to work more with less. The issue is heartbreaking especially with recent announcements by Walmart and Lowe's to increase prices. Consumers are being hit with increases in costs in all areas.

Director Niemeyer reported Carollo Engineers, a water engineering consulting firm, is completing a cost of service study for the City. A component of the study includes an affordability element with a request to recommend programs to assist in keeping lower utility costs and assisting people who can least afford increases.

Director Niemeyer outlined prior briefings of the proposed increase in utility tax. If adopted, the increase would be effective on January 1, 2025.

Director Niemeyer described the need for the proposed increase in utility tax and cited examples of inflationary impacts incurred by the City. One example is a park estimated to cost \$1 million in 2017 that now costs \$4 million.

Councilmember Althauser emphasized that he agrees with comments by other Councilmembers as no one on the Council considers an increase of \$8 as not much of an increase as it will have an impact on many in the community. The increase was not proposed without serious However, based on the current situation of the City consideration. contending with global factors of higher insurance, inflation, and other costs that are outside the control of the City, the Council is tasked with responding to the situation in a way that is deemed the most responsible and equitable for the community. The Council's toolkit of additional revenue sources is severely limited and a sales tax increase would be one of the most regressive of the different revenue options. An increase in utility tax is a one-time action that raises revenue and provides the best resource to meet obligations and continued level of service the community wants. Services funded by the budget are essential to the function of the community as well as for the future as a prosperous City.

MOTION:

Councilmember Althauser moved, seconded by Councilmember Jefferson, to adopt Ordinance O2024-009, amending Tumwater Municipal Code 3.28.040, as discussed at the October 22, November 4, and November 12, 2024, City Council meetings.

Councilmember Swarthout agreed the Council did not consider the increase lightly. Staff members have scoured the budget many times to present a feasible budget that meets both City and community needs. The action is difficult despite forecasting through fiscal conservative lens. The City continues to grow and that growth is reflected in services provided by the City, which also require an increase in funds to operate,

maintain, and expand services, which is why she supports adoption of the ordinance.

MOTION:

Motion carried. Councilmember Cathey opposed.

PERCIVAL CREEK FISH BARRIER REMOVAL PROJECT, CONSTRUCTION ROAD CLOSURE:

Manager Carney briefed the Council on the proposal for a road closure during the Percival Creek Fish Barrier Removal project.

The project site is located on Sapp Road. The scope of the project is removal of an existing fish barrier, a five-foot culvert that serves as a barrier to fish traveling upstream in Percival Creek. The project replaces the culver with a 19-foot wide, 8-1/2-foot high by 60-foot long precast concrete split box culvert. The project includes instream channel improvements and road upgrades by widening existing travel lanes to 11 feet and adding six-foot wide bike lanes and five-foot wide sidewalks.

Staff plans to solicit for project bids in December with construction anticipated to begin in late June through September 2025.

The detour request follows the requirements of the RCW for road closures providing authority to city governing bodies to close roads. Staff requests a full road closure of Sapp Road during the construction period. The closure would span approximately four months from June through September 2025 with local access available to businesses and residents. Detour signage will be posted during the duration of the project.

Manager Carney displayed an illustration of several proposed detour routes for the project and described average delay time for motorists dependent upon the detour route.

Manager Carney responded to concerns about access by emergency responders and described routes available for emergency vehicle access. He explained the reason for proposing a road closure during the project. A road closure reduced costs and construction time, as well as increasing safety to both the public and construction personnel.

Manager Carney responded to several questions from the Council. He described the public notification and signage process for the project. During the project, the creek flow will be blocked using bypass pipes to enable stream flow around the project site.

MOTION:

Councilmember Von Holtz moved, seconded by Councilmember Agabi, to authorize the closure of Sapp Road SW from Crosby Blvd SW to RW Johnson Rd SW with traffic detour for the duration of the project. The roadway will be open to local traffic only. The authorization for closure was recommended for consideration at the

Public Works Committee November 7, 2024 meeting. A voice vote approved the motion unanimously.

COMMITTEE REPORTS:

PUBLIC HEALTH & SAFETY: Peter Agabi

The committee reviewed and recommended approval of an Interlocal Agreement with Thurston County Prosecuting Attorney's Office for Prosecution Services, an Interlocal Agreement with Olympia for Mark Noble Regional Training Center, Interlocal Agreement with Olympia for FDCARES Program, and referral to the Council of Resolution R2024-015, Affirming the Council's commitment to equality, dignity and the protection of civil rights, and standing against hate, bigotry and discrimination.

GENERAL GOVERNMENT: Michael Althauser

The committee received a briefing and considered Amendment One to the Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project and an Interlocal Agreement with Cities of Lacey, Olympia, and Yelm for the update of Accessory Dwelling Unit Plans. Both items were approved on the Consent Calendar. The committee also reviewed proposed changes to Ordinance No. O2024-005, Development Code Administration.

PUBLIC WORKS: Eileen Swarthout

The next meeting on November 21, 2024 includes briefings and consideration of a Service Provider Agreement with Pacific Testing & Inspection for On-Call Material Testing Amendment No. 3, Service Provider Agreement with Materials Testing & Consulting for On-Call Material Testing Amendment No. 3, Supplemental Agreement No. 1 with Tierra Row For X Street Roundabout Project, Service Provider Agreement With Cardinal Architecture for the Historic Brewery Tower Project Amendment No. 6, and a Service Provider Agreement with HDR Engineering for Old Highway 99 And 79th Avenue Roundabout Project Amendment No. 1.

BUDGET AND FINANCE: Debbie Sullivan

There was no meeting and no report.

MAYOR/CITY ADMINISTRATOR'S REPORT:

City Administrator Parks advised of a delay of the Linwood Crosswalk project based on the delay of materials with completion of the pavement and striping scheduled next spring.

Mayor Sullivan reported on her attendance to the Intercity Transit Authority meeting on November 6, 2024. The Authority conducted a public hearing on the draft budget, surplused several vehicles, and scheduled a public hearing on the 2025-2030 Draft Strategic Plan on Wednesday, December 4, 2024. The Authority is scheduled to conduct

interviews for an expiring Community Board position on the Board.

Mayor Sullivan attended the November 7, 2024 JBLM Elected Officials breakfast meeting. Congresswoman Marilyn Strickland was able to attend the meeting rather than participate via Zoom.

Mayor Sullivan reported that she has always cared about Tumwater and is proud to be part of the community. As an appointee to the Planning Commission in 2003, she served on the Commission for 10 years with seven of those years as the Chair. After deciding to become part of the legislative branch, she was elected to serve two terms as a Councilmember. When former Mayor Pete Kmet decided not to run for re-election she worked with him and received his endorsement to replace him as Mayor. She has taken the responsibility of being the first woman Mayor of Tumwater seriously and always wanted to set the best example of leadership. She has always strived to be an example of collaborative leadership and tried to keep the politics of being the Executive for the City at a minimum as much as possible. She grew up on a ranch in Montana and at a very young age was responsible for taking care of many animals. Her family raised horses and registered AKC dogs. She was responsible for training horses at the age of 12 including the years when her family had 35 horses used for guided tours. Her employment history includes small business owner, working for a large international company, a non-profit, a trade association, and state government. She believes her history bridges many different industries and she has worked hard during her 70 years on earth. Midway through her first year as Mayor, her husband was diagnosed with cancer and at the end of that year he passed away. The end of the month will be the second anniversary of his death and she has been blessed to have her career that helped her process the unexpected and major adjustment in her life. She had always planned to serve two terms as Mayor; however, after many discussions with her family who say she works too hard, it is time for her to retire and enjoy life more. Therefore, she is announcing that she will not be seeking a second term as Tumwater Mayor and will be serving her final year as Mayor completing many of the goals she set out to achieve. She values the amazing staff at the City of Tumwater and appreciates their dedication to the City every day.

COUNCILMEMBER REPORTS:

Angela Jefferson:

At the earlier meeting of Experience Olympia and Beyond Board meeting, members received notification that the Executive Director plans to resign with her last day on December 31, 2024. The Board has initiated recruitment for the upcoming vacancy.

Councilmember Jefferson attended the Emerging Multicultural

Leadership Experience (EMLE) conference in Tacoma. It was her first civilian leadership experience. The experience was pleasantly calming compared to military leadership conferences. Advice was shared on leadership, networking, workshops, and teamwork for making communities better.

At the last Tumwater HOPES meeting, members discussed ways to improve student-to-student communication. She reached out to staff at the Tumwater School District and discussed assigning younger Tumwater HOPES ambassadors to schools to help other students during times of stress or anxiety, as a well as to share information on prevention and to promote the career pathways of future mental health professionals.

Joan Cathey: There were no meetings and no report.

Eileen Swarthout: Councilmember Swarthout thanked Mayor Sullivan for sharing and for

her service.

There were no meetings and no report.

Kelly Von Holtz: Councilmember Von Holtz conveyed appreciation to Mayor Sullivan for her service. She acknowledged Mayor Sullivan as the first woman

Mayor of Tumwater and for her serving as her mentor.

Councilmember Von Holtz attended the third anniversary celebration of ASHHO Cultural Community Center. Numerous attendees were from

Tacoma and other communities in the region.

Councilmember Von Holtz reported that she, Mayor Sullivan, and Councilmember Dahlhoff attended the Veterans Day event at the State

Capitol. A youth choir was featured in the rotunda.

Peter Agabi:Councilmember Agabi commented on Mayor Sullivan's announcement and wished her Godspeed. He thanked her for serving as the City's first female Mayor and for her service to Tumwater. Mayor Sullivan's tenor

has been very positive and she has accomplished much.

Councilmember Agabi attended the Joint Animal Services Commission and received briefings on the increased cost in assessments to local jurisdictions. The proposed increase is 14.8% for services for all member jurisdictions (Olympia, Tumwater, and Lacey). The City's cost is estimated to be \$200,000. Recent statistical results of the shelter reflect an increase in surgeries. The shelter plans to post lost pet announcements through various venues.

At the Transportation Policy Board meeting, two Tumwater projects were submitted during the Call for Projects process. One project is a

15

traffic feasibility study from Littlerock Road to Tumwater Boulevard, which may not be funded; however, the brewery project was funded up to 98% of the project cost.

Michael Althauser:

At the last meeting, members of the Regional Housing Council (RHC) discussed whether the body wants to engage in policy work in the future. The RHC has largely served as a funding entity with recommendations on projects to fund based on advice from advisory boards and community members and individuals with subject matter expertise. The recommendations are forwarded to the Thurston County Board of County Commissioners for approval. Members have discussed pursuing more work and reached consensus for staff to pursue an opportunity for the RHC to pursue more work in terms of recommendations on housing policy and other issues surrounding housing. The next step is receiving information from staff to schedule a half-day retreat to discuss potential possibilities in early spring 2025.

Councilmember Althauser thanked Mayor Sullivan for her service. One of their first conversations when he was a Planning Commissioner centered on his interest in serving the community on the City Council. One of the first questions she asked of him was whom he wanted to help. That question impressed him as it speaks to her character, drive, and accomplishments.

EXECUTIVE SESSION:

Mayor Sullivan recessed the meeting at 9:03 p.m. to an executive session for approximately 20 minutes to discuss Collective Bargaining pursuant to RCW 42.30.140(4)(b) and Potential Litigation pursuant to RCW 42.30.110(1)(i). No action is anticipated following the executive session.

RECONVENE & ADJOURNMENT:

Mayor Sullivan reconvened and adjourned the meeting at 9:23 p.m.

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

CONVENE: 7:00 p.m.

PRESENT: Mayor Debbie Sullivan and Councilmembers Peter Agabi, Michael

Althauser, Joan Cathey, Leatta Dahlhoff, Angela Jefferson, Eileen

Swarthout, and Kelly Von Holtz

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Finance Department Director Troy Niemeyer, Administrative Services Director Michelle Sutherland, Police Chief Jon Weiks, Fire Chief Brian Hurley, Parks and Recreation Department Director Chuck Denney, Communications Manager Jason Wettstein, Planning Manager Brad Medrud, Housing and Land Use Planner Erika Smith-Erickson, Sustainability Coordinator Alyssa Jones Wood, City Clerk Melody Valiant,

and Deputy City Clerk Tracie Core.

CHANGES TO THE AGENDA:

Mayor Sullivan moved Resolution R2024-015, Affirming the Council's commitment to equality, dignity and the protection of civil rights, and standing against hate, bigotry, and discrimination as the first item of consideration under Council Considerations.

SPECIAL ITEMS:

FIREFIGHTER OF THE YEAR:

Fire Chief Hurley announced the selection of the 2024 City of Tumwater Firefighter of the Year as Firefighter Scott Piper. Firefighter Piper joined the Tumwater Fire Department in 2008 as a volunteer firefighter. He was hired as a fulltime Firefighter in 2012 following the successful passage of the City's Public Safety Levy Lid Lift enabling the department to hire three firefighters.

Firefighter Piper considers the craft of a firefighter as a serious position and serves as an instructor at the Fire Academy on pump operations and hose handling techniques. Firefighter Piper standardized hose loads on engines to increase efficiency and safety.

Fire Chief Hurley congratulated Firefighter Scott Piper for being selected as the 2024 Firefighter of the Year and presented him with a plaque and a U.S. Flag flown over the Washington D.C. Capitol and the Washington State Capitol.

Firefighter Piper thanked the department for the recognition and cited Tumwater Fire Department as one of the best fire departments in the region. Medic Five is continually regarded as the one of the best medic units in the region.

PUBLIC COMMENT: Pamela Hansen, P.O. Box 14521, Tumwater, commented on the proposed interlocal agreement for the Franz Anderson project in Olympia. She

noticed that within the agreement, language speaks to the use of the facility primarily for right-of-way housing, which may be too limiting because of the state budget and recent hiring freeze. She requested adding language that is less constrained because of the possibility of unemployment increasing in the region and the need to assist all individuals facing health risks because of homelessness. She referred to the state as a sanctuary state and the controversy surrounding illegal immigrants and their respective rights. She is concerned immigrants jailed for committing a crime will be released into the community. It is possible for U.S. Customs and Immigration Enforcement (ICE) to review the jail roster and possibly determine whether someone is an illegal immigrant. She commented on a lawsuit against Motel 6 for providing information while not considering the danger to the public. If the Legislature determines that the state is a sanctuary state, the list is open to the public. If for some reason, access is limited, ICE would have no way to help ensure the safety of the community.

Larry Jefferson, 2221 Cypress Place SE, Olympia, spoke as the President of the NAACP of Thurston County and the importance of the Council's action on the adoption of a resolution against hate and racism within the community. It warms his heart to know that he and his family are welcome in the City. With the resolution, the community is saying no to the rise of hatred occurring at the federal level and no to signs of hatred that is occurring locally. The action gives hope to young people who may be struggling with hate surrounding them. The meeting is historic because of other instances in history where city councils and other government agencies have failed to protect all members of the community. Tumwater is saying no and that it is a place regardless of a person's race, ethnicity, religion, sex, gender identity, national origin, disability, income level, or English proficiency that welcomes everyone. The resolution reinforces the efforts by Martin Luther King Jr. who worked so hard for communities.

CONSENT CALENDAR:

- a. Approval of Minutes: City Council Work Session November 12, 2024
- b. Payment of Vouchers
- c. Resolution No. R2024-018, Surplus Property
- d. Interlocal Agreement with the Regional Housing Council for the Franz Anderson Project Amendment No. 1
- e. Interlocal Agreement with Thurston County Prosecuting Attorney's Office for Prosecution Services
- f. Service Provider Agreement with Pacific Testing & Inspection for On-Call Material Testing Amendment No. 3
- g. Service Provider Agreement with Materials Testing & Consulting for On-Call Material Testing Amendment No. 3
- h. Supplemental Agreement No. 1 with Tierra ROW for X Street Roundabout Project
- Service Provider Agreement with HDR Engineering for Old Highway 99 and 79th Avenue Roundabout Project Amendment No. 1

- j. Service Provider Agreement with Cardinal Architecture for the Historic Brewery Tower Project Amendment No. 6
- k. Authorization for Settlement
- 1. Reappointment of Blake Chard to the Civil Service Commission
- m. Cancellation of the December 17th Regular Council Meeting

MOTION:

Councilmember Jefferson moved, seconded by Councilmember Swarthout, 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:

RESOLUTION R2024-015, AFFIRMING THE COUNCIL'S COMMITMENT TO EQUALITY, DIGNITY AND THE PROTECTION OF CIVIL RIGHTS, AND STANDING AGAINST HATE, BIGOTRY AND DISCRIMINATION:

Communications Manager Wettstein presented the proposed resolution for consideration of a policy statement affirming the City's commitment to equity, dignity, protection of civil rights, and the City's stand against hate, bigotry, and discrimination.

The proposed resolution was drafted by members of the Public Health and Safety Committee in September 2024. The resolution was reviewed by City staff and modified to ensure conformance with legal requirements.

One of the City's Strategic Priorities speaks to building a community recognized for quality, compassion, and humanity. It would be difficult to imagine a community recognized for quality, compassion, and humanity that does not stand for equity, dignity, protection of civil rights, and standing against hate, bigotry, and discrimination. Similar to the Strategic Priority, the resolution is a statement of values that recognizes past actions and the work by the City and encourages more action. The resolution provides a foundation for more action and a context to the work completed to date.

The Public Health and Safety Committee recommends approval of the proposed resolution.

Councilmember Dahlhoff indicated that one of her priorities during the development of the resolution was to ensure it did not represent just words ant that the resolution sets the baseline and foundation for future work. The focus on collaboration, partnership, and active participation in the community are important.

Councilmember Jefferson referred to an article on *George Bush of Tumwater, Founder of the First American Colony on Puget Sound* in *Columbia Magazine* published 30 years ago. Tumwater, Washington has always been an inclusive and welcoming City and the resolution reflects those values. George Bush was one of the founding members of Tumwater.

The resolution reflects his legacy and that of the five families and 31 Americans who moved with him from the Midwest to Tumwater on November 6, 1845. One of the settler's was George Washington Bush whose family included his wife, Isabella Bush, a white woman and five sons. Bush purchased and developed a farm that was considered by his contemporaries to be one of the most valuable and productive in early Washington. His personal qualities of humanity, generosity, hospitality, warmth, and charity led him to aid many later arrivals in ways that made their successful settlement possible and winning him tremendous respect and admiration from other pioneers. The Bush homestead was a welcoming place for everyone and became famous for its hospitality and generosity by virtual of the family's treatment of travelers, strangers, visitors, and others in need of a hot meal or warm bed. If success can be measured by the possession of material comfort, economic security, and the love and respect of one family, neighbors and contemporaries, then George Bush was a most successful pioneer in overcoming the physical, emotional, environmental challenges presented by the Oregon Trail and the western Bush was able to defeat the additional societal farming frontier. impediments created by racism. Two of his most effective aspects were the nature of his personality and the great humanity of his character. In the memorial to Congress seeking to legitimize Bush's land in 1854, it is a testament to Bush who contributed much towards the settlement of the territory and to the suffering and the needy through his help and assistance. It is important to appreciate the legacy of a man with the abilities, character, and humanity that George Bush bestowed as the City continues in his legacy to continue the work to make Tumwater a city where everyone is welcome and belongs.

Councilmember Jefferson thanked members of the Public Health and Safety Committee lead by Councilmember Agabi and members Councilmember Dahlhoff and Councilmember Von Holtz, and Mayor Sullivan and City staff for their work on developing the resolution. She plans to support the historic resolution.

Councilmember Althauser expressed his support as well for many of the reasons articulated by Councilmember Jefferson. He looks for forward to provisions that speak to commitments to actions and next steps to develop an Equity Commission.

Councilmember Von Holtz expressed support of the resolution especially as it speaks to one of the reasons she sought to represent the City because the sense of belonging is strong. It is important for the Council to use its voice to ensure community members feel a sense of belonging.

Councilmember Agabi said that as the Chair of the Public Health and Safety Committee and as a Black male who has lived in the community for 19 years and is a parent of children attending Tumwater schools, he wants to ensure

recognition that the community experiences both good and bad days. Today, he is heartened by the committee's work. He thanked Councilmembers Dahlhoff and Von Holtz, as well as to City Administrator Parks and staff for their efforts to prepare the resolution. He looks forward to the future as the resolution serves as a stepping-stone that reflects how the community values everyone and that the community welcomes everyone regardless of where a person was born or the language they speak. He urged the Council to support passage of the resolution.

Councilmember Swarthout conveyed appreciation for the committee bringing the resolution forward as it represents an important resolution. As resident of Tumwater of 34 years, she has watched the City grow from a small town to a larger City. She wants all people to feel safe and to belong in the community.

Councilmember Cathey said that during her many years serving on the Council, the City has taken some small steps; however, the resolution represents one of the most important actions by the Council in many years. Adoption of the resolution follows in the footsteps made by George Bush and it speaks to the City's pride and celebration of George and Isabella Bush.

MOTION:

Councilmember Agabi moved, seconded by Councilmember Jefferson, to adopt Resolution R2024-015, affirming the Council's commitment to equality, dignity, and the protection of civil rights and standing against hate, bigotry, and discrimination as recommended by the Public Health and Safety Committee. A voice vote approved the motion unanimously.

Mayor Sullivan thanked everyone for attending the meeting as the action represents a major foundation the Council plans to move forward in 2025. She expressed appreciation for the assistance by Dr. Jackson and several other community members.

ORDINANCE O2024-005, DEVELOPMENT CODE ADMINISTRATION: Manager Medrud reported in May 2023, Governor Inslee signed Senate Bill 5290 modifying state requirements for permit review and approval throughout the state for development proposals. As part of the process, City staff reviewed the permitting process to ensure permits are processed timely and that the predictability of the local permitting process is clear to all users. The proposal is driven by tight timeline as state law becomes effective on December 31, 2024. If the changes, as proposed, are not approved, the City's current process would be preempted by state law until the amendments are implemented to address particular actions.

The Planning Commission conducted a public hearing on the proposed ordinance on November 12, 2024 following two work sessions and a briefing on the proposed changes. The Commission recommends approval of the ordinance with some consideration of several provisions. The General Government Committee was briefed on the proposed ordinance and offered

some amendments to the ordinance. The proposal reflects the proposed changes offered by the General Government Committee and the Planning Commission.

The ordinance would modify Title 14 Development Code Administration, which is the title of the Tumwater Municipal Code governing how development projects are reviewed, noticed to the public, steps involved in decisions, and the appeal process.

A number of new provisions are included in the proposal. The proposal essentially replaces the current title with a new title. The first change clarifies the different levels of permits required:

- Type I Land use permits that are approved administratively by the Director of Community Development and do not require SEPA review
- Type II Land use permits that are approved administratively by the Director of Community Development and require SEPA review
- Type III Land use permits that require a hearing before the Hearing Examiner

The intent of the new structure is to improve TMC Title 14 by beginning with key general provisions in the first chapter and then moving through the land use permit application, review, approval, and appeal processes.

New and simplified project review process follows a series of steps:

- 1. Preapplication Process:
 - A. Feasibility Review (optional)
 - B. Preapplication Conference (required) formally included two meetings (preliminary and final). The proposed change is one meeting prior to the application submittal process.
- 2. Application Submittal:
 - A. Determine Application Type (I III)
 - A. Determine the Procedural Application Submittal Materials Required
 - B. Application Submittal
 - C. Determination of Completeness (Types II III)
- 3. Application Review
 - A. Notice of Application (Types II III)
 - B. Distribution of Application for Review
 - C. SEPA Review (Types II III) Review and Approval Times: Type I 90 Days, Type II 120 Days, and Type III 170 Day
 - D. Recommendation for Decision
- 4. Permit Decision
 - A. Administrative Decision (Types I II)
 - B. Hearing (Type III)

- C. Decision Notice (Type I)
- D. Notice of Decision (Types II III
- 5. Permit Decision

An important change to TMC Title 14 is the change in the definition of "project permit." SB 5290 removed "building permits" from the state's definition of a project permit. That definition also refers to ""project permit" or "project permit application" as meaning, "...any land use or environmental permit or license required from a local government for a project action." Project permits are referred to as "land use permits" throughout the ordinance to differentiate such permits from "building permits" and "construction permits," which are not part of the RCW definition but addressed elsewhere in the RCW and by the City in TMC Title 15 Buildings and Construction. The proposal reduces the current scope of permits covered by TMC Title 14.

One important change by SB 5290 is the number of days the City has to review applications before issuing a decision and establishing monetary penalties for when these timelines are not met. Time limits begin when an application is determined to be complete and end when a final decision is issued by the Director or Hearing Examiner. The time limits also include all required notices and comment periods. New legislation includes a penalty if the City does not achieve the established timeframe. The penalty can be a refund of 10% or 20% of the permit fee if the City is unable to meet the timelines. The City is also required to report to the state annually on the City's actual timelines for all permits submitted.

Councilmember Agabi asked whether the City is able to stop the clock on development proposals that require a SEPA review. Manager Medrud responded that the City has the ability to stop the review timeframe for specific reasons to address missing information or issues that arise during the review process. The intent is to process all development proposals without stopping the process, as it is not in the City's interest to halt the development process. However, according to recent discussions by other planning managers across the state, stopping the review process will likely continue to some degree for various reasons.

Manager Medrud reported other changes include establishing common public notice requirements for different proposals. For example, the applicant could make many changes after submittal of an application for the review that increases square footage from 10,000 to 20,000 creating a substantially different proposal. Staff has identified a process to address those types of situations.

The proposed changes also address land use permit expirations and the process for staff to interpret the code. Chapter 14.12 addresses the land use permit process for Types 1-III in more detail. Examples of each permit type

are included, as well as a table on recommendation, decision, and appeal authorities. The maximum review timelines for review of applications are included.

Manager Medrud reviewed the different types of land uses for Type I, Type II, and Type III permits. Chapter 14.16 Application Review includes land use action review and determination of consistency, initial State Environmental Policy Act (SEPA) analysis, categorically exempt and planned actions, referral and review of land use permit applications, and notice of application. Chapter 14.18 Application Decisions and Appeal provisions include notice of decision, appeals of administrative approvals, appeals of State Environmental Policy Act related matters, notice of open record and appeal hearings, and combined public hearings allowed.

The state previously limited the ability for public comment if the application meets all codes. Type I applications are proposals that typically do not require a SEPA review. A determination of completeness is no longer required or notice of application posted in the newspaper or provided to interested parties. As SEPA reviews, for the most part, are covered by the City's other code processes, a caveat was included to ensure public notice was issued for those decisions that were above the minimum but below the City's maximum. New state law no longer enables that process, as the City can no longer require a public comment period or notice of application for Type I applications.

Councilmember Dahlhoff asked about the possibility of publishing a dashboard listing the status of applications. Manager Medrud responded that it might be possible under the new software system but not within the current system.

Councilmember Dahlhoff questioned the City's ability to maintain transparency and accountability in alignment with the new state requirements. A dashboard might provide an option to enable the tracking of development proposals that could be accessed by anyone. Manager Medrud offered that staff could explore the option as the new system is implemented; however, as the development process is fluid and ongoing, specific timelines for public comment are no longer applicable according to state law.

Manager Medrud reviewed the land use permit application review timelines and exceptions to the time limits:

- Type I 90 days
- Type II − 120 days
- Type III 170 days

Manager Medrud emphasized that staff processes permit applications as quickly as possible based on the completeness of the application. One important change pertains to how the City determines an application is complete. The new law requires staff to deem a land use permit application to be procedurally complete. To be procedurally complete, the code includes a list of all requirements that must be included on a site plan. For all application types, staff has the ability to reduce the list as needed. An application is deemed procedurally complete if the application meets all requirements in the code. Staff has 28 days following receipt of the application to deem the application procedurally complete. Staff has the ability to pause the timeline and request additional information during the 28 days.

The last chapter is the decision process and appeal process. The notice of decision is issued for Type II and Type III permits only.

The amendments would also modify portions of the following titles and chapters of the Tumwater Municipal Code:

- 1. TMC Chapter 2.58 Hearing Examiner
- 2. TMC Title 11 Telecommunications and Telecommunications Facilities
- 3. TMC Title 13 Public Services
- 4. TMC Title 15 Buildings and Construction
- 5. TMC Title 16 Environment
- 6. TMC Title 17 Land Division
- 7. TMC Title 18 Zoning

Manager Medrud added the ordinance considered by the Planning Commission following its public hearing, as well as the General Government Committee included some amendments to Chapter 3.30 for multifamily tax exemption. Some proposed amendments as allowed by state law include consideration of contract approvals of multi-family tax exemptions administratively by the Community Development Director rather than by the City Council. Following discussion by the General Government Committee, members and staff agreed the proposal requires more discussion and subsequently it was added to the 2025 Work Plan for a staff review of proposed amendments to the Multi-family Tax Exemption Program.

Proposed amendments to TMC Title 18 include updating the code references to TMC Title 14 and adding a new section on the certificate of occupancy process from the International Building Code.

Proposed amendments to TMC Title 18 update the code references to TMC Title 14, adds a new chapter, TMC 18.55 Site Plan Review on requirements for site plan review and approval not currently included in the TMC, and

adds new section TMC Chapter 18.60 Text Amendments and Rezones to address the review and approval procedures for Comprehensive Plan amendments, general area rezones, development regulation amendments, and site-specific rezones required because of a proposed Comprehensive Plan amendment formerly addressing TMC Title 14.

The Planning Commission held a public hearing, and the General Government Committee reviewed the recommendation and forwarded a recommendation for approval as conditioned.

Mayor Sullivan asked whether the timelines are calendar days or business days. Manager Medrud said the timelines are calendar days.

Councilmember Swarthout cited language that the legislative bill creates incentives for local governments to be responsive to permit processing timelines. It appears the new law would penalize the City rather than providing any incentives to local governments. Manager Medrud said guidance from the Department of Commerce is pending regarding the Councilmember Swarthout pointed out that the new law provisions. provides several options to include provisions that speak to how the City could avoid being penalized by maintaining and budgeting for on-call permitting assistance when staffing levels or permit volumes change rapidly or by seeking assistance from another jurisdiction and sharing permitting processes. The Council is scheduled to adopt a budget, which speaks to whether sufficient resources would be available to meet the new requirements. Manager Medrud responded that should the Council approve the budget as presented, it is likely there would be insufficient resources, as permitting staff would be allocating resources to convert to the new software system. Replacing those resources as included in the budget will be crucial. Staff has been exploring the list of options included in the new legislation. Although the ability of sharing staff across jurisdictions appears to be a good step, systems are different as well as different codes and bringing someone up to speed to complete the work consumes more time. For those reasons, staff does not recommend sharing resources between jurisdictions.

MOTION:

Councilmember Dahlhoff moved, seconded by Councilmember Althauser, to adopt Ordinance No. O2024-005, amending the Development Administration Code, as recommended by the General Government Committee. A voice vote approved the motion unanimously.

ORDINANCE O2024-007, 2025-2026 BIENNIAL BUDGET: City Administrator Parks outlined the City's biennial budget process during the year. The process acknowledged the rapid growth in the community and within the City creating both opportunities and many challenges. The City is guided by Tumwater Vision, Mission, and Beliefs. Budget development is guided by adopted financial policies and the Strategic Priorities and Goals established by the Council.

The budget process kicked off in January, February, and March 2024 with Council retreats to update Strategic Priorities, budget forecasting and projections, creating and maintaining revenue projections over a two-year timeframe. Directors and staff participated in planning and forecasting needs for 2025 and 2026 to accomplish the City priorities and goals. In preparation of the budget process, the Council participated in budget workshops covering the basic components of municipal finance and the City's budget. Two public hearings were conducted. The request before the Council is to adopt the 2025-2026 Tumwater Biennial Budget as presented.

During the course of the review, staff identified four primary budget priorities based on feedback from directors to accomplish the Strategic Priorities and Goals identified by the Council:

- 1. Non-Represented Salary Adjustment
- 2. Additional Staffing
- 3. Space and Security at City Hall
- 4. Deferred Building Maintenance

The proposed ordinance identifies all City funds and budget dollar amounts projected for the biennial period. Enterprise funds include Water, Sewer, Stormwater Utilities, and the Golf Course. Internal service funds finance, administer, support, and account for goods, products, and services that serve multiple departments. The City has an ER&R Fund for vehicles and equipment and an ER&R Fund for IT needs. The budget also incorporates all Capital Facilities Funds for General Government and Transportation projects projected for completion within the two-year budget. The General Obligation Debt Service Fund maintains and retains resources for payments of long-term debt incurred by the City.

Although the ending fund balance is larger than anticipated, larger general fund expenditures are projected during the budget period. Based on the projections, the City will end 2026 with an increased ending fund balance comprised of the City's reserve accounts, cash flow reserve, and specific emergency facility, emergency, and permit reserve funds established by the City's financial policies. It is anticipated the City will spend \$5.5 million of the ending fund balance. Reserve accounts are secure as they are restricted and are set-aside for specific uses. The ending fund balance is the remaining amount of funds at the end of the year once all revenue has been collected and all expenses paid. The ending fund balance serves as a savings account and the funds are not restricted for use. Of the projected beginning fund balance of \$23.5 million, the City proposes to use \$5.5 million over the next biennium.

Councilmember Jefferson inquired as to whether the results of the community survey on City priorities would result in any changes in the

projected budget. City Administrator Parks said she anticipates that the results of the community survey would likely affect the 2027-2028 budget process. Although the projected budget is essentially completed, budget amendments are possible during the biennium to account for any changes in priorities.

Councilmember Swarthout pointed out the large difference in projected revenues of \$72 million during the 2023-2024 biennium versus projected revenues of \$96 million during the 2025-206 biennium. City Administrator Parks explained that during the previous biennium, the City had projected revenues conservatively in anticipation of a recession, which did not occur. Revenues were underestimated during the previous biennium.

City Administrator Parks reviewed represented and non-represented employee totals, a proposed market rate increase in salaries, and proposed COLA's of 2.0% in 2025 and 2.5% in 2026. The City's full time equivalent (FTE) employees total 275 during the biennium.

City Administrator Parks requested the Council adopt Ordinance No. O2024-007 as presented.

City Administrator Parks responded to comments regarding the employee salary market rate increase and COLAs for 2025 and 2026. A salary survey was completed earlier in the year.

Mayor Sullivan commented on the difficulty of developing the budget as many parts of the budgets are different components and often change in response to ongoing changes and adjustments. The goal was producing a conservative budget to the extent possible; however, it is also important the budget meets the needs of the City. The budget process has consumed an enormous amount of time and energy by staff. She expressed appreciation to staff for their efforts. Next year, ongoing efforts will review the City's financial health while ensuring ongoing momentum to achieve objectives, goals, and priorities.

Councilmember Dahlhoff expressed appreciation for the efforts required in developing the budget as well as ensuring parity of salaries. However, she is concerned that the City is utilizing ending fund balance to cover the cost of the increase in salaries.

City Administrator Parks responded that the budget includes 33 new positions of which 27 positions have a revenue source to fund the position. She reviewed specific positions and the respective funding source of each position. Of the 33 new positions, approximately five positions are funded from the general fund, which is supported in part by using \$5.5 million of ending fund balance.

Councilmember Dahlhoff acknowledged the information and referred to the situation of neighboring jurisdictions, the state, and the federal government that are contenting with many changes and unknowns. Most jurisdictions in the state are reducing positions. In terms of her support of the proposed budget, she asked about options for delaying some actions until the City has more information and possibly pursuing budget amendments next year to support changes.

Mayor Sullivan emphasized how staff conservatively forecasts future conditions and economic trends.

City Administrator Parks provided additional information on the proposed new positions, which were substantially reduced from requests from department directors who projected week needs to implement the goals, objective, and priorities of the City. Additionally, the positions are staggered within the budget based on the timeline of adding new employees.

Councilmember Von Holtz acknowledged the process the City utilizes to plan and forecast based on trends; however, earlier in the day, Governor Inslee announced a non-essential employee hiring freeze. Many state employees are concerned about potential furloughs or layoffs, which may financially affect the City if less spending occurs. She asked about potential cost savings attributed to unfilled positions.

City Administrator Parks explained that the City typically saves costs because of unfilled positions. For example, in 2024 across all funds, unfilled positions saved the City an estimated \$2.5 million. Employee turnover has resulted in some savings; however, the intent is to level the rate of turnover by salary adjustments for non-represented employees.

Councilmember Althauser conveyed support for the proposed budget while also agreeing that spending the deficit is not sustainable although he believes the proposed budget is responsible. The City is managing a difficult program; however, the City's actions over previous budgets have positively positioned the City to weather changes through conservative actions by not assuming debt, avoiding over-estimating revenue, and conservatively estimating appropriate expenditures. The City is in a much better place financially than other jurisdictions and is not in position where layoffs are necessary. He believes the budget is responsible and establishes some challenges for the City to contend with over the next two years in terms of determining the future path forward.

Councilmember Cathey agreed with Councilmember Althauser as it speaks to any nervousness with respect to any budget proposal — personal or business. She also plans to support adopting the budget. She thanked employees for their work and efforts to be communicative and transparent.

Councilmember Dahlhoff clarified that she understands the importance of moving forward and that it is possible for future budget amendments and discussions while also supporting the overall budget.

Councilmembers individually thanked staff for their efforts, for addressing questions, and ensuring the budget process was transparent.

MOTION:

Councilmember Swarthout moved, seconded by Councilmember Althauser, to adopt Ordinance No. O2024-007, Tumwater 2025-2026 Biennial Budget as presented. A voice vote approved the motion unanimously.

MAYOR/CITY ADMINISTRATOR'S REPORT:

City Administrator Parks reported on the hybrid joint work session with the Planning Commission on Tuesday, December 10, 2024 at 6 p.m. The agenda includes the 2025 Comprehensive Plan Periodic Update and the Housing Element, Land Use Element, and Development Code updates, as well as a review of the 2025 Long-Range Work Plan.

The City's annual Christmas Tree Lighting celebration is scheduled on Saturday, December 7, 2024 from 1 p.m. to 5:30 p.m. at City Hall and the Fire Station. Festivities include several local school choirs and activities for children. The tree lighting is scheduled at 5:30 p.m.

Mayor Sullivan reported on signing the Firefighter's labor contract. She conveyed appreciation to HR staff and to the labor unions as all three unions settled contracts with the City for the next three years.

COMMITTEE REPORTS:

PUBLIC HEALTH &

SAFETY: Peter Agabi

There was no meeting and no report.

GENERAL GOVERNMENT: Michael Althauser

The committee's next meeting on December 11, 2024 includes briefings and consideration of a contract between the City of Tumwater and the Washington State Department of Fish and Wildlife for the Phase 4 Bush Prairie Habitat Conservation Plan (HCP) Grant and the Comprehensive Plan Periodic Update – Lands for Public Purposes, Lands for Utilities, and the Tumwater Thurston County Joint Plan, and update to the Development Code.

PUBLIC WORKS: Eileen Swarthout

Agenda items during the next meeting on December 5, 2024 include briefings and consideration of several service provider agreements.

BUDGET AND

There was no meeting and no report.

FINANCE: Debbie Sullivan

COUNCILMEMBER REPORTS:

Joan Cathey: There were no meetings and no report.

Eileen Swarthout: There were no meetings and no report.

Michael Althauser: There were no meetings and no report.

Leatta Dahlhoff: Councilmember Dahlhoff reported the Thurston County Opioid Response

Task Force received an introductory briefing on the Rapid Health Information Network. She recommended the Public Health and Safety Committee schedule a briefing on ways of accessing other databases for data

on services available in Tumwater.

Peter Agabi: Upcoming meetings include the Joint Animal Services Commission,

Transportation Policy Board, and the LEOFF Disability Board.

Angela Jefferson: There were no meetings and no report.

Kelly Von Holtz: Councilmember Holtz is scheduled to attend the next Intercity Transit

Authority Board meeting on Wednesday, December 4, 2024 on behalf of

Mayor Sullivan.

ADJOURNMENT: With no other business, Mayor Sullivan adjourned the meeting at 9:05

p.m.

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

TO: City Council

FROM: Shelly Carter, Deputy Finance Director

DATE: January 7, 2025

SUBJECT: Payment of Vouchers

1) Recommended Action:

Staff is seeking City Council ratification of:

- November 27, 2024, payment of Eden vouchers 174406 to 174406 in the amount of \$375.00; payment of Enterprise vouchers 185158 to 185197 in the amount of \$95,358.50 and electronic payments 904937 to 904946 in the amount of \$120,600.42
- December 6, 2024, payment of Eden vouchers 174407 to 174415 in the amount of \$2,706.97; payment of Enterprise vouchers 185198 to 185262 in the amount of \$408,164.11 and electronic payments 904947 to 904971 in the amount of \$325,112.91 and wire payments in the amount of \$240,577.82
- December 13, 2024, payment of Eden vouchers 174416 to 174419 in the amount of \$796.33; payment of Enterprise vouchers 185263 to 185331 in the amount of \$3,014,973.46 and electronic payments 904972 to 905041 in the amount of \$310,400.62 and wire payments in the amount of \$253,326.54.
- December 20, 2024, payment of Eden vouchers 174420 to 174424 in the amount of \$7,185.56; payment of Enterprise vouchers 185332 to 185424 in the amount of \$635,013.16 and electronic payments 905042 to 905071 in the amount of \$800,991.05.

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 upon request of the Assistant Finance Director. The most significant payments* were:

Vendor		
NISQUALLY INDIAN TRIBE	37,435.50	Incarceration fees October 2024
SHEA CARR & JEWELL, INC.	56,144.54	2 nd Ave PED & Bike
COPPER RIDGE LLC	47,632.00	Henderson blvd Oversizing cost difference
BOBBIE & AMANDA'S CLEANING SVC	24,005.14	Janitorial services November 2024
REED TRUCKING & EXCAVATING, INC	176,519.22	5% Retainage release Isreal Rd & Linderson Way water main
CITY OF LACEY	2,400,461.00	Transfer of interest in Brewery Assets
NISQUALLY INDIAN TRIBE	35,385.00	Inmate incarceration fees November 2024
TUMWATER SCHOOL DISTRICT #33	110,672.00	Impact fees for Sept, Oct, Nov 2024
WA ST DEPT OF EMP	21,779.93	Q2 2024 Unemployment charges

Vendor		
AWC EMPLOYEE	158,853.32	Nov coll for Dec Premiums
BENEFIT TRUST	130,033.32	
LEOFF HEALTH &	52,669.49	Nov coll for Dec Premiums
WELFARE TRUST	32,009.49	
BUD CLARY OF YAKIMA	31,789.34	2025 Camry pool vehicle
MILES RESOURCES, LLC	138,474.34	Israel Linderson PED & Bike PE#4
LOTT WASTEWATER	611,588.03	November 2024 LOTT Fees
ALLIANCE	011,300.03	
SHEA CARR & LEWELL,	69,937.10	2 nd Ave PED & Bike project
INC	09,937.10	

^{*} 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) <u>Alternatives</u>:

- ☐ 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
- C. Exhibit C Payment of Vouchers Review and Approval
- D. Exhibit D 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.

Enterprise ERP

Voucher/Check Nos 185158 through 185197 in the amount of \$95,358.50 Electronic payment Nos 904937 through 904946 in the amount of \$120,600.42

Eden

Voucher/Check Nos 174406 through 174406 in the amount of \$375.00

Asst. Finance Director, on behalf of the Finance Director

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.

Enterprise ERP

Voucher/Check Nos 185198 through 185262 in the amount of \$408,164.11 Electronic payment Nos 904947 through 904971 in the amount of \$325,112.91 Wire payment in the amount of \$240,577.82

Eden

Voucher/Check Nos 174407 through 174415 in the amount of \$2,706.97

Asst. Finance Director, on behalf of the Finance Director

EXHIBIT "C"

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.

Enterprise ERP

Voucher/Check Nos 185263 through 185331 in the amount of \$3,014,973.46 Electronic payment Nos 904972 through 905041 in the amount of \$310,400.62 Wire payment in the amount of \$253,326.54

Eden

Voucher/Check Nos 174416 through 174419 in the amount of \$796.33

Asst. Finance Director, on behalf of the Finance Director

EXHIBIT "D"

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.

Enterprise ERP

Voucher/Check Nos 185332 through 185424 in the amount of \$635,013.16 Electronic payment Nos 905042 through 905071 in the amount of \$800,991.05

Eden

Voucher/Check Nos 174420 through 174424 in the amount of \$7,185.56

Asst. Finance Director, on behalf of the Finance Director

TO: City Council

FROM: Brad Medrud, Deputy Community Development Director

DATE: January 7, 2025

SUBJECT: Contract between the City of Tumwater and the Washington State Department of Fish

and Wildlife for the Phase 4 Bush Prairie Habitat Conservation Plan (HCP) Grant

1) Recommended Action:

Authorize the Mayor to sign the contract between the City of Tumwater and the Washington State Department of Fish and Wildlife (WDFW) for the Phase 4 Bush Prairie Habitat Conservation Plan (HCP) Grant.

The contract was recommended for approval on the City Council consent calendar by the General Government Committee at their December 11, 2024 meeting.

2) <u>Background</u>:

The streaked horned lark, the Olympia pocket gopher, and the Oregon spotted frog were listed for protection under the federal Endangered Species Act (ESA) in 2013, 2014, and 2016, respectively. The Oregon vesper sparrow is not federally listed under the ESA yet, but it is anticipated to be listed in the future. All four species occur within the City.

Under the ESA, the U.S. Fish and Wildlife Service (USFWS) may issue an incidental take permit to private and public landowners to allow for limited "take" of these species. One of the requirements for an incidental take permit to be issued is that USFWS approve a habitat conservation plan.

Working together with the Port of Olympia, a large group of stakeholders, and consultants, the City is preparing the Bush Prairie HCP to identify appropriate mitigation for impacts to the three endangered prairie species, as well as the Oregon spotted frog. The HCP will allow City and Port operations and maintenance, as well as public and private development to occur in some areas frequented by endangered species, in exchange for the development of contiguous mitigation sites that offset any impacts.

The goal of the HCP is to allow responsible growth to occur in the City, as required under the state Growth Management Act, while providing superior species protection over what the ad-hoc, case-by-case federal permitting approach currently provides. It is the intent of the HCP to cover all development actions by private and public landowners that require municipal approvals.

In 2016 for Phase 1, the City and Port were awarded a \$117,338.86 federal grant with a \$95,423.74 match (\$47,711.87 City/\$47,711.87 Port) of cash and staff time. The grant included \$16,000 for WDFW to manage the grant.

In 2018 for Phase 2, the City and Port were awarded an \$846,000.00 federal grant with a \$300,000 match (\$150,000 City/\$150,000 Port) of cash and staff time. The grant included \$54,000 for WDFW to manage the grant.

In 2023 for Phase 3 the City and Port were awarded a \$225,000.00 federal grant with a \$79,000 match (\$39,500 City/\$39,500 Port) of cash and staff time. The grant includes \$56,250 for WDFW to manage grant and provide technical assistance and a WDFW \$14,750 match.

In 2024 for Phase 4 the City and Port were awarded a \$410,000.00 federal grant with a \$149,500 match (\$74,750 City and \$74,750 Port) of cash and staff time. The full USFWS grant award also included \$55,000.00 for WDFW to manage the grant and provide technical assistance and a WDFW \$5,500.00 match.

The General Government Committee reviewed the contract at their December 11, 2024 meeting and recommended that it be placed on the City Council consent calendar for their January 7, 2025 meeting. Because of the Phase 4 Grant amount, the Mayor will need to sign the contract after the City Council gives its approval.

3) Policy Support:

Comprehensive Plan Conservation Element Goal C-1: Recognize the significant role played by natural features and systems in determining the overall environmental quality and livability of Tumwater.

Comprehensive Plan Conservation Element Policy C-2.16: Protect and preserve habitats for species, which have been identified as endangered, threatened, or sensitive by the state or federal government, giving "special consideration: to conservation or protection measures necessary to preserve or enhance anadromous fisheries.

4)	Α	١t	е	rr	าล	ti	٧	е	S	:

☐ None.

5) Fiscal Notes:

The total dollars provided by this contract will not exceed \$410,000.00. The City and the Port of Olympia will provide an additional \$149,500 in non-federal matches, which will be divided evenly between the City and Port.

6) <u>Attachments</u>:

A. Contract between the City of Tumwater and the Washington State Department of Fish and Wildlife for the Phase 4 Bush Prairie Habitat Conservation Plan (HCP) Grant



COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND GRANT AGREEMENT

TITLE: Bush Prairie HCP Phase 4 WDFW NUMBER: 24-26281

GRANTEE: City of Tumwater **CONTRACT PERIOD:** 09/01/2024 to 09/01/2027

TYPE: Payable / Grant / Sub-Recipient Federal CONTRACT VALUE: \$559,500.00

USFWS 24-24090

\$410,000 Cash to Tumwater & Port (Pass-Thru) \$149,500 Tumwater & Port (Non-Federal Match)

A. PARTIES TO THIS CONTRACT

This contract is entered into between the Washington State Department of Fish and Wildlife (WDFW), 600 Capitol Way North, Olympia, WA 98501-1091; and City of Tumwater (Grantee), 555 Israel Road SW, Tumwater, Washington 98501; and shall be binding upon the agents and all persons acting by or through the parties.

B. PURPOSE OF CONTRACT

The purpose of this contract is to provide a grant award to the Grantee for the project specified herein.

C. DESCRIPTION OF PROJECT

The Grantee shall perform the project as described in Attachments, which are incorporated herein by this reference:

Attachment A - General Terms and Conditions

Attachment B - Contract/Project Summary

Attachment C - Statement of Work

The Grantee is a subrecipient of federal funds as identified under "Federal Funding Information" in Attachment B.

D. PERIOD OF PERFORMANCE

The performance period under this contract shall commence on 09/01/2024 and terminate on 09/01/2027. No expenditures made before or after this period are eligible for reimbursement unless incorporated by written amendment into this contract. The contract may be terminated, or the performance period extended pursuant to terms set forth in Attachment "A."

E. COMPENSATION / PAYMENT

The total dollars provided by WDFW for this contract shall not exceed \$410,000.00. The Grantee shall provide \$149,500 in non-federal match. Grantee is responsible for all project costs exceeding the grant award, and the required non-federal match totaling \$559,500. The Grantee shall be responsible for all project costs exceeding this amount. Only eligible reimbursement activities that are in direct support of the project deliverables identified in this contract will be reimbursed. Any additional services provided by the Grantee must have prior written approval of WDFW.

Compensation for services rendered shall be payable upon receipt of properly completed invoices, which shall be submitted to the Project Manager by the Grantee not more often than monthly. The invoices shall describe and document to WDFW's satisfaction a description of work performed, activities accomplished, or the progress of the project. The rates shall be in accordance with those herein agreed to.

Payment shall be considered timely if made by WDFW within 30 days after receipt of properly completed invoices. Payment shall be sent to the address designated by the Grantee. WDFW may, in its sole discretion, terminate the contract or withhold payments claimed by the Grantee for the services rendered if the Grantee fails to satisfactorily comply with any term or conditions of this contract.

F. RIGHTS AND OBLIGATIONS

All rights and obligations of the parties of this contract are subject to this contract, including the Attachments, which are incorporated herein by this reference. By signing this contract, the Grantee acknowledges that they have read, fully understand, and agree to be bound by all terms and conditions set forth in this contract.

G. COMPLIANCE WITH APPLICABLE STATUTES, RULES, AND WDFW POLICIES

The Grantee shall comply with, all applicable state, federal, and local laws, and regulations, including published WDFW policies, while performing under this contract

H. ORDER OF PRECEDENCE

In the event of an inconsistency in this contract, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order:

Applicable Federal and State of Washington statutes and regulations.

Special Terms and Conditions (including Attachment C - Statement of Work) as contained in this basic contract instrument.

Attachment A - General Terms and Conditions.

Any other provision, term or material incorporated herein by reference or otherwise incorporated.

I. PROJECT MANAGER

The below named individuals for each of the parties shall be the contact people for all communications and billings regarding the performance of this contract. All written communications regarding this contract shall be sent to these individuals at the addresses below unless notified in writing of any change.

Grantee's Project Manager

Brad Medrud 555 Israel Road SW Tumwater, Washington, 98501 (360) 7544180 bmedrud@ci.tumwater.wa.us

WDFW's Project Manager

Sean Williams
PO Box 43143
Olympia, Washington, 98504-3143
(360) 902-8136
sean.williams@dfw.wa.gov

J. ENTIRE CONTRACT

This contract, along with all attachments and exhibits, constitutes the entire agreement of the parties. No other understandings, verbal or otherwise, regarding this contract shall exist or bind any of the parties.

K. APPROVAL

This contract shall be subject to the written approval of WDFW'S authorized representative and shall not be binding until so approved. This contract may be altered, amended, or waived only by a written amendment executed by both parties.

IN WITNESS WHERE, WDFW and the Grantee have signed this contract.

CITY OF TUMWATER	WASHINGTON DEPARTMENT OF FISH AND WILDLIFE
SIGNATURE AND DATE	SIGNATURE AND DATE
Debbie Sullivan Mayor	Jeffrey Hugdahl
PRINTED NAME AND TITLE	PRINTED NAME AND TITLE

Attachment A -

GENERAL TERMS AND CONDITIONS Grant Agreement Federal Funds

DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

- A. "AGENCY" or "WDFW" shall mean the **Department** of Fish and Wildlife of the State of Washington, any division, section, office, unit, or other entity of the AGENCY, or any of the officers or other officials lawfully representing that AGENCY.
- B. "AGENT" shall mean the AGENCY Director, and/or the delegate authorized in writing to act on the Director's behalf.
- C. "CFR" shall mean the Code of Federal Regulations. All references in the contract to CFR chapters or sections shall include any successor, amended or replacement regulations.
- D. "GRANTEE" shall mean any organization or individual that is performing service(s) under this contract, and shall include all employees of the GRANTEE.
- E. "RCW" shall mean the Revised Code of Washington.
 All references in the contract to RCW chapters or
 sections shall include any successor, amended or
 replacement statutes.
- F. "Subcontractor" shall mean one not in the employment of the GRANTEE, who is performing all or part of those services under this contract under a separate contract with the GRANTEE. The terms "Subcontractor" and "Subcontractors" means Subcontractor(s) in any tier.
- G. "USC" shall mean United States Code. All references in the contract to USC chapters or sections shall include any successor, amended or replacement statutes.

ACCESS TO DATA

In compliance with RCW 39.26.180, the GRANTEE shall provide access to data generated under this contract to AGENCY, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the

GRANTEE'S reports, including computer models and methodology for those models.

ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the AGENCY.

AMENDMENTS

This contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35

Both parties shall comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

ASSIGNMENT

The work to be provided under this contract, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

ATTORNEYS' FEES

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

BUY AMERICAN ACT

The GRANTEE shall comply with 41 USC 10a-10c (the "Buy American Act") by purchasing only American-made equipment and products with contract funds except articles, materials, and supplies — a) for use outside the United States; b) for which the cost would be unreasonable, as determined in accordance with federal regulations; c) for which the AGENCY determines that domestic preference would be inconsistent with the public interest; or d) that are not mined, produced, or manufactured in the United States in sufficient and reasonable available commercial quantities, of a satisfactory quality.

CENTRAL CONTRACTOR REGISTRATION AND UNIQUE ENTITY IDENTIFIER

Unless exempt under 2 CFR 25.110, the GRANTEE shall comply with 2 CFR 25 and be registered in the federal System for Award Management Registration (SAM); and maintain an active registration with current information at all times during the period of performance for this contract; and provide its Unique Entity Identifier (UEI) number to the AGENCY.

CONFIDENTIALITY/SAFEGUARDING OF INFORMATION

The GRANTEE shall not use or disclose any information concerning the AGENCY, or information that may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the AGENCY, or as may be required by law.

CONFLICT OF INTEREST

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

In the event this contract is terminated as provided above, the AGENCY shall be entitled to pursue the same remedies against the GRANTEE as it could pursue in the event of a breach of the contract by the GRANTEE. The rights and remedies of the AGENCY provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the AGENT makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

COST PRINCIPLES AND AUDIT REQUIREMENTS

The CONTRACTOR agrees to comply with the costs principles contained in 2 CFR Part 200 as appropriate for this contract. The GRANTEE agrees to comply with the organizational audit requirements of 2 CFR Subpart F, and further understands and agrees that funds may be withheld, or other related requirements may be imposed, if outstanding audit issues (if any) from 2 CFR Subpart F audits (and any other audits of Contract funds) are not satisfactorily and promptly addressed.

COPYRIGHT PROVISIONS

Unless otherwise provided, all materials produced under this contract shall be considered "works for hire" as WDFW 24-26281 defined by the U.S. Copyright Act and shall be owned by the AGENCY. The AGENCY shall be considered the author of such materials. In the event the materials are not considered "works for hire" under the U.S. Copyright laws, the GRANTEE hereby irrevocably assigns all right, title, and interest in materials, including all intellectual property rights, to the AGENCY effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, the GRANTEE hereby grants to the AGENCY a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The GRANTEE warrants and represents that the GRANTEE has all rights and permissions, including intellectual property rights, moral rights, and rights of publicity, necessary to grant such a license to the AGENCY.

The GRANTEE shall exert all reasonable effort to advise the AGENCY, at the time of delivery of materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract.

The AGENCY shall receive prompt written notice of each notice or claim of infringement received by the GRANTEE with respect to any data delivered under this contract. The AGENCY shall have the right to modify or remove any restrictive markings placed upon the data by the GRANTEE.

COVENANT AGAINST CONTINGENT FEES

The GRANTEE warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established agents maintained by the GRANTEE for securing business. The AGENCY shall have the right, in the event of breach of this clause by the GRANTEE, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other

PAGE 4

means the full amount of such commission, percentage, brokerage or contingent fee.

DAVIS-BACON AND RELATED ACTS

If any work performed by the GRANTEE or Subcontractor employees is subject to the Davis Bacon Act and Davis-Bacon prevailing wage provisions contained in applicable federal laws, the GRANTEE shall ensure that they and their Subcontractor(s) a) pay at least once per week wages to GRANTEE and/or Subcontractor laborers and mechanics at a rate not less than the minimum wages specified in wage determinations made by the U.S. Department of Labor; and b) provide to the AGENCY each week U.S. Department of Labor Form WH-347 "Payroll (For Contractors Optional Use)" stating the wages paid to GRANTEE and /or Subcontractor laborers and mechanics engaged in work funded by this contract.

DISALLOWED COSTS

The GRANTEE is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

DISPUTES

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with AGENT.

- 1. The request for a dispute hearing must:
 - ■Be in writing;
 - State the disputed issue(s);
 - State the relative positions of the parties:
 - State the GRANTEE'S name, address, and contract number; and
 - Be mailed to the AGENT and the other party's (respondent's) contract manager within 3 working calendar days after the parties agree that they cannot resolve the dispute.
- 2. The respondent shall send a written answer to the requester's statement to both the AGENT and the requester within 5 calendar days.
- The AGENT shall review the written statements and reply in writing to both parties within 10 calendar days. The AGENT may extend this period, if necessary, by notifying the parties.
- The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this contract shall be construed to limit the parties' choice of a mutually acceptable alternate dispute resolution method in addition to the dispute resolution procedure outlined above.

DRUG-FREE WORKPLACE

The GRANTEE shall comply with the Drug-Free Workplace Act of 1988, 41 USC 701-707, as amended. Compliance with the Drug-Free Workplace Act includes publishing a drug-free workplace statement and establishing a drug-free awareness program for GRANTEE employees; and taking actions concerning GRANTEE employees who are convicted of violating drug statutes in the workplace. The GRANTEE shall provide written notice of a conviction of a GRANTEE employee of a drug violation in the workplace to the AGENCY within seven (7) calendar days after the GRANTEE learns of the conviction.

DUPLICATE PAYMENT

The AGENCY shall not pay the GRANTEE, if the GRANTEE has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

ENTIRE AGREEMENT

This contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this contract shall be deemed to exist or to bind any of the parties hereto.

EQUIPMENT MANAGEMENT

For the purposes of this contract, "Inventoriable Equipment" shall mean a tangible asset which has a service life of more than one year and with a unit cost of \$5,000 or greater; and tangible assets with a unit cost of more than \$300 that the AGENCY considers "small and attractive," such as engines, chain saws, communications equipment, global position systems, optical devices, cameras, microcomputer and related systems, smart phones and tablets, video equipment; and firearms, boats and motorized vehicles of any value.

If the GRANTEE uses contract funds to purchase Inventoriable Equipment, title to that Inventoriable Equipment shall be held by the AGENCY unless otherwise specified in this contract. The AGENCY's Inventoriable Equipment provided to the GRANTEE shall be used only for the performance of this contract. Title to the AGENCY's Inventoriable Equipment shall remain with the AGENCY.

The GRANTEE shall take reasonable steps to account for and protect Inventoriable Equipment from loss or

damage; report to the AGENCY any loss or damage of such property; and take reasonable steps to protect such property from further damage. The GRANTEE shall surrender to the AGENCY all Inventoriable Equipment either provided by the AGENCY or purchased with contract funds upon the completion or termination of this contract.

FEDERAL DEBARMENT AND SUSPENSION

The GRANTEE certifies, that neither it nor its "principals" (as defined in 49 CFR 29.105) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. Further, the GRANTEE agrees not to enter into any arrangements or other contracts with any party that is on the "List of Parties Excluded from Federal Procurement or Non-procurement Programs" which can be found at https://www.sam.gov.

FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY ACT

This contract is subject to the requirements of the Federal Funding Accountability and Transparency Act (FFATA) as stated in 2 CFR 170. The GRANTEE agrees to comply with applicable requirements to assist the AGENCY in reporting first-tier subawards of \$25,000 or more and, in certain circumstances, in reporting the names and total compensation of the five most highly compensated executives of first tier subrecipients of award funds. Such data will be submitted to the FFATA Subaward Reporting System (FSRS).

FINAL INVOICE

The GRANTEE shall submit the final invoice not later than 60 calendar days from the end of the contract period.

GOVERNANCE

This contract is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this contract shall be construed to conform to those laws.

In the event of an inconsistency in the terms of this contract, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

- a. Applicable state and federal statutes and rules;
- b. Statement of work; and
- Any other provisions of the contract, including materials incorporated by reference.

GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

INDEMNIFICATION

To the fullest extent permitted by law, the GRANTEE shall indemnify, defend, and hold harmless State, agencies of State and all officials, agents, and employees of State, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom.

The GRANTEE'S obligations to indemnify, defend, and hold harmless includes any claim by the GRANTEES' agents, employees, representatives, or any Subcontractor or its employees.

The GRANTEE expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to the GRANTEE'S or any Subcontractor's performance or failure to perform the contract. The GRANTEE'S obligation to indemnify, defend, and hold harmless the State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees, and officials.

The GRANTEE waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless State and its agencies, officials, agents, or employees.

INDEPENDENT CAPACITY OF THE GRANTEE

The parties intend that an independent contractor relationship will be created by this contract. The GRANTEE and his or her employees or agents performing under this contract are not employees or agents of the AGENCY. The GRANTEE will not hold himself/herself out as or claim to be an officer or employee of the AGENCY or of the State of Washington by reason hereof, nor will the GRANTEE make any claim of right, privilege or benefit that would accrue to such employee under law. Conduct and control of the work will be solely with the GRANTEE.

INDUSTRIAL INSURANCE COVERAGE

The GRANTEE shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the GRANTEE fails to

provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, the AGENCY may collect from the GRANTEE the full amount payable to the Industrial Insurance accident fund. The AGENCY may deduct the amount owed by the GRANTEE to the accident fund from the amount payable to the GRANTEE by the AGENCY under this contract and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the GRANTEE.

INSURANCE

The GRANTEE shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the state should there be any claims, suits, actions, costs, damages, or expenses arising from any negligent or intentional act or omission of the GRANTEE or Subcontractor, or agents of either, while performing under the terms of this contract.

The GRANTEE shall provide insurance coverage, which shall be maintained in full force and effect during the term of this contract, as follows:

- Commercial General Liability Insurance Policy.
 Provide a Commercial General Liability Insurance
 Policy, including contractual liability, in adequate
 quantity to protect against legal liability arising out of
 contract activity but no less than \$1,000,000 per
 occurrence. Additionally, the GRANTEE is
 responsible for ensuring that any Subcontractors
 provide adequate insurance coverage for the
 activities arising out of subcontracts.
- Automobile Liability. In the event that services
 delivered pursuant to this contract involve the use of
 vehicles, either owned or unowned by the
 GRANTEE, automobile liability insurance shall be
 required. The minimum limit for automobile liability is
 \$1,000,000 per occurrence, using a Combined Single
 Limit for bodily injury and property damage.
- 3. Marine Insurance. If the GRANTEE will be using a vessel or boat in the performance of this contract, the GRANTEE shall maintain a Commercial Marine Protection and Indemnity (P&I) Policy with P&I limit of not less than \$1,000,000 per occurrence and with a deductible not to exceed \$25,000 (to include diving operations if diving is a part of the contracted service for any liability which includes coverage for injury to the crew and passengers).

4. The insurance required shall be issued by an insurance company/ies authorized to do business within the state of Washington, and shall name the state of Washington, its agents, and employees as additional insureds under the insurance policy/ies. All policies shall be primary to any other valid and collectable insurance. GRANTEE shall instruct the insurers to give AGENCY thirty (30) calendar days advance notice of any insurance cancellation.

If the GRANTEE is self-insured, evidence of its status as a self-insured entity shall be provided to the AGENCY. If requested by the AGENCY, the GRANTEE must describe its financial condition and the self-insured funding mechanism.

The GRANTEE shall submit to AGENCY within fifteen (15) calendar days of the contract effective date, a certificate of insurance or evidence of its status as a self-insured entity that outlines the coverage and limits defined in this section. The GRANTEE shall submit renewal certificates as appropriate during the term of the contract; the failure of the AGENCY to enforce this term in no way reduces the GRANTEE's responsibilities under this section.

LICENSING, ACCREDITATION AND REGISTRATION

The GRANTEE shall comply with all applicable local, state, and federal licensing, accreditation, and registration requirements/standards, necessary for the performance of this contract.

LIMITATION OF AUTHORITY

Only the AGENT or AGENT'S delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the AGENT.

MATCHING FUNDS

The GRANTEE shall be responsible for providing matching funds as indicated in the contract (if any). If the GRANTEE is responsible for matching funds, they shall state the amount of match used during the billing period and the cumulative amount of match used to date on every invoice submitted for payment to the AGENCY. The GRANTEE shall comply with the uniform administrative rules on matching or cost sharing for Federal grants and cooperative agreements and subawards as appropriate for this contract:

Federal Grantor Agency Matching or Cost Sharing Standards
Department of Agriculture 7 CFR Section 3016.24
Department of Commerce 15 CFR Section 24 24

Department of Commerce 15 CFR Section 24.24
Department of Defense: 32 CFR Section 33.24
Department of the Interior: 43 CFR Section 12.64
Environmental Protection Agency: 40 CFR Section 31.24

MINORITY, WOMEN AND VETERAN-OWNED BUSINESSES

The AGENCY encourages participation by minority and women-owned business enterprises certified by the Office of Minority and Women's Business Enterprises (OMWBE); and veteran-owned businesses certified by the Department of Veteran's Affairs (DVA). If any part of this contract is subcontracted to an OMWBE or DVA-certified firm the GRANTEE shall submit a statement of participation indicating what OMWBE or DVA certified firm was used and the dollar amount of their subcontracts.

NONDISCRIMINATION

During the performance of this contract, both parties shall comply with all federal and state nondiscrimination laws, regulations, and policies. In the event of the GRANTEE'S non-compliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled, or terminated in whole or in part, and the GRANTEE may be declared ineligible for further contracts with the AGENCY. The GRANTEE shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

PREVAILING WAGE

If any work performed by the GRANTEE or its Subcontractors is subject to Chapter 39.12 of the Revised Code of Washington, the GRANTEE shall ensure that the GRANTEE and its Subcontractors pay the prevailing rate of wages to all GRANTEE and/or Subcontractor workers, laborers or mechanics in the performance of any part of the work described in the contract in accordance with state law and Department of Labor and Industries rules and regulations.

PRIVACY

Personal information including, but not limited to, "Protected Health Information," collected, used, or acquired in connection with this contract shall be protected against unauthorized use, disclosure, modification, or loss. The GRANTEE shall ensure its directors, officers, employees, Subcontractors, or agents use personal information solely for the purposes of

accomplishing the services set forth herein. The GRANTEE and its Subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the AGENCY or as otherwise required by law. Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The GRANTEE agrees to indemnify and hold harmless the AGENCY for any damages related to the GRANTEE'S unauthorized use of personal information.

RECORDS MAINTENANCE

The parties to this contract shall each maintain books, records, documents, and other evidence which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books. records, documents, and other material relevant to this contract will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period. Records and other documents, in any medium, furnished by one party to this contract to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this material to any third parties without first giving notice to the furnishing party and giving it a reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

RESTRICTIONS ON LOBBYING

The GRANTEE certifies that under the requirements of Lobbying Disclosure Act, 2 USC, Section 1601 et seq., no Federal appropriated funds have been paid or will be paid, by or on behalf of the GRANTEE, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

RIGHT OF INSPECTION

The GRANTEE shall provide right of access to its facilities to the AGENCY, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance. compliance, and/or quality assurance under this contract.

SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the AGENCY may terminate the contract under the "Termination" clause, without the thirty-day notice requirement, subject to renegotiation at the AGENCY'S discretion under those new funding limitations and conditions.

SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

SITE SECURITY

While on AGENCY premises, the GRANTEE, its agents, employees, or Subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

STATEWIDE VENDOR PAYMENT REGISTRATION

The GRANTEE is required to be registered in the Statewide Vendor Payment System prior to submitting a request for payment under this contract. The Washington State Office of Financial Management (OFM) maintains the Statewide Vendor Payment System; to obtain registration materials contact the Statewide Pavee Desk at (360) 407-8180; or go to: https://ofm.wa.gov/itsystems/statewide-vendorpayee-services.

SUBCONTRACTING

Neither the GRANTEE nor any Subcontractor(s) shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the AGENCY. In no event shall the existence of the subcontract operate to release or reduce the liability of the GRANTEE to the AGENCY for any breach in the performance of the GRANTEE'S duties. This clause does not include contracts of employment between the GRANTEE and personnel assigned to work under this contract. Additionally, the GRANTEE is responsible for ensuring that all terms, conditions, assurances, and certifications set forth in this contract are carried forward to any subcontracts. The GRANTEE and WDFW 24-26281

its Subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the AGENCY or as provided by law.

TERMINATION

Except as otherwise provided in this contract, the AGENCY may, by 10 calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the AGENCY shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

TERMINATION FOR CAUSE

In the event the AGENCY determines the GRANTEE has failed to comply with the conditions of this contract in a timely manner, the AGENCY has the right to suspend or terminate this contract. Before suspending or terminating the contract, the AGENCY shall notify the GRANTEE in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

The AGENCY reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the GRANTEE from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the GRANTEE or a decision by the AGENCY to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the GRANTEE: (1) was not in default; or (2) failure to perform was outside of his or her control. fault, or negligence. The rights and remedies of the AGENCY provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

TERMINATION PROCEDURES

Upon termination of this contract, the AGENCY, in addition to any other rights provided in this contract, may require the GRANTEE to deliver to the AGENCY any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer. The AGENCY shall pay to the GRANTEE the agreed upon price, if separately stated, for completed work and services accepted by the AGENCY, and the amount agreed upon by the GRANTEE and the AGENCY for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii)

PAGE 9

other property or services that are accepted by the AGENCY, and (iv) the protection and preservation of property, unless the termination is for default, in which case the AGENT shall determine the extent of the liability of the AGENCY. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The AGENCY may withhold from any amounts due the GRANTEE such sum as the AGENT determines to be necessary to protect the AGENCY against potential loss or liability. The rights and remedies of the AGENCY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the AGENT, the GRANTEE shall:

- Stop work under the contract on the date, and to the extent specified, in the notice;
- Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated:
- Assign to the AGENCY, in the manner, at the times, and to the extent directed by the AGENT, all of the rights, title, and interest of the GRANTEE under the orders and subcontracts so terminated, in which case the AGENCY has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- 4. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the AGENT to the extent AGENT may require, which approval or ratification shall be final for all the purposes of this clause;
- Transfer title to the AGENCY and deliver in the manner, at the times, and to the extent directed by the AGENT any property which, if the contract had been completed, would have been required to be furnished to the AGENCY;
- Complete performance of such part of the work as shall not have been terminated by the AGENT; and
- 7. Take such action as may be necessary, or as the AGENT may direct, for the protection and

preservation of the property related to this contract, which is in the possession of the GRANTEE and in which the AGENCY has or may acquire an interest.

TRAFFICKING VICTIMS PROTECTION ACT

As described in 2 CFR Part 175 the AGENCY may terminate this contract, without penalty, if the GRANTEE is found to be in violation of the Trafficking Victims Protection Act of 2000.

UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS

The CONTRACTOR shall comply with the uniform administrative rules for Federal grants and cooperative agreements and subawards contained in 2 CFR Part 200 and as appropriate for this contract:

Federal Grantor Agency	2 CFR Chapter
Department of Agriculture	IV
Department of Commerce	XIII
Department of Defense	XI
Department of the Interior	XIV
Environmental Protection Agency	XV

WAIVER

A failure by either party to exercise its rights under this contract shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this contract unless stated to be such in a writing signed by an authorized representative of the party and attached to the original contract.

WHISTLEBLOWER PROTECTION

If this contract exceeds the federal simplified acquisition threshold of \$100,000 the contract and all employees working on the contract are subject to the whistleblower protections established at 41 USC 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013. If subject to this statute the CONTRACTOR shall inform their employees in writing, in the predominant language of the workforce, of the employee whistleblower rights and protections under 41 USC 4712. This section is applicable to all subcontractors and subawardees related to this contract that exceed the federal simplified acquisition threshold of \$100,000, and the CONTRACTOR shall include this section in all such subcontracts and/or subawards.

APPROVED AS TO FORM BY THE OFFICE OF THE ATTORNEY GENERAL 3/20/2015

Attachment B - CONTRACT/PROJECT SUMMARY

TITLE:	Bush Prairie HCP Phase 4	WDFW CONTRACT NU	MBER: 24-26281
PERIOD:	09/01/2024 to 09/01/2027	WDFW MANAGER:	Sean Williams
GRANTEE:	City of Tumwater		(360) 902-8136
GRANTEE CO	NTACT: Brad Medrud (360) 7544180		
CONTRACT T	YPE: Payable / Grant / Sub-Recipient Federal USFWS 24-24090		

SUMMARY CONTRACT DESCRIPTION:

The purpose of this agreement is to provide pass through federal funds to the City of Tumwater and Port of Olympia (the Grantee) to develop a Habitat Conservation Plan (HCP) under the grant award F24AP02967 received by WDFW from the U.S. Fish and Wildlife Services (USFWS). Funding comes from the USFWS Cooperative Endangered Species Conservation Fund: Habitat Conservation Planning Assistance Grant. The Grantee is awarded \$410,000 in federal funding and is responsible for providing \$149,500 in nonfederal match. The total project cost for the Grantee is \$559,500.

Master Index Number(s): 33423

Federal Funding Information							
CFDA Number Award Year Award Number Research & Development?							
15.615 Cooperative Endangered Species Conservation Fund/US Department of the Interior	2024	F24AP02967	Yes				

Attachment C Statement of Work and Budget

Bush Prairie Habitat Conservation Plan Phase 4

A. Overview

The purpose of this agreement is to provide pass through funds to the City of Tumwater and Port of Olympia (the Grantee) to develop a Habitat Conservation Plan (HCP) under the grant award F24AP02967 received by WDFW from the U.S. Fish and Wildlife Services (USFWS). Funding comes from the USFWS Cooperative Endangered Species Conservation Fund: Habitat Conservation Planning Assistance Grant. The proposal for this grant is incorporated into this agreement as Exhibit D.

The Grantee is awarded \$410,000 in federal funding and is responsible for providing \$149,500 in non-federal match. The total project cost for the Grantee is \$559,500.

B. Objectives

The Grantee will meet the following objectives:

- 1. Continue the Bush Prairie HCP public engagement process that was initiated under prior federal awards (Phases 1-3) to provide opportunity for stakeholders and the public to inform the development of the HCP.
- 2. Complete the Public Draft of the Bush Prairie HCP based on feedback from USFWS, WDFW, and stakeholders.
- 3. Complete the National Environmental Policy Act (NEPA) and Washington State Environmental Policy Act (SEPA) environmental review process.

C. Scope of Work

Objective 1: Continue the Bush Prairie HCP Public Engagement Process

Objective 1 Cost: \$52,248

Start Date: September 1, 2024 Completion Date: September 1, 2027

Tasks:

- 1.1. Educate, inform, and involve the public in conservation planning for endangered species.
- 1.2. Build on other local efforts by Thurston County, WDFW, CNLM, Department of Defense, USFWS, and other entities to maintain and restore the South Puget Sound prairie ecosystem.
- 1.3. Hold regular meetings of the Bush Prairie HCP development team to discuss strategy for the HCP, including representatives from the City, the Port, USFWS, the consultant, and other key contributors.
- 1.4. Seek feedback from the stakeholder group and the public on the Bush Prairie HCP.
- 1.5. Complete assembling the elements of a strategy that builds partnerships to finish the draft Bush Prairie HCP, establishes conservation milestones, and recommend the roles and actions needed for effective conservation and mitigation from conservation partners.

Deliverables:

- 1.A Public Engagement Appendix to the draft Bush Prairie HCP.
- 1.B List of public engagement activities described in the annual performance report.

Objective 2: Complete the Public Draft Bush Prairie HCP

Objective 2 Cost: \$205,363

<u>Start Date:</u> September 1, 2024 <u>Completion Date:</u> September 1, 2027

Tasks:

- 2.1 Meet regularly with USFWS and WDFW to share updates on the development of the Bush Prairie HCP.
- 2.2 Update and share drafts of the Bush Prairie HCP with USFWS, WDFW, and stakeholders to solicit feedback. Work with USFWS and WDFW to respond to reviewer comments.
- 2.3 Complete the Public Draft of the Bush Prairie HCP.

Deliverables:

2-A Public Draft of the Bush Prairie HCP

Objective 3: Complete the NEPA and SEPA Environmental Review Process

Objective 3 Cost: \$152,389

Start Date: September 1, 2024 Completion Date: September 1, 2027

Tasks:

3.1 Assemble the necessary information to support the NEPA and SEPA environmental review processes, which may include either an Environmental Impact Statement or an Environmental Assessment.

Deliverables:

3-A Documentation of the work to complete the NEPA and SEPA environmental review process.

D. Budget

This Agreement provides the City of Tumwater and the Port of Olympia with \$410,000 in federal grant funds for Phase 4 of the Bush Prairie project, develop a Habitat Conservation Plan. The City of Tumwater together with the Port of Olympia will provide documentation for the \$149,500 in match bringing the total project cost \$559,500.

Objective	Objective Description	Federal Funds	Non- Federal Match	Total Project Cost
1	1 Bush Prairie HCP Public Engagement Process		\$19,051	\$71,299
2	Public Draft Bush Prairie HCP	\$205,363	\$74,883	\$280,246
3	3 Complete NEPA and SEPA		\$55,566	\$207,955
	Total	\$410,000	\$149,500	\$559,500

E. Reporting Requirements

Report Title	Report Period	Due Date		
1 st Performance Progress Report	09/01/2024 – 12/31/2024	03/01/2025		
2 nd Performance Progress Report	01/01/2025 – 12/31/2025	03/01/2026		
3 rd Performance Progress Report	01/01/2026 – 12/31/2026	03/01/2027		
Final Performance Report	01/01/2027 – 09/01/2027	09/01/2027 ¹		

¹ Per the terms and conditions, the grantee has 60-days after the contract closing data to complete this report.

DocuSign

Certificate Of Completion

Envelope Id: 474BFFF40F894E9C9EE628E71D2B215D

Subject: 24-26281 Source Envelope:

Document Pages: 14 Certificate Pages: 5

AutoNav: Enabled

Envelopeld Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Sent

Envelope Originator: DFW DocuSign Contracts 1111 Washington Street Olympia, WA 98501

svcDocuSignCT477@dfw.wa.gov

IP Address: 44.226.4.87

Record Tracking

Status: Original 11/14/2024 3:44:40 PM

Security Appliance Status: Connected Storage Appliance Status: Connected Holder: DFW DocuSign Contracts svcDocuSignCT477@dfw.wa.gov

Pool: StateLocal

Signatures: 0

Initials: 0

Pool: Washington State Department of Fish &

Location: DocuSign

Location: DocuSign

Sent: 11/14/2024 3:52:19 PM

Timestamp

Signer Events

Signature Debbie Sullivan

dsullivan@ci.tumwater.wa.us

City of Tumwater

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 7/19/2023 2:24:00 PM

ID: af21360a-52db-4c6e-b3f9-b7ccc5f4643f

Jeffrey Hugdahl

Jeffrey.Hugdahl@dfw.wa.gov

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events

Timestamp

Editor Delivery Events

Status

Signature

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Status

Timestamp

Certified Delivery Events

Brad Medrud

bmedrud@ci.tumwater.wa.us

Security Level: Email, Account Authentication

(None)

VIEWED

Using IP Address: 198.187.0.26

Timestamp

Sent: 11/14/2024 3:47:33 PM Viewed: 11/14/2024 3:52:18 PM

Electronic Record and Signature Disclosure:

Accepted: 11/14/2024 3:52:18 PM

ID: 1040c79f-b4d1-4b52-8999-d78154a9a448

Status

Timestamp

Carbon Copy Events

Carbon Copy Events Status Timestamp

JAN Jackson

janice.jackson@dfw.wA.GOV

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Fiscal Payable

FiscalPayableContracts@dfw.wa.gov

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 5/17/2024 8:45:27 AM

ID: 3bee0a2a-db3b-48c0-8b08-414af2b56d9c

Brad Medrud

bmedrud@ci.tumwater.wa.us

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Accepted: 11/14/2024 3:52:18 PM

ID: 1040c79f-b4d1-4b52-8999-d78154a9a448

Sean Williams

Sean.Williams@dfw.wa.gov

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Carol Henry

Carol.Henry@dfw.wa.gov

Security Level: Email, Account Authentication

(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	11/14/2024 3:47:33 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disc	losure	

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Washington State Department of Fish & Wildlife (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Washington State Department of Fish & Wildlife:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: dfwservice@dfw.wa.gov

To advise Washington State Department of Fish & Wildlife of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at dfwservice@dfw.wa.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Washington State Department of Fish & Wildlife

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to servicedesk@dfw.wa.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Washington State Department of Fish & Wildlife

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to dfwservice@dfw.wa.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Washington State Department of Fish & Wildlife as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Washington State Department of Fish & Wildlife during the course of your relationship with Washington State Department of Fish & Wildlife.

TO: City Council

FROM: Bill Lindauer, Engineering Services Manager

DATE: January 7, 2025

SUBJECT: Service Provider Agreement with HDR Engineering for On-Call Engineering Services

Amendment No. 1

1) Recommended Action:

Approve and authorize the Mayor to sign the First Amendment to the Service Provider Agreement for On-Call Engineering Services. This was recommended for approval on the Council consent agenda at the December 5, 2024 Public Works Committee meeting.

2) <u>Background</u>:

The original agreement for \$70,000 was signed on April 28, 2023.

The First Amendment extends the agreement until December 31, 2025, which provides engineering services for on-going construction projects throughout the City. The First Amendment increases the not-to-exceed amount to \$145,000 to cover anticipated costs in 2025.

3) Policy Support:

Council Strategic Goals and Priorities 2023-2024:

C. Create and Maintain a Transportation System Safe for All Modes of Travel.

4) <u>Alternatives</u>:

Do not approve the agreement

5) <u>Fiscal Notes</u>:

Fees charged for this agreement will be allocated to the appropriate City fund, dependent upon the work completed.

6) Attachments:

A. First Amendment to the Service Provider Agreement

FIRST AMENDMENT TO SERVICE PROVIDER AGREEMENT FOR

ON-CALL ENGINEERING SERVICES - HDR ENGINEERING, INC.

This First Amendment ("Amendment") is dated effective thisday
of, 2024, and is entered into by and between the CITY OF
TUMWATER, a Washington municipal corporation ("CITY"), and HDR
Engineering, Inc., a Nebraska corporation ("SERVICE PROVIDER").

- A. The CITY and the SERVICE PROVIDER entered into a Service Provider Agreement dated effective April 28, 2023, whereby the SERVICE PROVIDER agreed to provide on-call engineering services ("Agreement").
- B. Section 14 of the Agreement provided that the Agreement may only be amended by written agreement signed by the parties.
- C. The CITY and the SERVICE PROVIDER desire to amend the Agreement to continue the services described in Section 1 of the Agreement by extending the term of the Agreement, and increasing the compensation paid to the SERVICE PROVIDER.

NOW, THEREFORE, the parties agree to the following terms and conditions:

1. TERM.

Section 2 of the Agreement shall be amended to extend the term of the Agreement until December 31, 2025.

2. <u>COMPENSATION</u>.

In consideration of the SERVICE PROVIDER continuing to provide the services described in Section 1 of the extended term of the Agreement, Section 4.C. shall be amended to update the hourly rates as detailed in Exhibit A-4 commencing on January 1, 2025, and increase the compensation paid to the SERVICE PROVIDER by an additional amount not to exceed Seventy-Five Thousand and 00/100 Dollars (\$75,000). The total amount payable to the SERVICE PROVIDER pursuant to the original Agreement and this First Amendment shall be an amount not to exceed One-Hundred Forty-Five and 00/100 Dollars (\$145,000).

3. <u>FULL FORCE AND EFFECT</u>.

First Amendment to Service Provider Agreement - Page 1 of 3 On-Call Engineering Services – HDR Engineering, Inc. All other terms and conditions of the Agreement not modified by this Amendment shall remain in full force and effect.

DATED the effective date set forth a	above.
<u>CITY:</u>	SERVICE PROVIDER:
CITY OF TUMWATER	HDR Engineering, Inc.
555 Israel Road SW	905 Plum Street SE, Suite 200
Tumwater, WA 98501	Olympia, WA 98503
	UBI No. 601-021-437
	Phone No. 360-570-4400
D 11: 0 11:	
Debbie Sullivan	Signature (Notarized – see below)
Mayor	Printed Name:
	Title:
ATTEST:	
Melody Valiant, City Clerk	
APPROVED AS TO FORM:	
THE TWO VED THE TO TOWN.	
TZ TZ: 1 1 C: . A	
Karen Kirkpatrick, City Attorney	
STATE OF WASHINGTON	
COUNTY OF THURSTON	
I certify that I know or have satisfactory ev	
is the person who appeared before me, and said per instrument, on oath stated that (he/she) was autho	
acknowledged it as the(title) of free and voluntary act of such party for the uses an	ad purposes mentioned in the instrument.
Date	ed:
_ .	
	
First Amendment to Service Provider Agreement -	Page 2 of 3

On-Call Engineering Services – HDR Engineering, Inc.

	Notary Public in and for the State of Washington, My appointment expires:
STATE OF WASHINGTON	
COUNTY OF THURSTON	
is the person who appeared before me, and	ctory evidence that(name) said person acknowledged that (he/she) signed this her) free and voluntary act for the uses and purposes
	Dated:
	Notary Public in and for the State of Washington, My appointment expires:

First Amendment to Service Provider Agreement - Page 3 of 3 On-Call Engineering Services – HDR Engineering, Inc.

TO: City Council

FROM: Dan Smith, Water Resources & Sustainability Director

DATE: January 7, 2025

SUBJECT: Service Provider Agreement with PBS Engineering for the Percival Creek Fish

Passage Barrier Removal Project Amendment 4

1) Recommended Action:

Approve and authorize the Mayor to sign the Service Provider Agreement with PBS Engineering & Environmental for the Percival Creek Fish Passage Barrier Removal Project Amendment 4. This amendment was recommended for approval via consent calendar by the Public Works Committee at their December 5, 2024 meeting.

2) Background:

The culvert conveying Percival Creek under Sapp Road has been identified as a fish passage barrier due to slope. The City plans to replace the culvert with a larger one to allow fish to pass under the road unobstructed. The project received funding to complete final design and initiate permitting from the Washington State Recreation and Conservation Office's Salmon Recovery Funding Board on July 1, 2021. The City completed a Request for Qualifications process and selected to work with PBS to complete this work.

This amendment covers additional work related to responding to final comments on the plans from WSDOT, bid support, and potential construction support.

3) Policy Support:

Strategic Priority B – Be a Leader in Environmental Sustainability

Remove obstructions to fish passage

4) <u>Alternatives</u>:

Request changes to the proposed service provider agreement amendment 4.

5) <u>Fiscal Notes</u>:

Scope amendment 4 adds \$49,987 to the project budget to update final plans, provide bid support, and potential construction support as needed. In total, PBS's contract is for \$301,075 with funds from two Salmon Recovery Funding Board Grants being used to pay for it.

6) Attachments:

- A. Amendment 4
- B. Original Agreement and Amendments 1-3

FOURTH AMENDMENT TO SERVICE PROVIDER AGREEMENT FOR

PERCIVAL CREEK FISH PASSAGE BARRIER REMOVAL PROJECT

This Fourth Amendment ("Amendment") is dated effective this _____day of ______, 2024, and is entered into by and between the CITY OF TUMWATER, a Washington municipal corporation ("CITY"), and PBS Engineering and Environmental Inc., a Washington corporation ("SERVICE PROVIDER").

- A. The CITY and the SERVICE PROVIDER entered into a Service Provider Agreement dated effective November 23, 2021, First Amendment dated October 21, 2022, Second Amendment dated November 17, 2022, and Third Amendment dated March 30, 2023, whereby the SERVICE PROVIDER agreed to provide design and construction support services ("Agreement").
- B. Section 14 of the Agreement provided that the Agreement may only be amended by written agreement signed by the parties.
- C. The CITY and the SERVICE PROVIDER desire to amend the Agreement to continue the services described in Section 1 of the Agreement by extending the term of the Agreement, and increasing the compensation paid to the SERVICE PROVIDER.

NOW, THEREFORE, the parties agree to the following terms and conditions:

1. SCOPE OF SERVICES.

Section 1 of the Agreement is amended to provide for additional services as more particularly described and detailed in Exhibit "A-3," attached hereto and incorporated herein.

2. TERM.

Section 2 of the Agreement shall be amended to extend the term of the Agreement until December 31, 2025.

3. COMPENSATION.

In consideration of the SERVICE PROVIDER continuing to provide the services described in Section 1 of the Agreement and providing the additional services described in Exhibit "A-3" during the extended term of the Agreement, Section 4.C.

Fourth Amendment to Service Provider Agreement - Page 1 of 3 Percival Creek Fish Passage Barrier Removal shall be amended to increase the compensation paid to the SERVICE PROVIDER by an additional amount not to exceed Forty Nine Thousand Nine Hundred Eighty Seven and Zero Dollars 00/100 (\$49,987.00). The total amount payable to the SERVICE PROVIDER pursuant to the original Agreement, the First Amendment, Second Amendment, Third Amendment, and this Fourth Amendment shall be an amount not to exceed Three Hundred One Thousand Seventy-Five and 00/100 Dollars (\$301,075.00).

Signatures on the following page

4. FULL FORCE AND EFFECT.

All other terms and conditions of the Agreement not modified by this Amendment shall remain in full force and effect.

DATED the effective date set forth above. CITY: SERVICE PROVIDER: CITY OF TUMWATER PBS Engineering and Environmental LLC 555 Israel Road SW 4412 S Corbett Avenue Tumwater, WA 98501 Portland, OR 97239 UBI No. 93-0870218 Phone No. 360-695-3488 Debbie Sullivan Signature (Notarized – see below) Mayor Printed Name: Dustin Cooley Title: Senior Transportation Manager ATTEST: Melody Valiant, City Clerk APPROVED AS TO FORM: Karen Kirkpatrick, City Attorney STATE OF OREGON COUNTY OF MULTNOMAH I certify that I know or have satisfactory evidence that <u>Dustin Cooley</u> 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 Senior Transportation Manager of PBS Engineering and Environmental LLC 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 Oregon, My appointment expires:

Fourth Amendment to Service Provider Agreement - Page 3 of 3 Percival Creek Fish Passage Barrier Removal

EXHIBIT A-3

Scope of Services

PERCIVAL CREEK PROJECT – CONSTRUCTION SUPPORT Amendment 4

CONSTRUCTION TASKS, DELIVERABLES, AND SCHEDULE

TASK 1.0 Management and Administration

1.1 Project Management and Administration

For the purposes of defining the scope of this project management and administration task, the duration of the construction phase is assumed to be thirteen (13) months, from November 2024 through December 2025 in support of project construction.

The following services are included:

- Prepare monthly invoices and progress reports
- Maintain project files and documentation.

1.2 Project Coordination and Meetings

Provide coordination and direction to the project team in support of amended tasks within this scope of work. The approach to project coordination through construction is to hold project meetings with key project team members and representatives from the City. These meetings will have specific agendas addressing and resolving project issues as they are encountered.

The following meetings are included:

- Project construction kickoff meeting
- Additional monthly project coordination meetings in support of additional scope as described within the amendment.
- Limited weekly site construction meetings
- Internal consultant design team meetings in support of design and coordination processes.

Task 1 Assumptions:

- Project construction kickoff meeting will occur by conference call and be two hours in length. Up to three (3) consultant team members will be in attendance.
- Project site construction meetings will occur weekly at City or Contractor provided facility during scheduled construction for three hours in length not including travel time. PBS assumes attendance up to two (2) of the site construction meetings when invited by City. Up to two (2) project specific key consultant team members will be in attendance.

Percival Creek Project- Construction Support Page 1 of 4

- Project management team meetings will occur once a month by conference call and be thirty minutes in length. Up to one (1) consultant team member will be in attendance.
- Internal team coordination meetings will occur monthly by conference call and be thirty minutes in length. Up to three (3) consultant team members will be in attendance.
- The duration of construction support phase is assumed to be thirteen (13) months, from November 2024 through December 2025.

Task 1 Deliverables:

- Monthly progress reports and invoices
- Meeting agenda and summaries

TASK 2.0 Construction Services

The Consultant shall support the City with construction engineering services including updates to the signed plans based on markups provided via email on October 8, 2024 and comments received from WSDOT Local Programs review. The Consultant during the remainder of the project will provide limited engineering services and construction support as follows.

2.1 Construction Engineering

PBS will support the City with design updates to plans in support to City advertisement of the project. This will include initial revisions to plans and one round of minor review comments prior to signing and submitting the final plans for advertisement.

2.2 Site Construction Support

At the project site during construction PBS will review Contractor's proposed layout of LWM and provide recommendations to the City for revised placement if required. PBS will attend two (2) hour streambed evaluation preconstruction meeting and on-site streambed meeting.

2.3 Material Submittals

PBS will receive and review material submittals (Manufacturer's Certificates of Compliance, Certificates of Material Origin, cut sheets, Qualified Product List sheets, etc.), construction sequence schedules, shop drawings, and other items required from the Contractor to ensure compliance with contract requirements. PBS will review the following submittals, including but not limited to: material-specific submittals, HMA mix designs, landscape items, and others required by construction contract specifications.

PBS will receive, review, and maintain material submittals. Upon completion of review, PBS will provide and submit approved submittals to the City of appropriate approval requirements.

2.4 Responses to Questions and Change Orders

PBS will assist the City in response to requests for information (RFI) by the Contractor and provide supplemental information as needed to maintain the progress of the work. If field adjustments are required, as a result of a change in conditions or a desired change by the City, PBS will prepare necessary

Percival Creek Project- Construction Support Page 2 of 4

change order documents and plan revisions for approval by City staff. PBS will provide the City with draft change order documents for review, approval, and issuance to the Contractor.

PBS' responsibilities will include the following:

- PBS will support City with addressing questions during bid advertisement. Support may include preparing project plan changes for addenda.
- PBS will assist the City with addressing construction questions and RFIs from the Contractor.
- PBS will assist the City with processing RFCs from the Contractor.
- PBS will assist the City with preparing change orders and provide these to the City for approval and issuance to the Contractor.
- PBS will prepare minor design changes associated with change orders (including exhibits) during the construction process.

PBS' Exclusions:

- Approval of change order paperwork to Contractor.
- As-builts
- Site-visits other than as outlined in Tasks 1.2 & 2.2

Task 2 Assumptions:

All work within this Task will be on an as-needed basis with the City providing requests and direction to Consultant for task assistance. As a basis for fees the following assumptions are provided:

- Attend virtual preconstruction conference (Task 1.2)
- Attend virtual Streambed Preconstruction Conference (2 hrs)
 - City and Contractor to schedule
 - o Up to two (2) consultant team members will be in attendance.
- Attend on-site Streambed Evaluation and LWM meetings (8 hrs each) plus travel time
 - City and Contractor to schedule
 - Up to two (2) consultant team members will be in attendance to each meeting.
- Review up to 3 material submittals based on current engineer's estimate (4 hrs each)
 - Within 5 business days of receipt
- Address up to 2 RFI's (4 hrs each)
 - Within 5 business days of receipt
- Prepare up to 2 change orders (6 hrs each)
 - Schedule to be determined at time of receipt
- Prepare up to 2 minor design changes (12 hrs each)
 - Schedule to be determined at time of receipt

Task 2 Deliverables:

- Copies of approved material submittals.
- Copies of written communications with the Contractor
- Copies of RFIs to the City staff
- Draft Change Orders to the City for approval and issuance to the Contractor
- Draft and Final Plan sheets for design changes or change orders
- Site visit summary notes (As requested)

CITY'S RESPONSIBILITIES

The City Will:

- Respond with comment to deliverables within 15 business days following receipt of a deliverable.
- Manage the relationship with other jurisdictions involved in the project, with adjacent property owners, and with the general public.
- Lead the public involvement process supported by Consultant. The City will coordinate and work with property owners during construction.
- Coordinate utilities relocation and to facilitate the timely receipt of utility data from the utility companies and other public agencies.
- Provide construction management and inspection services.

	Percival Creek Project - Construction Support									AMENDED
			PBS 2024 Labor Class & Rates					PBS	REMAINING	BUDGET
DP		Engineer VIII	Landscape Planner VII	Engineer V	Engineer III	Admin III	Expense	TOTAL	BUDGET	AMOUNT
	Task 100 - Project Management							\$19,977.00		\$19,977.00
0010	Project Management & Administration	13.00				26.00		\$6,110		\$6,110.00
	Project Coordination and Meetings	24.00	11.00	21.50	3.50		1,124.00	\$13,867		\$13,867.00
								\$0		\$0.00
	Task 200 - Construction Support							22,010.00		\$22,010.00
	Construction Engineering	2.00	2.00	8.00	16.00			5,108.00		\$5,108.00
	Site Construction Support		14.00	12.00	4.00		562.00	6,454.00		\$6,454.00
	Material Submittals		4.00	8.00				2,360.00		\$2,360.00
	Response to Questions and Change orders		4.00	24.00	16.00			8,088.00		\$8,088.00
								0.00		\$0.00
	Management Reserve							8,000.00		\$8,000.00
	Management Reserve						8,000.00	8,000.00		\$8,000.00
								\$0.00		
	Reimbursable Expenses							0.00		\$0.00
•	Copies and Reprographics							0.00		· · · · · · · · · · · · · · · · · · ·
	Expenses							0.00		
	PBS Travel							0.00		
	TOTAL HOURS	39.00	35.00	73.50	39.50	26.00				
	HOURLY RATES	240.00	210.00	190.00	168.00	115.00				
	TOTAL DOLLARS	\$ 9,360.00	\$ 7,350.00	\$ 13,965.00	\$ 6,636.00	\$ 2,990.00	\$ 9,686.00	\$49,987.00	\$0.00	\$49,987.00



PBS Project PR45005.010

TO: City Council

FROM: Colby Fletcher, Construction Engineer

DATE: January 7, 2025

SUBJECT: Acceptance of Work with Reed Trucking and Excavating, Inc. for the Israel Road and

Linderson Way Watermain Project

1) Recommended Action:

Accept the Israel Road and Linderson Way Watermain project as complete and authorize the Mayor to release the performance bond as soon as the laws of the State of Washington allow. The acceptance of this work was recommended for approval on the Council consent agenda at the December 5, 2024 Public Works Committee Meeting.

2) Background:

The Israel Road and Linderson Way Watermain project replaced the existing 8-inch watermain on Israel Road from Interstate 5 to Capitol Boulevard along with a segment on Linderson Way south of Israel Road. Utility underground conversion was also completed on Israel Road from Linderson Way to Capitol Boulevard.

The project was prioritized to complete needed improvements that are shown in the City's Water System Plan and Water CFP ahead of the roadway improvements now being completed on Israel Road and Linderson Way by Miles Resources, LLC.

The existing 8-inch water main required an upgrade to a 12-inch main to provide additional water service capacity. The existing water main was an aged asbestos concrete water line that had exceeded its design life and required replacement. As part of this project, the overhead utilities on Israel Road between Linderson Way and Capitol Boulevard were converted to an underground system.

The Public Works contract with the low bidder, Reed Trucking and Excavating, Inc. was signed on July 25, 2023, for \$3,365,536.16. Work on this project is complete and the final contract total is \$3,866,098.95.

3) Policy Support:

Strategic Priorities and Goals 2023-2024

- B. Be a Leader in Environmental Sustainability
- C. Create and Maintain a Transportation System Safe for All Modes of Travel.

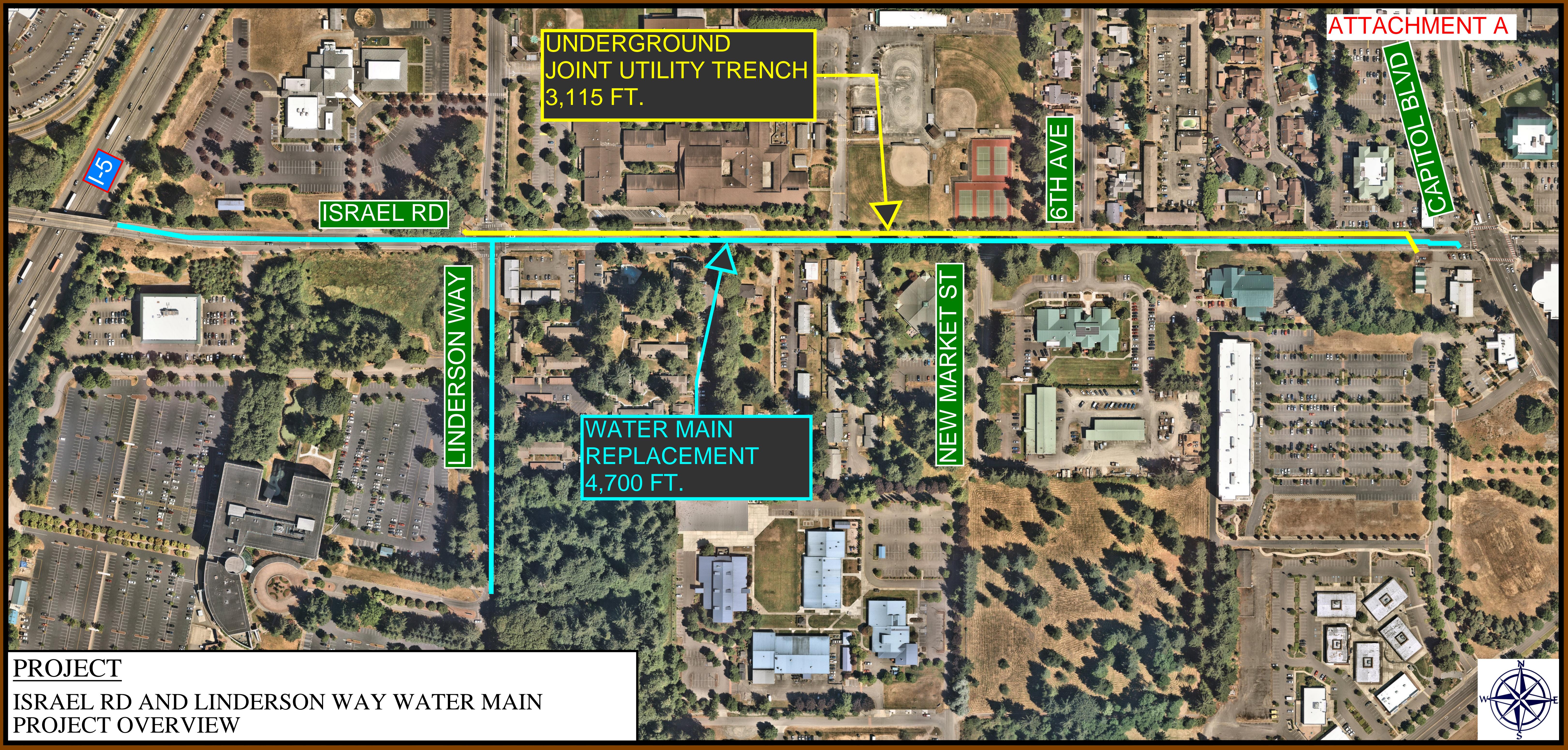
4) Alternatives:

☐ Do not accept the project as complete and direct staff to pursue alternative action(s).

5) <u>Fiscal Notes</u>: Funding for the project came from the Water and Transportation CFP

6) Attachments:

A. Project Overview



FROM: Colby Fletcher, Construction Engineer

DATE: January 7, 2025

SUBJECT: Acceptance of Work with Specialized Pavement Marking, LLC. for the 2024 Citywide

Striping project

1) Recommended Action:

Accept the 2024 Citywide Striping project as complete and authorize the Mayor to release the performance bond as soon as the laws of the State of Washington allow.

The acceptance of this work was recommended for approval on the Council consent agenda at the December 5, 2024 Public Works Committee Meeting.

2) Background:

The 2024 Citywide Striping project included re-painting non-plastic roadway centerlines, lane lines, and bike lane lines throughout the city to improve visibility and traffic safety. The Public Works contract with Specialized Pavement Marking, LLC was signed on August 12, 2024 for \$136,933.50. Work on this project is now complete; the final contract total is \$129,436.76.

3) Policy Support:

Strategic Priorities and Goals 2023-2024

C. Create and Maintain a Transportation System Safe for All Modes of Travel.

4) <u>Alternatives</u>:

☐ Do not accept the project as complete and direct staff to pursue alternative action(s).

5) Fiscal Notes:

The project is funded by the City of Tumwater Streets Operating Budget.

6) Attachments:

A. Project Overview

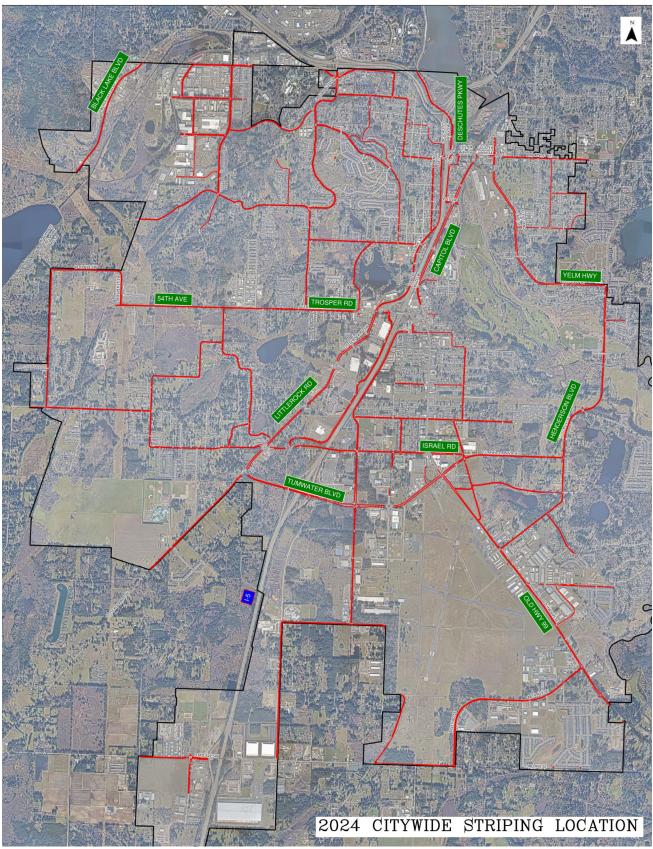


Figure 1. Citywide Striping Map. Red lines denote areas for re-striping.



Figure 2. Existing Condition on Deschutes Way and D St.

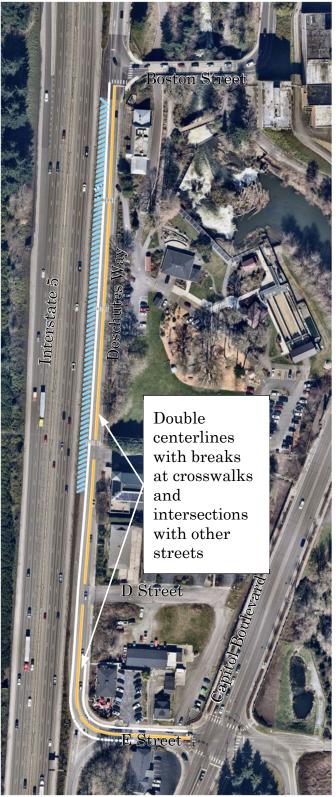


Figure 3. New Striping

FROM: Brittaney McClanahan, Executive Assistant

DATE: January 7, 2025

SUBJECT: Exception to the Residency Requirement for David Shipley's Appointment on the

Historic Preservation Commission

1) Recommended Action:

Approve Mayor Sullivan's exception to the residency requirement for David Shipley's continued appointment on the Historic Preservation Commission.

2) Background:

David Shipley currently serves as chair of the Historic Preservation Commission. He has been a member of the commission since February 5, 2002. David has recently relocated to Lacey. Tumwater Municipal Code 2.62.040(B)(2) says: "exception to the residency requirement of commission members may be granted by the mayor and city council in order to obtain representative from these disciplines." Upon Council confirmation, David will continue with his appointment which expires October 31, 2026.

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 citizens, and living connection to its history.

We Believe in PEOPLE:

Partnership | We work collaboratively with citizens, businesses, and community organizations.

4) Alternatives:

Approve the exception to the residency requirement
Do not approve the exception to the residency requirement

5) Fiscal Notes:

There is no fiscal impact associated with this report.

6) Attachments:

None.

FROM: Brad Medrud, Deputy Community Development Director

DATE: January 7, 2025

SUBJECT: Service Provider Agreement with the Thurston Regional Planning Council for HCP

Land Capacity Analysis Update

1) Recommended Action:

Authorize the Mayor to sign the Service Provider Agreement with the Thurston Regional Planning Council for HCP Land Capacity Analysis Update.

2) Background:

On a ten-year cycle, the City is required to conduct a Growth Management Act periodic update of its Comprehensive Plan and related development regulations. For the current cycle, the City is required to complete work on the periodic update by December 31, 2025.

The Service Provider Agreement with the Thurston Regional Planning Council for HCP Land Capacity Analysis Update is to update the original 30-year land capacity analysis that was prepared five years ago to inform the potential extent of mitigation required from potential development in the City as guided by the Comprehensive Plan and development regulations.

3) Policy Support:

Goal LU-1: Ensure the Land Use Element is implementable and coordinated with all applicable City plans and the plans of other jurisdictions in the Thurston region.

4) Alternatives:

■ None

5) Fiscal Notes:

The total cost to the City will be \$4,000.00 and will be paid for by the General Government Fund.

6) Attachments:

A. Service Provider Agreement

CITY OF TUMWATER SERVICE PROVIDER AGREEMENT

BUSH PRAIRIE HABITAT CONSERVATION PLAN LAND CAPACITY ANALYSIS REVIEW

	THIS AGREEMENT is made and entered into in duplicate this	_ day
of	, 2025, by and between the CITY OF TUMWATER, a	
Wash	nington municipal corporation, hereinafter referred to as the "CITY", and	d the
THU	RSTON REGIONAL PLANNING COUNCIL, a Washington municipal	
corpo	ration, 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 attached hereto and incorporated herein (the "Project").

2. <u>TERM</u>.

The Project shall begin no earlier than November 25, 2024, and shall be completed no later than March 31, 2025. 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 Four Thousand dollars (\$4,000.00) as reflected in the Exhibit "A" Scope of Work.
- 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. <u>INDEPENDENT CONTRACTOR RELATIONSHIP.</u>

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.

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. <u>CITY Indemnification</u>. 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. <u>Survival</u>. 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 evidence of coverage demonstrating:
- 1. <u>Commercial General Liability</u> 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.
- 2. <u>Errors and Omissions</u> 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 SERVICE PROVIDER'S insurance 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.
 - D. Any payment of deductible or self-insured retention shall be the

sole responsibility of the SERVICE PROVIDER.

- E. The SERVICE PROVIDER'S insurance shall be primary insurance as respect to the CITY and the CITY shall be given written notice of any cancellation, suspension or material change in coverage within two (2) business days of SERVICE PROVIDER'S receipt of such notice.
- F. The SERVICE PROVIDER'S membership in the Washington Cities Insurance Authority, a self-insured government risk pool, fulfills the requirements of this section.

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. <u>Nondiscrimination in Employment</u>. 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.

- C. <u>Nondiscrimination in Services</u>. 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. <u>Nondiscrimination in Contractors / Subcontractors</u>. The City of Tumwater, in accordance with RCW 49.60.530 requires all covered contractors or subcontractors to actively pursue a diverse and inclusive workforce. Contractors and subcontractors are prohibited from all forms of discrimination listed in RCW 49.60.530.

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 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. 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: THURSTON REGIONAL PLANNING COUNCIL 2411 Chandler Court SW Olympia, WA 98502
	UBI No. 601-132-946 Phone No. (360) 956-7575
Michael Matlock	Marc Daily
Director of Community Development	Executive Director
APPROVED AS TO FORM:	
Karen Kirkpatrick, City Attorney	
STATE OF WASHINGTON	
COUNTY OF THURSTON	
signed this instrument, on oath stated to instrument and acknowledged it as the	and said person acknowledged that (he/she) hat (he/she) was authorized to execute the(title) of o be the free and voluntary act of such party
Dated:_	
	Public in and for the State of Washington, ointment expires:

Exhibit "A"

Scope of Work

Project

Tumwater Bush Prairie HCP Land Capacity Review.

Purpose

Assist the City in preparing an estimate of the developable area of the City and its urban growth area over a 30-year period that will be used as part of the development of the Bush Prairie Habitat Conservation Plan.

Tasks

Update TRPC's land capacity model to reflect development and zoning changes since the 2021 Buildable Lands Report.

Estimate residential capacity on gopher soils, developable residential and commercial/industrial acres on gopher soils.

Document model assumptions and results in a memo.

Deliverables

Memo documenting land capacity model assumptions and results, estimates of residential capacity on gopher soils, and developable residential and commercial/industrial acres on gopher soils.

Budget

The cost will be \$4,000.

FROM: Brad Medrud, Deputy Community Development Director

DATE: January 7, 2025

SUBJECT: Service Provider Agreement with the Thurston Regional Planning Council for Land

Use Alternatives Review

1) Recommended Action:

Authorize the Mayor to sign the Service Provider Agreement with the Thurston Regional Planning Council for Land Use Alternatives Review.

2) <u>Background</u>:

On a ten-year cycle, the City is required to conduct a Growth Management Act periodic update of its Comprehensive Plan and related development regulations. For the current cycle, the City is required to complete work on the periodic update by December 31, 2025.

Service Provider Agreement with the Thurston Regional Planning Council for Land Use Alternatives Review is for running three 20-year land use alternatives of various residential land use densities to determine the land use capacity to meet the state housing allocation.

3) Policy Support:

Goal LU-1: Ensure the Land Use Element is implementable and coordinated with all applicable City plans and the plans of other jurisdictions in the Thurston region.

4) Alternatives:

■ None

5) Fiscal Notes:

The total cost to the City will be \$5,085.00 and will be paid for by the General Government Fund.

6) Attachments:

A. Service Provider Agreement

CITY OF TUMWATER SERVICE PROVIDER AGREEMENT

LAND USE ALTERNATIVES REVIEW

THIS AGREEMENT is made and entered into in duplicate this day
of, 20, by and between the CITY OF TUMWATER, a
Washington municipal corporation, hereinafter referred to as the "CITY", and the
THURSTON REGIONAL PLANNING COUNCIL, a Washington municipal
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. <u>SCOPE OF SERVICES</u>.

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 attached hereto and incorporated herein (the "Project").

2. TERM.

The Project shall begin no earlier than November 15, 2024, and shall be completed no later than March 31, 2025. 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. <u>COMPENSATION AND METHOD OF PAYMENT.</u>

- 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 Five Thousand and Eighty-Five dollars (\$5,085.00) as reflected in the Exhibit "A" Scope of Work
- 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.

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. <u>HOLD HARMLESS INDEMNIFICATION</u>.

A. <u>SERVICE PROVIDER Indemnification</u>. 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. <u>CITY Indemnification</u>. 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. <u>Survival</u>. 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 evidence of coverage demonstrating:
- 1. <u>Commercial General Liability</u> 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.
- 2. <u>Errors and Omissions</u> 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 SERVICE PROVIDER'S insurance 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.

- D. Any payment of deductible or self-insured retention shall be the sole responsibility of the SERVICE PROVIDER.
- E. The SERVICE PROVIDER'S insurance shall be primary insurance as respect to the CITY and the CITY shall be given written notice of any cancellation, suspension or material change in coverage within two (2) business days of SERVICE PROVIDER'S receipt of such notice.
- F. The SERIVCE PROVIDER's membership in the Washington Cities Insurance Authority, a self-insured government risk pool, fulfills the requirements of the this section.

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. <u>NONDISCRIMINATION</u>.

- A. The CITY is an equal opportunity employer.
- B. <u>Nondiscrimination in Employment</u>. 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.

- C. <u>Nondiscrimination in Services</u>. 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. <u>Nondiscrimination in Contractors / Subcontractors</u>. The City of Tumwater, in accordance with RCW 49.60.530 requires all covered contractors or subcontractors to actively pursue a diverse and inclusive workforce. Contractors and subcontractors are prohibited from all forms of discrimination listed in RCW 49.60.530.

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. <u>NON-APPROPRIATION OF FUNDS</u>.

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 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. <u>ENTIRE AGREE</u>MENT.

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.

<u>CITY:</u> CITY OF TUMWATER 555 Israel Road SW	SERVICE PROVIDER: THURSTON REGIONAL PLANNING COUNCIL 2411 Chandler Court SW	
Tumwater, WA 98501	Olympia, WA 98502	
	UBI No. 601-132-946 Phone No. (360) 956-7575	
Michael Matlock	Marc Daily	
Director of Community Development	Executive Director	
APPROVED AS TO FORM: Karen Kirkpatrick, City Attorney		
STATE OF WASHINGTON		
COUNTY OF THURSTON		
signed this instrument, on oath stated the instrument and acknowledged it as the _	nd said person acknowledged that (he/she) hat (he/she) was authorized to execute the(title) of o be the free and voluntary act of such party	
Dated:_		
· · · · · · · · · · · · · · · · · · ·	Public in and for the State of Washington, ointment expires:	

Exhibit "A"

Scope of Work

Project

Tumwater Land Use Alternatives

Purpose

Model three land use alternatives using the Thurston Regional Planning Council's land capacity model to support Tumwater's Comprehensive Plan Update.

Tasks

- Update Thurston Regional Planning Council's land capacity model to reflect development and zoning changes since the 2021 Buildable Lands Report.
- Run up to three scenarios in updated land capacity model using density assumptions provided by the City of Tumwater.
- Document model assumption and results in a memo.

Deliverables

 Memo documenting land capacity model assumptions and results for each of the three alternatives.

Budget

	Hours	Budget
Senior Planner	40	\$ 3,302
Indirect Costs		\$ 1,783
Total		\$ 5,085

FROM: Alyssa Jones Wood, Sustainability Manager

DATE: January 7, 2025

SUBJECT: Interlocal Agreement with Thurston County and the Cities of Olympia, Lacey, and

Tenino for the 2025 "Energize Thurston" Heat Pump Group Purchase Campaign

1) Recommended Action:

Approve and authorize the Mayor to sign the Interlocal Agreement with Thurston County, City of Lacey, City of Olympia, and City of Tenino to support implementation of the 2025 "Energize Thurston" Heat Pump Group Purchase Campaign.

2) Background:

The Thurston Climate Mitigation Plan (TCMP) was accepted by the City Council via Resolution R2021-001 on January 19, 2021. On March 5, 2024, City Council approved and authorized the Mayor to sign an Interlocal Agreement between Thurston County, City of Lacey, City of Olympia, City of Tumwater, and City of Tenino to carry out the 2024 Thurston Climate Mitigation Collaborative Regional Initiatives, one of which was to develop and plan the Residential Energy Efficiency and Electrification Campaign. The Residential Energy Efficiency and Electrification Campaign has now been renamed Energize Thurston. This new ILA seeks to implement the Energize Thurston and utilize grant funding to support this initiative.

3) Policy Support:

Engage the community on benefits of environmentally sustainable practices. Promote community involvement in environmental programs, including highlighting local career pathways for students. Sufficiently resource programs identified in the Thurston Climate Mitigation Plan and Urban Forestry Management Plans and prioritize implementation.

Develop innovative partnerships and strategies with community human and social services organizations to improve service delivery to people in need, including senior citizens, low-income residents, and others.

4) Alternatives:

☐ Recommend revisions to the Interlocal Agreement or decline to participate.

5) <u>Fiscal Notes</u>:

The Energize Thurston program is funded by \$477,540 in grant funds provided by the WA Department of Commerce's Home Electric Appliance Rebate (HEAR) program.

The HEAR program is supported with funding from the Washington Climate Commitment Act (CCA). The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov.

6) Attachments:

A. Interlocal Agreement

Item 6c.

Interlocal Agreement Between Thurston County and the Cities of Lacey, Olympia, Tumwater, and Tenino to Support Implementation of the 2025 "Energize Thurston" Heat Pump Group Purchase Campaign

THIS AGREEMENT ("Agreement") is made and entered into as of the date of the last signature below (which is the "effective date") by and between the City of Lacey, a Washington municipal corporation ("Lacey"); the City of Olympia, a Washington municipal corporation ("Olympia"); the City of Tumwater, a Washington municipal corporation ("Tumwater"); the City of Tenino, a Washington municipal corporation ("Tenino"); and Thurston County, a Washington municipal corporation ("County"), collectively referred to herein as "the Parties" and individually as "Party."

WHEREAS, RCW 39.34.010 permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner pursuant to forms of governmental organization that will accord best with geographic, economic, populations, and other factors influencing the needs and development of local communities; and

WHEREAS, pursuant to RCW 39.34.080, each Party is authorized to contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which each public agency entering into the contract is authorized by law to perform; provided, that such contract is authorized by the governing body of each Party to the contract and sets forth its purposes, powers, rights, objectives, and responsibilities of the contracting parties; and

WHEREAS, the Thurston Climate Mitigation Collaborative (TCMC) is an ongoing partnership among Thurston County, Lacey, Olympia, and Tumwater to identify and implement actions to reduce local sources of greenhouse gas emissions that contribute to global climate change; and the TCMC was formalized through a December 2023 Interlocal Agreement; and

WHEREAS, the TCMC's 2022 greenhouse gas emissions inventory found that residential natural gas use and associated emissions increased 31% from 2015 to 2022 in Thurston County, and that natural gas use had the largest increase of all emissions-generating activities over that time period, underscoring the importance of transitioning homes away from fossil fuels to meet regional emission reduction goals; and

WHEREAS, from 2015 to 2022 in Thurston County, residential electricity use increased 17% but emissions from residential electricity use only increased 3% as a result of growing investments in clean electricity generation, and these investments are expected to continually reduce emissions from electricity use in the future; and

WHEREAS, the TCMC executed another Interlocal Agreement in March 2024 to implement two regionally coordinated initiatives that aim to reduce emissions in residential buildings and implement Strategies B1 and B6 in the *Thurston Climate Mitigation Plan*, one of which was to design a Residential Energy Efficiency and Electrification Campaign; and

WHEREAS, the TCMC completed background research and stakeholder engagement to design the Residential Energy Efficiency and Electrification Campaign, named the campaign "Energize Thurston," and plans to launch Energize Thurston in the first quarter of 2025; and

WHEREAS, Energize Thurston will expand on the City of Olympia's 2023-2024 "Energize Olympia" campaign by providing discounted and streamlined installations of efficient electric heat pump space heaters and heat pump water heaters to residents throughout Thurston County, as well as subsidized installations for qualifying low- and moderate-income (LMI) residents; and

WHEREAS, the City of Tenino wishes to join the four TCMC jurisdictions in implementing Energize Thurston, and all five jurisdictions have been awarded state and/or federal grant funding to contribute to subsidized equipment installations for qualifying residents within their jurisdictions; and

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

I. Purpose and Goals of Agreement

The purpose of this Agreement is to establish a framework for regionally coordinated implementation of the 2025 Energize Thurston heat pump group purchase campaign. Energize Thurston aims to make it faster, easier, and more affordable for Thurston County residents to purchase and install efficient, all-electric heat pump space conditioners and heat pump water heaters (hereafter "heat pump equipment"). Energize Thurston will reduce upfront costs through a group purchase discount provided by competitively selected Campaign Installer(s), and application of all available rebates as a time-of-sale discount. The campaign will offer two participant pathways:

- Low- and Moderate-Income (LMI) Pathway: will provide fully subsidized equipment installations for low-income households (<80% area median income; AMI) and partially subsidized installations for moderate-income households (≥80% but <120% AMI).
- Self-Funded Pathway: will provide a group purchase discount, free educational workshops, guidance on relevant incentives and financing, streamlined installation, and customer support available to all households in Thurston County.

This Agreement defines partner roles and responsibilities to complete all tasks and deliverables detailed in the "Energize Thurston Launch and Implementation Plan" (attached as Exhibit A and incorporated herein). The Agreement also proposes a Campaign Administration Budget (attached as Exhibit B and incorporated herein) and cost share structure to cover shared costs of Energize Thurston administration, outreach, and marketing.

II. Roles

- i. **Jurisdiction Parties**. Thurston County, Lacey, Olympia, Tumwater, and Tenino each received state grant funding to support the Energize Thurston campaign. Some of the jurisdictions also expect to contribute federal grant funding as detailed in Section III below. Each Party will execute a contract with the LMI Pathway Administrator to transfer grant funds and authorize the LMI Pathway Administrator to perform its role as detailed below. Each jurisdiction will allocate staff time as needed to implement Energize Thurston.
- ii. **Lead Jurisdiction.** As Lead Jurisdiction, Thurston County will hold contract(s) with the selected Campaign Installers and a Customer Support Consultant. Staff from the Lead Jurisdiction will lead the campaign's execution and administration with support from other jurisdictional staff and the Customer Support Consultant.
- iii. LMI Pathway Administrator. Each of the Parties will contract with a partner organization (TBD) that will contract with the selected Campaign Installers to provide installations of qualifying equipment for qualified LMI participants. The LMI Pathway Administrator will

- verify participant income eligibility, coordinate installer site assessments and installations, review completion of work with LMI participants as well as provide installer oversight. They will also support campaign promotion, administration of grant funding for subsidized installations, participant recruitment, marketing, and outreach efforts.
- iv. Campaign Installer(s). Installer(s) will be selected through a competitive Request for Proposals (RFP) process evaluating qualifications, experience, pricing, alignment with campaign goals, and commitment to customer support. The RFP and resulting contract(s) with the Lead Jurisdiction will detail the Installer scope of work and specify equipment requirements for qualifying heat pump equipment. The contract(s) will set a group purchase discount rate for all participants and require that the Installer(s) apply all available rebates as a time-of-sale discount. Campaign Installers will provide information at the educational workshops, conduct free site assessments, offer streamlined access to incentives and rebates, provide information on financing if requested, and execute installations for the campaign.
- v. **Customer Support Consultant**. The Lead Jurisdiction may also contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support, case management, and/or outreach and education.

III. Services Provided by Thurston County

- i. County shall serve as Lead Jurisdiction for the 2025 Energize Thurston campaign as defined in Section II.
- ii. County shall serve as the contract manager and conduct all contracting responsibilities with the selected Campaign Installers, a Customer Support Consultant, and other contractors as needed, except for design and printing of marketing materials (provided by Olympia).
- iii. County's contract management responsibilities include monitoring contractor compliance with the terms of their contracts, ensuring contractors comply with the fiscal conditions of their contracts, and when necessary, implementing corrective actions.
- iv. County shall host a Community Energy Fellow through the U.S. Department of Energy's Energy Efficiency Conservation Block Grant (EECBG) Program, from August 2024 through July 2025 or longer. The Fellow will lead campaign outreach and marketing, customer service, and case management for Energize Thurston.
- v. County shall allocate all or some of its awarded grant funding from the State Home Electrification and Appliance Rebates (HEAR) program and/or the EECBG program toward subsidized installations of heat pump equipment for income-qualified participants.
- vi. County shall execute a contract with the LMI Pathway Administrator to utilize the County's grant funds to provide equipment installations and associated services for income-qualified participants.
- vii. County shall hold primary responsibility for case management for Energize Thurston participants who reside in any area of Thurston County outside the city limits of Olympia, Lacey, and Tumwater.

IV. <u>Services Provided by Olympia</u>

- i. Olympia shall serve as contract manager and conduct all contracting responsibilities for design and printing of Energize Thurston marketing materials.
- ii. Olympia's contract management responsibilities include monitoring contractor compliance with the terms of their contracts, ensuring contractors comply with the fiscal conditions of their contracts, and when necessary, implementing corrective actions.

- iii. Olympia shall allocate all or some of its awarded grant funding from the HEAR program and/or the EECBG program toward subsidized installations of heat pump equipment for income-qualified participants.
- iv. Olympia shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.
- v. Olympia shall hold primary responsibility for case management for Energize Thurston participants who reside within the City of Olympia.

V. Services Provided by Lacey

- Lacey shall allocate all or some of its awarded grant funding from the HEAR program and/or the EECBG program toward subsidized installations of heat pump equipment for incomequalified participants.
- Lacey shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.
- iii. Lacey shall hold primary responsibility for case management for Energize Thurston participants who reside within the City of Lacey.

VI. Services Provided by Tumwater

- i. Tumwater shall allocate all or some of its awarded grant funding from the HEAR program toward subsidized installations of heat pump equipment for income-qualified participants.
- ii. Tumwater shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.
- iii. Tumwater shall hold primary responsibility for case management for Energize Thurston participants who reside within the City of Tumwater.

VII. Services Provided by Tenino

- i. Tenino shall allocate all or some of its awarded grant funding from the HEAR program toward subsidized installations of heat pump equipment for income-qualified participants.
- ii. Tenino shall execute a contract with the LMI Pathway Administrator to utilize the City's grant funds to provide equipment installations and associated services for income-qualified participants.

VIII. Funding and In-Kind Commitment

- i. **Funding.** The Campaign Administration Budget (Exhibit B) specifies the proposed budget of \$47,000 for Energize Thurston administration, outreach, and marketing.
 - a. County, Lacey, Olympia, and Tumwater shall each contribute an equal share of funds not to exceed \$11,750 per Party.
 - b. Tenino is exempt from the cost-share requirements of this Agreement.
 - c. County shall issue an invoice to each Party specifying each Party's share of actual expenses, excluding design and printing of outreach and marketing materials. Invoices must be paid within thirty (30) days.
 - d. Olympia shall issue an invoice to each Party specifying each Party's share of actual expenses for design and printing of outreach and marketing materials. Invoices must be paid within thirty (30) days.
 - e. The Campaign Administration Budget does not include the following:

- 1) Costs of subsidized equipment installations, which are to be funded through jurisdictional grant awards and administered through contracts between the LMI Pathway Administrator and each individual jurisdiction.
- Costs of any social media marketing, jurisdiction-specific mailers, and/or other outreach and incentives that may be provided by individual jurisdictions.
- ii. **In-kind Commitment.** Each Party shall allocate in-kind staff time to implement this Agreement. In-kind staff support includes, but is not limited to:
 - a. Staff time to manage jurisdictional grant awards, execute this Agreement, execute a contract with the LMI Pathway Administrator, and implement the Energize Thurston campaign.
 - b. Participation on the Installer Selection Committee to review RFP submissions and select one or more Campaign Installer(s).
 - c. Support from jurisdictional staff with specific expertise (i.e., communications, housing, planning, permitting, etc.).

IX. Indemnification and Insurance

Each Party shall defend, indemnify, and hold the other parties, their officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits, including reasonable attorney fees, arising out of or in connection with the indemnifying Party's performance of this Agreement, including injuries and damages caused by the negligence of the indemnifying Party's officers, officials, and employees.

Each Party shall maintain liability insurance; this may be fulfilled by a Party's membership and coverage in Washington Cities Insurance Authority (WCIA), a self-insured municipal insurance pool, or another recognized self-insured municipal risk pool.

X. No Separate Legal Entity Created; No Real or Personal Property to be Acquired or Held

This Agreement creates no separate legal entity. No real or personal property will be acquired or held as part of carrying out this Agreement. To the extent any Party furnishes property for purposes of carrying out this Agreement, such property must be returned to that Party upon termination of this Agreement, or upon that Party's withdrawal from this Agreement.

XI. Relationship of the Parties

The employees or agents of each Party who are engaged in the performance of this Agreement continue to be employees or agents of that Party and may not be considered for any purpose to be employees or agents of the other Party. This Agreement is for the benefit of the Parties, and no third-party beneficiary relationship is intended.

XII. <u>Duration of Agreement</u>

This Agreement terminates on December 31, 2025, unless earlier terminated as provided in Section XIV, below.

XIII. Amendment of Agreement

This Agreement may be amended only by written agreement by all Parties and executed in accordance with chapter 39.34 RCW.

XIV. Termination of Agreement

This Agreement may be terminated upon mutual agreement of the Parties. Any party may withdraw upon thirty (30) days written notice to the other Parties.

XV. Interpretation and Venue

This Agreement is governed by the laws of the State of Washington as to interpretation and performance. Venue for enforcement of any provision of this Agreement, or for any lawsuit arising out of or relating to this Agreement, is as described in RCW 36.01.050.

XVI. Entire Agreement

This Agreement sets forth all terms and conditions agreed upon by the Parties and supersedes all prior agreements oral or otherwise with respect to the specific subject matter addressed herein.

XVII. Recording

Prior to its entry into force, Thurston County shall file this Agreement with the Thurston County Auditor's Office.

XVIII. Counterparts

This Agreement may be executed in counterparts, and all such counterparts once so executed together must be deemed to constitute one final agreement, as if one document had been signed by all Parties, and each such counterpart, upon execution and delivery, must be deemed a complete original, binding on the parties. A faxed or email copy of an original signature must be deemed to have the same force and effect as the original signature. A Party may sign by digital or electronic signature, which signature shall be effective as permitted by law.

XIX. Rights

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

XX. Notice

Any notice required under this Agreement must be to the party at the address listed below and it becomes effective five business days following the date of deposit with the United States Postal Service.

THURSTON COUNTY

Attn: Rebecca Harvey, Climate Mitigation Senior Program Manager Thurston County 3000 Pacific Avenue SE, Suite 200 Olympia, WA 98501

CITY OF OLYMPIA

Attn: Pamela Braff, Director of Climate Programs City of Olympia P.O. Box 1967 Olympia, WA 98507-1967

CITY OF LACEY

Attn: Vanessa Dolbee, Community and Economic Director

City of Lacey 420 College Street SE Lacey, WA 98503

CITY OF TENINO

Attn: Jen Scharber, Clerk Treasurer City of Tenino 149 Hodgen St. S./PO Box 4019 Tenino, WA 98589

CITY OF TUMWATER

Attn: Dan Smith, Water Resources & Sustainability Director City of Tumwater 555 Israel Road SW Tumwater, WA 98501

XXI. Waiver

A failure by a Party to exercise its rights under this Agreement does not preclude that Party from subsequent exercise of such rights and does not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the Party and attached to the original Agreement.

XXII. Severability

If any provision of this Agreement or any provision of any document incorporated by reference is held invalid, such invalidity does not affect the other provisions of this Agreement which can be given effect without the invalid provision if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Agreement, and to this end the provisions of this Agreement are declared to be severable.

XXIII. Records Retention and Audit

During the progress of the work and for a period not less than six (6) years from the completion of the tasks set forth herein, the records and accounts pertaining to the work and accounting therefore are to be kept available for inspection by any Party and the Federal and State Government and copies of all records, accounts, documents, or other data pertaining to the work will be furnished upon request. If any litigation, claim, or audit is commenced, each Party shall retain the records and accounts along with supporting documentation until all litigation, claim, or audit finding has been resolved even though such litigation, claim, or audit continues past the six-year retention period.

XXIV. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND INELIGIBILITY

County, Olympia, Lacey, Tumwater, and Tenino certifies that neither it nor its principals are debarred, suspended, proposed for debarment, or voluntarily excluded from participation in transactions by any federal department or agency. County, Olympia, Lacey, Tumwater, and Tenino further certifies that they will ensure that potential subcontractors or subrecipients or any of their principals are not debarred, suspended, proposed for debarment, or voluntarily excluded from participation in covered transactions by any federal department or agency. County, Olympia, Lacey, Tumwater, and Tenino may do so by obtaining a certification statement

from the potential subcontractor or subrecipient or by checking <u>SAM.GOV</u> and Washington State vendor debarment list.

[Signatures follow on next page.]



This Agreement is hereby entered into between the Parties, and it takes effect on the date of the last authorizing signature affixed hereto:

GOVERNMENT AGENCY EXECUTIVE

APPROVED AS TO FORM

CITY OF LACEY		CITY OF LACEY		
420 College Street SE	420 College Street SE			
Lacey, WA 98503		Lacey, WA 98503		
Distribution City Manager				
Rick Walk, City Manager	Date	David Schneider, City Attorney	Date	
CITY OF OLYMPIA		CITY OF OLYMPIA		
601 4th Ave East		601 4th Ave East		
Olympia, WA 98501		Olympia, WA 98501		
Steven J. Burney, City Manager	Date	Mark Barber, City Attorney	 Date	
CITY OF TENINO 149 Hodgen St. S./PO Box 4019 Tenino, WA 98589		CITY OF TENINO 149 Hodgen St. S./PO Box 4019 Tenino, WA 98589		
David Watterson, Mayor	Date	Richard L. Hughes, City Attorney	Date	
CITY OF TUMWATER		CITY OF TUMWATER		
555 Israel Road SW		555 Israel Road SW		
Tumwater, WA 98501		Tumwater, WA 98501		
Debbie Sullivan, Mayor	Date	Karen Kirkpatrick, City Attorney	 Date	
THURSTON COUNTY		THURSTON COUNTY		
3000 Pacific Avenue SE		3000 Pacific Avenue SE		
Olympia, WA 98501		Olympia, WA 98501		
Leonard Hernandez, County Manager	 Date	Jon Tunheim, Prosecuting Attorney	——— Date	

Exhibit A

Energize Thurston Launch & Implementation Plan



Exhibit B

Proposed Campaign Administration Budget for Energize Thurston 2025

The budget includes project tasks that are expected to be completed by third-party service providers. Project tasks not listed here will be completed in-house by jurisdictional staff.

Project Step and Task	Description	Total			
Step 1: Contract with Energize Thurston Partners					
1.4 Contract with Customer Support Consultant	Thurston County may contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support, case management, and/or outreach and education.	\$30,000			
Step 2: Develop Communicat	tions Plan and Outreach Materials				
2.1 Design and Print Energize Thurston marketing materials	City of Olympia is contracting with Kelly Design to design Energize Thurston marketing materials and will pay for the printing of all materials.	\$14,000			
2.3 Design Energize Thurston workshops	Thurston County will contract for Language Interpretation Services (as needed).	\$3,000			
Total Proposed Budget (not	\$47,000				
Per Partner Cost Share (not	\$11,750				

TO: City Council

FROM: Alyssa Jones Wood, Sustainability Manager

DATE: January 7, 2025

SUBJECT: Service Provider Agreement with South Puget Sound Habitat for Humanity for the

Energize Thurston 2025 Program Administration

1) Recommended Action:

Approve and authorize the Mayor to sign the Service Provider Agreement with South Puget Sound Habitat for Humanity for the Energize Thurston 2025 Program Administration via Council consideration.

2) <u>Background</u>:

The Thurston Climate Mitigation Plan was accepted by the City Council on January 19, 2021 by Resolution No. 2021-001.

In 2023, the City Council entered into an Interlocal Agreement with Thurston County, Olympia, and Lacey to develop a Residential Energy Efficiency and Electrification Campaign in 2024, with the intent to launch program in 2025. This grant funding will allow approximately 20-40 low- and moderate-income households to benefit from turnkey installations of electric home appliances such as heat pumps, heat pump hot water heaters, and induction stoves.

3) Policy Support:

City Council Strategic Priorities and Goals 2023 - 2024

- B. Be a Leader in Environmental Sustainability
 - 4. Continue to update and advance the Climate Action Plan.

4) Alternatives:

☐ Modify program objectives, or reject the grant funding.

5) Fiscal Notes:

The City has been awarded a grant amount of \$447,540. No city match is required.

This project is supported with funding from Washington's Climate Commitment Act (CCA). The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov.

6) Attachments:

A. Service Provider Agreement

CITY OF TUMWATER SERVICE PROVIDER AGREEMENT

ENERGIZE THURSTON 2025 PROGRAM ADMINISTRATION

THIS AGREEMENT is made and entered into in duplicate this day
of, 20, by and between the CITY OF TUMWATER, a
Washington municipal corporation, hereinafter referred to as the "CITY", and South
Puget Sound Habitat for Humanity, a Washington non-profit 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. <u>SCOPE OF SERVICES</u>.

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, Exhibit "B," Launch and Implementation Plan, and Exhibit "D," Commerce Grant Agreement, attached hereto and incorporated herein (the "Project").

2. TERM.

The Project shall begin no earlier than December 3, 2024, and shall be

completed no later than June 30, 2025. 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 Four Hundred and Seventy-Seven Thousand Five Hundred and Forty dollars and zero cents (\$477,540.00) as reflected in Exhibit C. (\$477,540.00) as reflected in Exhibit A.
- 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 make payments for services on a reimbursement basis unless otherwise permitted by law and approved in writing by the CITY. 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. The SERVICE PROVIDER shall submit final invoices, along with any required reports to the CITY prior to June 30, 2025 to avoid loss of funding. The SERVICE PROVIDER shall submit reports (activity, service, financial, etc.) upon request by the CITY.
- F. When subcontracting services or purchasing goods from third parties, as identified and approved in this Agreement, the SERVICE PROVIDER must submit itemized 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. On the itemized written documentation, the SERVICE PROVIDER, shall document which services detailed in Exhibit A were performed and the scope of 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.
- H. The SERVICE PROVIDER shall attach to the invoice copies of any invoices, statements, and cancelled checks for goods or services purchased by the SERVICE PROVIDER and for which reimbursement under terms of this contract is being requested. If the invoice includes costs for staff time to provide the services, an itemization of staff hours must be listed with the requested reimbursement being equal to the number of itemized hours multiplied by the hour rate for staff to provide the services. The SERVICE PROVIDER shall list lump sum services for reimbursement as they are outlined in the applicable Exhibits. The SERVICE PROVIDER shall provide other documentation as requested by the CITY.

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.

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. <u>SERVICE PROVIDER Indemnification</u>. 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. <u>CITY Indemnification</u>. 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. <u>Survival</u>. 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 <u>Certificate of Insurance</u> evidencing:
- 1. <u>Automobile Liability</u> insurance with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage.
- 2. <u>Commercial General Liability</u> 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.
- C. The CITY shall be named as an additional insured on the insurance policy, except professional liability, 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 <u>Certificate of Insurance</u>. The CITY reserves the right to request certified copies of any required policies.
- D. The SERVICE PROVIDER'S insurance 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 insurance shall be primary insurance as respect to the CITY and the CITY shall be given written notice of any cancellation, suspension or material change 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. <u>COMPLIANCE WITH LAWS</u>.

- 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.
- C. <u>Nondiscrimination in Services</u>. 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. The SERVICE PROVIDER may not subcontract any portion of this contract except with the express written permission of the City. 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. <u>Nondiscrimination in Benefits</u>. The provisions of this subsection are only applicable to contracts with an estimated value of \$50,000 or more. 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 "E".
- F. <u>Nondiscrimination in Contractors / Subcontractors</u>. The City of Tumwater, in accordance with RCW 49.60.530 requires all covered contractors or subcontractors to actively pursue a diverse and inclusive workforce. Contractors and subcontractors are prohibited from all forms of discrimination listed in RCW 49.60.530.

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 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.

- 22. 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. <u>JURISDICTION AND VENUE</u>.

- 22. 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.

- 22. 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. 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.

Signatures on the following page

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

<u>CITY:</u> CITY OF TUMWATER	SERVICE PROVIDER: SOUTH PUGET SOUND HABITAT FOR
555 Israel Road SW	HUMANITY
Tumwater, WA 98501	PO Box 2522
	Olympia, WA 98507-2522
	UBI No. 601-128-379
	Phone No. (360) 956-3456
Debbie Sullivan	Signature (Notarized – see below)
Mayor	Printed Name:
	Title: CEO South Puget Sound Habitat for Humanity
ATTEST:	·
Melody Valiant, City Clerk	
APPROVED AS TO FORM:	
Karen Kirkpatrick, City Attorn	ney
Notary Required for Service Provider STATE OF WASHINGTON	· Only
COUNTY OF THURSTON	
is the person who appeared be signed this instrument, on oat instrument and acknowledg	have satisfactory evidence that(name) efore me, and said person acknowledged that (he/she) th stated that (he/she) was authorized to execute the ged it as the(title) of empany) to be the free and voluntary act of such party
for the uses and purposes ment	
	Dated:
	Notary Public in and for the State of Washington,
	My appointment expires:

Exhibit "A" SCOPE OF WORK

Background

Energize Thurston 2025 is a regional heat pump group purchase program that aims to make it faster, easier, and more affordable for Thurston County (including Tumwater) residents to purchase and install efficient, all-electric heat pump space heaters and heat pump water heaters (HPHWH). Energize Thurston will reduce upfront costs through a group purchase discount provided by competitively selected Campaign Installer(s), and application of all available rebates as a time-of-sale discount. The campaign will offer two participant pathways:

- Low- and Moderate-Income (LMI) Pathway: will provide fully subsidized equipment installations for low-income households (<80% area median income; AMI) and partially subsidized installations for moderate-income households (≥80% but <120% AMI).
- Self-Funded Pathway: will provide a group purchase discount, free educational workshops, guidance on relevant incentives and financing, streamlined installation, and customer support available to all households in Thurston County.

Thurston County and the cities of Olympia, Lacey, Tumwater, and Tenino ("partner jurisdictions") are entering into an Interlocal Agreement for regionally coordinated implementation of the campaign, and Thurston County is leading a competitive Request for Proposals (RFP) process to select the Campaign Installers. Each of the five partner jurisdictions have been awarded funds through the Washington State Home Electrification and Appliance Rebate (HEAR) Program to subsidize installations of eligible equipment for low- and moderate-income (LMI) households. Thurston County, Olympia, and Lacey have also applied for formula grants through the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) program, which will be used to subsidize installations of heat pump water heaters (HPWH) for LMI households. More details on Energize Thurston structure and processes are provided in the Launch & Implementation Plan (Exhibit B).

Energize Thurston builds upon the foundation of the Energize Olympia ductless heat pump campaign (2023-2024), expanding its scope to serve residents throughout Thurston County and to offer more equipment types (ducted and ductless heat pumps plus HPWH). South Puget Sound Habitat for Humanity (SPSHFH) has been a key partner in design and implementation of Energize Olympia, and has leveraged their own grant funds to augment the program. The partner jurisdictions intend to continue this established partnership with SPSHFH to administer the LMI Pathway for Energize Thurston 2025.

The budget for Tumwater's portion of the Energize Thurston 2025 campaign is included in Exhibit C. This budget is anticipated to fund subsidized heat pump installations (combination of ducted and ductless), and subsidized HPWH installations, for qualifying LMI participants residing within Tumwater's jurisdiction.

Serving as the Energize Thurston LMI Pathway Administrator, SPSHFH's scope of services will consist of the following three tasks during the term of this contract.

Task 1: Campaign Administration

Campaign administration will begin upon contract execution in January 2025 and continue for the duration of the Energize Thurston campaign (estimated to run from March to June, 2025). After selecting Campaign Installers through the RFP process, staff from Thurston County and partner jurisdictions ("campaign staff") will host a project kick-off meeting for SPSHFH and all selected Installers to finalize the campaign plan and timeline, review partner roles and expectations, and provide training on the "Monday.com" software for participant management.

SPSHFH will:

- Attend Energize Thurston project kick-off meeting and weekly check-in meetings.
- Review and provide feedback on the Energize Thurston Project Management and Participant Tracking boards on Monday.com, including partner roles and responsibilities.
- Review and provide feedback on Energize Thurston marketing and outreach materials.

Campaign staff will:

- Organize, schedule, and lead a project kick-off and weekly check-in meetings.
- Recruit and contract with installer(s) to provide discounted heat pump installations for the 2025 Energize Thurston campaign.
- Host and maintain participant management software on Monday.com. Provide training on Monday.com software as required.
- Develop and update the Project Management and Participant Tracking boards in Monday.com, including campaign tasks and status, timelines, and partner responsibilities.
- Finalize and print all campaign marketing and outreach materials.

Task 2: Income Verification and Customer Support

Throughout the duration of the Energize Thurston campaign (estimated March to June, 2025), low- and moderate-income (LMI) Tumwater residents who attend an Energize Thurston workshop may apply for a fully or partially subsidized installation of electric heat pumps, heat pump hot water heaters, and enabling electrical upgrades. Installations will be provided on a first-come, first-served basis, with at least 60% of available funding reserved for low-income (<80% AMI) applicants, as follows:

- Full Cost Coverage for Low-Income Households: Households under 80% AMI will be eligible for 100% cost coverage of equipment and services. The campaign will reserve at least 60% of available funding for this pool of applicants on a first-come first-served basis.
- Partial Cost Coverage for Moderate-Income Households: Households with annual incomes of at least 80% AMI but less than 120% AMI will be eligible for partial cost coverage of eligible equipment and services. Moderate-income households will contribute 20% of the total installation cost up to a maximum contribution of \$2,500 per household.

SPSHFH will:

- Within 3 business days of receiving applicant contact information from Campaign Staff, follow
 up with applicants to provide information about next steps and request documentation for income
 verification.
- Within 3 business days of receiving the required documentation, conduct income verification and notify the applicant of income verification results. Document all income verification results such as eligibility for the LMI pathway, low- or moderate-income status, and installation funding source within the participant management software.

- o <u>If the applicant's income verification is approved, and sufficient grant funding remains for</u> equipment installation, proceed with lead distribution and site assessment, as outlined in Task 3.
- o If the applicant's income verification is approved, but grant funding for equipment installation has been exhausted within their jurisdiction and/or other grant funding made available through SPSHFH, place the applicant on the program waitlist. Notify the applicant of their position on the waitlist and options to proceed with a self-funded installation. If the applicant chooses to proceed with a self-funded installation site assessment, notify the jurisdiction partner for follow-up. Update the participant management software to indicate the applicant's position on the waitlist.
- o <u>If the applicant's income verification is not approved</u>, notify the applicant and jurisdiction partners, and inform the applicant about options to proceed with a self-funded installation. If the applicant chooses to proceed with a self-funded installation site assessment, notify the jurisdiction partner for follow-up.
- Provide case management and customer support for all LMI applicants unless the applicant chooses to proceed with a self-funded installation, or it is determined that the applicant does not meet the income qualification program requirements.

Campaign Staff will:

- Conduct initial applicant intake for all program applicants, verify their address and assign them to their appropriate jurisdiction in the participant management software.
- Provide SPSHFH with participant names, addresses, and contact information for all eligible applicants (i.e., households residing within Tumwater's jurisdiction) who have requested a fully or partially subsidized installation.
- Manage Self-Funded Energize Thurston 2025 applications, including providing participant information to Installers, and verification of installation pricing and equipment per the 2025 Installer contracts.
- Provide case management for all program applicants proceeding with a self-funded installation, which may include some LMI participants.

Task 3: Equipment Installation and Quality Assurance

Throughout the duration of the Energize Thurston campaign, SPSHFH will coordinate the installation of heat pumps, heat pump hot water heaters, enabling electrical upgrades and duct sealing if applicable for Tumwater residents who have qualified for a fully or partially subsidized heat pump installation through Energize Thurston 2025. All installations must use approved program equipment and installers unless otherwise authorized by the City.

Installed equipment must meet the following requirements:

- Remove all fossil fuel equipment where technically and economically feasible.
- Air-source heat pumps must be listed on the Northeast Energy Efficiency Partnership's (NEEP)
 Cold Climate Air Source Heat Pump (ccASHP) Product List, or meet the most recent ENERGY
 STAR Cold Climate product criteria.
- Heat pump hot water heaters must be listed as a Northwest Energy Efficiency Alliance (NEEA) Tier 3 or 4 heat pump water heater.
- Existing water heating equipment must meet a minimum age requirement (e.g., 5 or 10 years) to be determined by campaign staff prior to the campaign launch, to be eligible for replacement.

- All equipment must be ENERGY STAR Certified or CEE North Region Certified.
- All equipment that uses refrigerants must follow the statutory global warming potential (GWP)
 limits from the Washington State Department of Ecology and the U.S. Environmental Protection
 Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants
 listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air
 Resources Board (CARB).

Installed equipment may include:

• Mechanical, electrical, and plumbing (MEP) equipment, when necessary for the installation of eligible air source heat pumps and electric heat pump water heaters, including duct sealing.

SPSHFH will:

- Distribute LMI participant leads to Energize Thurston Installers (TBD), in a manner to be determined by Campaign Staff and SPSHFH before the launch of the campaign.
- Schedule and facilitate site assessments for eligible equipment installations with Installers for all Tumwater LMI participants per the 2025 Installer contracts.
- Review Installer bids, final invoices, and installations to verify that:
- o Installations meet all Energize Thurston program requirements as described above, including the provision of all applicable rebates as a time-of-sale discount.
- Equipment and installation pricing is consistent with all equipment and prevailing wage labor pricing as described in the Energize Thurston Installer contracts.
- A generally visible Climate Commitment Act (CCA) logo has been placed on all equipment purchased with State HEAR Funding by Installers.
- Contract with LMI participants and assigned Installer(s) to facilitate installation of programeligible equipment.
- Review completion of work with the program participants.
- Submit Puget Sound Energy (PSE) Efficiency Boost Rebate Qualification Form attesting participant income as required for PSE Efficiency Boost Rebates (Exhibit X).

Campaign Staff will:

- Determine participant lead distribution process.
- Determine age requirement for existing water heaters eligible to be replaced by an Energize Thurston HPWH installation.
- Provide Installer contracts and price schedules to SPSHFH once the contracts are awarded.
- Provide PSE Efficiency Boost Rebate Qualification Form.
- Provide CCA logo decals for Installers to place on HEAR-funded equipment.

Task 4: Progress Reports

Throughout the duration of Energize Thurston, Campaign Staff and SPSHFH will verify Installers have provided weekly participant progress reports and installation data through Monday.com for all Energize Thurston installations to provide accurate case management, and track program progress and metrics. Additionally, SPSHFH will provide monthly grant expenditure progress reports to the City for all HEAR-funded installations in Tumwater's jurisdiction, with the following information:

- Number of households that were provided rebates and incentives to purchase or install highefficiency electric equipment and appliances
- Site information for households that received rebates and incentives:
- o Address, city, and zip code
- Date rebate or incentive claimed or issued
- Household income
- o Pre-rebate fuel type of the household or small business
- Technical specifications of the equipment and appliances purchased or installed through the program, including, but not limited to the equipment brand, certifications, efficiency (SEER/HSPF/EER/COP), and cost
- Amount of the rebate or incentive claimed or issued
- o Applicable building and electrical permit numbers

SPSHFH will:

- Verify Installer submission of weekly participant progress reports and installation data on Monday.com for all LMI-pathway installations per 2025 Installer contracts including final participant invoice and all applicable permit documents to the City of Tumwater.
- Provide Campaign Staff monthly grant expenditure progress reports per HEAR Contract requirements for reimbursement.

Campaign Staff will:

- Provide access to Monday.com software to SPSHFH and Installers to upload participant progress reports and installation data.
- Verify Installer submission of weekly participant progress reports and installation data for all self-funded participants per 2025 Installer contracts.

Task 5: Community Outreach and Education

Between February and June 2025, the campaign partners and Installers will promote Energize Thurston and deliver educational workshops virtually and/or at easily accessible public locations throughout Thurston County. SPSHFH is expected to play a supporting role in Energize Thurston outreach and education.

SPSHFH will:

- Participate in all Energize Thurston educational workshops including up to five in-person workshops at locations throughout Thurston County, and one recorded on-demand workshop.
- Participate in tabling for at least five community events and support additional neighborhood outreach as needed.
- Conduct additional marketing and outreach to promote Energize Thurston, including but not limited to social media posts, email blasts, and the distribution of physical materials at Habitat for Humanity ReStore locations.

Campaign Staff will:

• Coordinate community events and workshops.

• Provide marketing and outreach materials for use by SPSHFH.



Exhibit B



Thurston Climate Mitigation Collaborative "Energize Thurston" Launch and Implementation Plan

2024 TCMC Regional Initiative: Energy Efficiency & Electrification Campaign

Phase 1 - Campaign Design and Planning

Deliverable #3

Prepared by the Thurston Climate Mitigation Collaborative Staff Team:

Rebecca Harvey, Thurston County
Julia Downing, USDOE Community Energy Fellow
Dominic Jones, City of Olympia
Pamela Braff, City of Olympia
Linsey Fields, City of Lacey
Alyssa Jones Wood, City of Tumwater

November 15, 2024

TABLE OF CONTENTS

Introduction	3
Campaign Goals	3
Partnerships and Funding	4
Project Team Roles and Responsibilities	5
Campaign Funding	6
Participant Pathways	7
Income Qualifications	7
LMI Pathway	8
Self-Funded Pathway	8
Types of Equipment and Services	9
Heat Pumps	9
Heat Pump Water Heaters	10
Campaign Structure and Processes	11
Contracting Structure	11
Applicant Process	13
Participant Management System	13
Outreach and Marketing Strategy	14
Campaign Timeline, Tasks and Deliverables	15

Introduction

The <u>Thurston Climate Mitigation Collaborative (TCMC)</u> prioritized development of a Residential Energy Efficiency and Electrification Campaign as one of its 2024 regional initiatives. The TCMC Staff Team presented a Phase I Project Plan to the Executive Committee and Community Advisory Workgroup (CAW) in January – February 2024. The Staff Team has now completed key tasks in the Phase I plan including <u>Market Assessment and Incentive Program Research</u>, Stakeholder Interviews, and a Resident Survey.

We have named the forthcoming campaign "Energize Thurston" and are moving toward launch and implementation in the first quarter of 2025. Energize Thurston will provide outreach and financial incentives to accelerate residential building decarbonization and reduce energy costs for households throughout the county. The campaign will provide turnkey, subsidized installations of heat pumps and heat pump water heaters (HPWH) for income-qualified participants. It will also provide access to equipment discounts, streamlined installations, guidance, and customer support for all participants regardless of income.

Energize Thurston builds on the foundation of existing local and regional campaigns:

- City of Olympia's <u>Energize Olympia</u> campaign, which has provided discounted and subsidized ductless heat pumps to City residents in 2023-2024
- <u>The Switch Is On</u> web platform, which provides education about electric home appliances and location-based tools to find incentives and vetted contractors.

The Staff Team applied recommendations from the Phase I research to make programmatic decisions about elements of the Energize Thurston campaign. This Launch and Implementation Plan describes the structure and processes for Energize Thurston including Partnerships and Funding, Participant Pathways, Types of Equipment and Services, Campaign Structure and Processes, and Outreach and Marketing Strategy. This plan provides a timeline and a detailed list of tasks and deliverables to guide the launch, implementation, evaluation, and continuation of Energize Thurston.

Campaign Goals

The Phase I project plan defined the following overarching goals for the energy efficiency and electrification campaign:

- Deliver a compelling and accessible educational campaign to raise awareness of the climate, health, and economic benefits of building electrification and energy efficiency among broad segments of the Thurston community.
- Support energy equity by prioritizing program benefits to low- to moderate-income (LMI) households and members of overburdened communities.
- Connect a quantifiable number of residents with information about technologies, incentives, and advisory support services.
- Implement a quantifiable number of home electrification and efficiency improvements across the participating jurisdictions during the campaign period.
- Maintain program flexibility to respond and adapt to regional, state, and national clean energy programs and investments, with the aim of ensuring ongoing benefits to Thurston residents.

Based on prior outputs of Energize Olympia and considering the currently available funding and geographic scale of Energize Thurston, approximate numeric goals for the campaign are listed below.

- Engage at least 600 residents via community workshops, online and in-person.
- Complete a total of 60-70 subsidized HPWH installations for LMI participants.
- Complete a total of 70-95 subsidized heat pump installations (combination of ducted and ductless) for LMI participants.¹
- Enable approximately 150 total discounted and streamlined equipment installations for self-funded participants (i.e., we anticipate approximately the same number of LMI and self-funded installations).

Partnerships and Funding

Partner Jurisdictions: The Thurston Climate Mitigation Collaborative (TCMC) is an ongoing partnership among Thurston County and the cities of Lacey, Olympia, and Tumwater to identify and implement regional climate mitigation initiatives including the 2024 initiative Energize Thurston. These jurisdictions along with the city of Tenino each received funding from the State Home Electrification and Appliance Rebates (HEAR) program to support the campaign. Thurston County, Olympia, and Lacey also expect to receive federal Energy Efficiency & Conservation Block Grant (EECBG) funding to support the campaign. The partner jurisdictions expect to enter into an interlocal agreement for joint implementation of Energize Thurston.

Lead Jurisdiction: As Lead Jurisdiction, Thurston County will hold contract(s) with the selected Campaign Installers and a Customer Support Consultant. Staff from the Lead Jurisdiction will lead the campaign's execution and administration with support from TCMC Staff Team members and the Customer Support Consultant.

Customer Support Consultant. The Lead Jurisdiction may also contract with a Customer Support Consultant (TBD) to augment staff capacity by assisting with customer support, case management, and/or outreach and education.

LMI Pathway Administrator: Each of the Parties will contract with a partner organization that will contract with the selected Campaign Installers to provide installations of qualifying equipment for qualified LMI participants. The project team expects that this role will be served by **South Puget Sound Habitat for Humanity (SPSHFH)** because they have been an integral partner in the design and implementation of Energize Olympia (2023 and 2024). The LMI Pathway Administrator will verify participant income eligibility, coordinate installer site assessments and installations, review completion of work with LMI participants as well as provide installer oversight. They will also support campaign promotion, administration of grant funding for subsidized installations, participant recruitment, marketing, and outreach efforts.

Installation Partners: Installers will be selected through a competitive Request for Proposals (RFP) process evaluating qualifications, experience, pricing, alignment with campaign goals and commitment

¹ Potential supplemental grant funding from partner SPSHFH may add at least 20 more subsidized heat pump installations, for a campaign total of approximately 90-115.

to customer support. Installation partners will provide information at the educational workshops, conduct free site assessments, offer streamlined access to incentives and rebates, and execute installations for the campaign. Energize Thurston expects to contract with up to five installation partners.

Puget Sound Energy (PSE): PSE is the local electric and natural gas utility and provides rebates for energy efficiency retrofits including heat pump and heat pump water heater installations. This includes increased rebates amounts for households up to 90% AMI through the Efficiency Boost Rebate Program. This incentive helps reduce the cost of installations and will allow Energize Thurston to provide subsidized installations to a greater quantity of households. Note: While the TCMC is coordinating with PSE on the design and implementation of Energize Thurston, PSE is not an official campaign partner.

Project Team Roles and Responsibilities

Name	Organization/Work Group	Role
Julia Downing	DOE Community Energy Fellow (Thurston County)	 Campaign Co-Lead Primary participant contact Case management and outreach lead
Dominic Jones	City of Olympia, Building Decarbonization Manager	 Campaign Co-Lead (TBD) Marketing materials lead Participant management software lead Case management and outreach support for Olympia participants
Rebecca Harvey	Thurston County, Climate Mitigation Senior Program Manager	 Contracting lead Installer and campaign administration oversight Case management and outreach support for Thurston County participants
Pamela Braff	City of Olympia, Director of Climate Programs	Campaign advisorOutreach support
Linsey Fields	City of Lacey, Climate and Sustainability Coordinator	Case management and outreach support for City of Lacey participants
Alyssa Jones Wood	City of Tumwater, Sustainability Coordinator	Case management and outreach support City of Tumwater participants
Amanda Schuyler	South Puget Sound Habitat for Humanity	Installer selection supportLMI intake and case managementOutreach support
Amit Singh	Puget Sound Energy, Program Manager	PSE Point of Contact
TBD	TBD Customer Support Consultant	Support of case management, customer support, and/or outreach and education

Campaign Funding

Thurston County and the cities of Olympia, Lacey, Tumwater and Tenino have each been awarded funds through the Washington State Home Electrification and Appliance Rebate (HEAR) Program². The jurisdictions will utilize these funds to subsidize installations of eligible equipment for low- and moderate-income (LMI) households. Since the EECBG funding (described below) is allocated to subsidize heat pump water heater (HPWH) installations, the partners expect that the HEAR funding will be used primarily to subsidize heat pump space conditioning systems. The HEAR program allows up to 15% of the grant funding to be used for administrative costs. This portion of the funding will help to cover the cost of administering the Energize Thurston LMI Pathway.

Thurston County, Olympia, and Lacey have also applied for formula grants through the U.S. Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) program. This grant funding will be used to subsidize installations of HPWH for qualifying LMI households. The cities of Tumwater and Tenino do not meet the population threshold to qualify for this EECBG formula funding, but the County's allocation can support residents in small cities and unincorporated Thurston County.

Table 1 summarizes the jurisdictions' grant funding sources that directly support the Energize Thurston campaign. Across all five jurisdictions, total funding available to subsidize equipment installations is approximately \$1.7 million. This is anticipated to fund 60-70 subsidized HPWH installations, and 70-95 subsidized heat pump installations (ducted and ductless) for qualifying LMI participants.

.

² The Home Electrification and Appliance Rebates Program is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov.

Table 1: Jurisdictions' Grants for Energize Thurston 2025.

			EECBG Grants		
Jurisdiction	Total Grant Funds	Total HEAR Grants	Administration Costs	Heat Pump Subsidies	HPWH Subsidies
Thurston County	\$553,303	\$472,263	\$70,839	\$401,424	\$81,040
Olympia ³	\$603,513	\$481,483	\$72,222	\$409,261	\$122,030
Lacey ⁴	\$593,015	\$477,555	\$71,633	\$350,000	\$115,460
Tumwater	\$477,540	\$477,540	\$71,631	\$405,909	\$0
Tenino	\$95,009	\$95,009	\$14,251	\$80,758	\$0
Total	\$2,322,380	\$2,003,850	\$300,578	\$1,647,351	\$318,530

In addition to the grants provided by the jurisdictions, partner SPSHFH may supplement the campaign by leveraging approximately \$360,000 of their own grant funding from the WA State Department of Commerce HEAR Program to supplement the quantity of heat pump and heat pump water heater retrofits provided to LMI households. These funds will be used to provide integrated weatherization services in coordination with the energy upgrades for LMI participants.

The City of Olympia also expects to allocate approximately \$96,000 in Federal Community Development Block Grant (CDBG) funding for additional heat pump and heat pump water heater installations, as well as weatherization upgrades for low-income participants in Olympia.

Participant Pathways

Income Qualifications

Energize Thurston participant pathways are defined based on household gross annual income compared to Thurston County's area median income (AMI). This is the same metric used by the U.S. Department of Housing and Urban Development (HUD) to determine eligibility for affordable housing. A table of specific income levels for the 80% and 120% AMI thresholds in Thurston County can be <u>found here</u>.

Table 2: Energize Thurston Income Qualification Levels.

Qualifying Income Levels		
Less than 80% AMI		
At least 80% but less than 120% AMI		
120% AMI or higher		

³ City of Olympia may allocate a some of its HEAR grant towards ductless heat pump installations during the 2024 Energize Olympia program dependent on program demand.

⁴ City of Lacey plans to allocate about 12%s of its HEAR grant to the City's existing matching rebate program, and the rest to Energize Thurston.

LMI Pathway

The Energize Thurston LMI Pathway will provide subsidized equipment and services for low-to moderate income (LMI) households as defined in Table 2. It is expected that campaign partner SPSHFH will administer this pathway by contracting directly with installer(s) and subcontractors to coordinate subsidized installations for LMI participants along with site assessments, integrated critical home repair, and limited weatherization services.

Energize Thurston will subsidize the cost of home energy equipment and services for LMI participants at two different levels based on household income qualification:

- Full Cost Coverage for Low-Income: Households under 80% AMI will be eligible for 100% cost coverage of equipment and services. The campaign will reserve at least 60% of available funding for this pool of applicants on a first-come first-served basis.
- Partial Cost Coverage for Moderate-Income: Households with annual incomes of at least 80%
 AMI but less than 120% AMI will be eligible for partial cost coverage of eligible equipment and
 services. The exact portion of required household contribution is to be determined but is
 expected to be capped at \$2,500.

Self-Funded Pathway

The Energize Thurston Self-Funded Pathway (aka "Market Rate") will provide a group purchase discount⁵ to participants with household incomes of 120% AMI or higher. The exact discount rate will be negotiated with installers during the contracting process. Installers will also be required to include all applicable rebates (from Puget Sound Energy, manufacturers, jurisdiction partners, etc.) as a time-of-sale discount to participants.

In addition to the financial incentives noted above, self-funded participants will have access to further benefits of Energize Thurston:

- Free educational workshops;
- Guidance on additional incentives (e.g., tax credits) and financing;
- Streamlined installation; and
- Customer support.

Jurisdictional staff will administer the self-funded pathway and provide case management and installer oversight.

The Energize Thurston project team may identify local financing providers (e.g., banks, credit unions) with favorable rates/terms that participants may choose to use to finance their projects. Installation partners may also recommend financing products if approved by Thurston County per the terms of their contract.

⁵ Group Purchase discount in Energize Olympia 2024 was 10% discount up to a maximum of \$1,200 off total equipment + labor cost.

Types of Equipment and Services

After attending an Energize Thurston workshop, participants in both the LMI and Self-Funded pathways will be asked to state on their applications if they request a site assessment for a heat pump space conditioning system, heat pump water heater, or both. They will then be connected to a campaign installer who will provide a free site assessment and recommend the appropriate equipment for their home. The installer will also assess and inform participants of relevant aspects of the building envelope, such as air sealing and insulation, that may affect customer satisfaction and savings from the equipment.

Specific requirements for all Energize Thurston equipment and services will be defined in the contracts between Thurston County and the selected installers. These requirements have been defined to align with Puget Sound Energy's planned 2025 rebates for heat pumps and HPWH.

Heat Pumps

Energize Thurston will focus on space conditioning heat pumps because our background research found space heating to be the largest overall consumer of energy for households across all fuel types. Eligible heat pump equipment will include ducted as well as ductless electric heat pumps. For both LMI and Self-Funded participants, the installer will assess the needs of the home and recommend the appropriate heating and cooling equipment for the customer. Installed equipment may replace any type of heating fuel.

Energize Thurston minimum requirements for heat pumps must meet the following criteria:

• Consortium for Energy Efficiency (CEE) highest efficiency tier for 2025:

2025 CEE Split ASHP Specification (DUCTLESS Heat Pumps)					
CEE Level	SEER2	EER2	HSPF2	COP at 5°F*	Capacity Ratio
CEE Tier 1					
Path A	≥ 16.0	≥ 9.8	≥ 8.5	≥ 1.75	≥ 60% at 5°F/47°F
Path B	≥ 16.0	≥ 11.0	≥ 8.0	≥ 1.75	≥ 45% at 5°F/47°F
CEE Advanced Tier					
Refer to the DOE Cold Climate Heat Pump Challenge Specification					

2025 CEE Packaged ASHP Specification						
(DUCTED Heat Pumps)						
CEE Level SEER2 EER2 HSPF2 COP at 5°F* Capacity Ratio						
CEE Tier 1 $\geq 15.2 \geq 10.0 \geq 7.2 \geq 1.75 \geq 45\%$ at 5°F/47°F						

- System must be AHRI Certified as a variable speed heat pump, mini-split or multi-split heat pump and use inverter technology and be a minimum of ¾ ton in heating mode.
- For ductless heat pump only installations, at least one indoor head must be installed in the main living (high-flow) area of the home; bedroom only installations do not qualify for the campaign.

Additional Heat Pump Requirements for LMI Pathway

For participants in the LMI Pathway, Energize Thurston will cover costs of the recommended heat pump equipment plus the following upgrades, which are eligible uses of HEAR grant funding:

- Electric panel upgrades necessary to enable heat pump upgrades
- Duct sealing as needed for installations of ducted heat pump systems

For ductless heat pump systems, the LMI Pathway will cover the cost of up to two ductless heads. At least one indoor head must be installed in the main living (high-flow) area of the home; bedroom only installations are not eligible for Energize Thurston subsidies.

For ducted systems, the campaign will cover the cost of duct repair as required. Installation of new ductwork where existing ductwork was not present is not eligible for Energize Thurston subsidies.

All heat pump installations that are funded with HEAR grants must meet the following HEAR program requirements:

- Remove all fossil fuel equipment where technically and economically feasible.
- All air-source heat pumps must be listed on the Northeast Energy Efficiency Partnership's (NEEP)
 Cold Climate Air Source Heat Pump (ccASHP) Product List, or meet the most recent ENERGY
 STAR Cold Climate product criteria.
- All equipment must be ENERGY STAR Certified or CEE North Region Certified.
- All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State Department of Ecology and the U.S. Environmental Protection Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air Resources Board (CARB).

Heat Pump Water Heaters

The campaign will also incentivize heat pump water heaters (HPWH) because our background research found water heating to be the second largest natural gas end use for residential homes in Washington State. HPWH have also been shown to be more cost effective for homeowners when replacing an existing electric water heater.

For both LMI and Self-Funded participants, the installer will assess the needs of the home (in coordination with SPSHFH for the LMI Pathway) and recommend the appropriate water heating equipment for the customer, which may or may not be a HPWH. As for heat pump space heaters, the installed equipment may replace any type of heating fuel.

Energize Thurston's requirements for heat pump water heaters:

Must be Northwest Energy Efficiency Alliance (NEEA) Tier 3 or 4⁶ heat pump water heater

Additional HPWH Requirements for LMI Pathway

For participants in the LMI Pathway, Energize Thurston will cover costs of a HPWH if it is recommended by the selected installer as appropriate water heating equipment for the site. The campaign may include an age requirement for water heater replacement (e.g., equipment is 10 or more years old; TBD). In addition to the equipment costs, Energize Thurston will cover costs of electrical upgrades to accommodate HPWH installation when needed in LMI households.

All LMI installations that are funded with HEAR grants must meet the following HEAR program requirements:

- Remove all fossil fuel equipment where technically and economically feasible.
- All equipment must be ENERGY STAR Certified or CEE North Region Certified.
- All equipment that uses refrigerants must follow the statutory global warming potential (GWP)
 limits from the Washington State Department of Ecology and the U.S. Environmental Protection
 Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants
 listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air
 Resources Board (CARB).

Campaign Structure and Processes

Contracting Structure

Energize Thurston will follow the "installer model" used by Energize Olympia, in which program installers are selected by evaluating price and qualifications through a competitive bidding process. The lead jurisdiction will issue a Request for Proposals (RFP) to select qualified contractors to provide installation of ducted and ductless heat pumps, heat pump water heaters, and associated electrical work. The partners anticipate needing approximately four to five contracted installers to serve Energize Thurston. Selected installers will be required to provide a fixed group-purchase discount for all installations, and to apply all applicable rebates as a time-of-sale discount to participants. Thurston County will hold a contract with each selected installer to set the group purchase rate. Self-funded participants will contract directly with an installer as described in the "Applicant Process" section below.

SPSHFH will contract with the same suite of selected installers, who will be required to apply the same discounts for the LMI installations as for the self-funded installations. Each of the partner jurisdictions will enter into a contract with the administrative partner to allow them to administer the LMI installations using funding provided by the jurisdiction.

The County will also issue an RFP to select a Customer Support Consultant (TBD), who will support case management, installer oversight, outreach, and/or campaign evaluation.

The contracting structure for Energize Thurston is illustrated in Figure 1 below.

⁶ Refer to NEEA Advanced Water Heating Specification 8.1 for information on HPWH Product Tiers

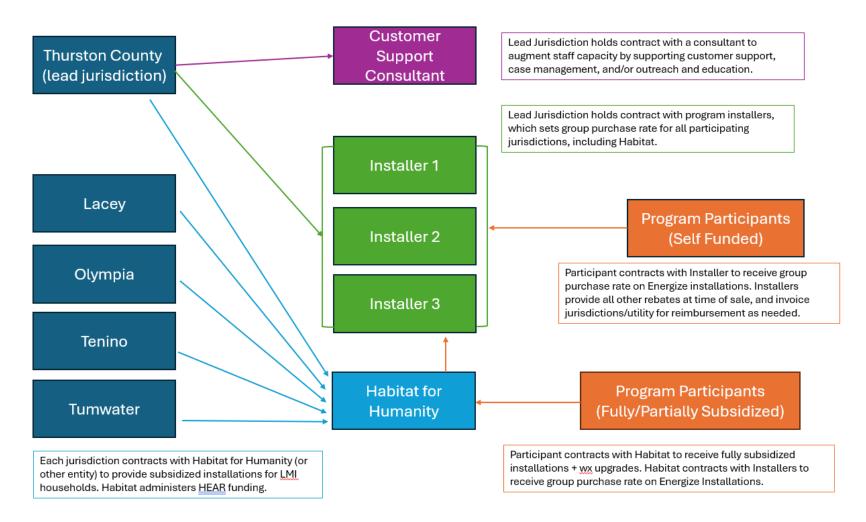


Figure 1. Energize Thurston Proposed Contracting Structure.

Applicant Process

All participants will progress through the Energize Thurston campaign as follows:

- Sign up for and attend a campaign workshop (either in-person or virtual).
- Submit a campaign application that includes their general information and the following:
 - Whether they are applying for the LMI Pathway or the Self-Funded Pathway; and
 - o If they request a site assessment for a heat pump space conditioning system, heat pump water heater, or both.
- Campaign staff will verify site eligibility and request income eligibility information from LMI Pathway applicants.
- Campaign staff will provide the participant with a status update and notify the installer that the participant is ready to schedule a site assessment.
- LMI Pathway:
 - The installer will work with the LMI Pathway Administrator and the participant to schedule a site assessment, recommend the appropriate equipment, and provide a quote. If the participant chooses to move forward, the installer will contract with Habitat for Humanity to complete the installation. The installer will provide all available rebates and incentives at the time of sale, including the Energize Thurston campaign pricing.
 - Moderate-income households (80%-120% AMI) will pay their household cost share to SPSHFH. Payment plans are available.
- Self-Funded Pathway:
 - The installer will contact the participant to schedule a site assessment, recommend the appropriate equipment, and provide a quote. If the participant chooses to move forward, the installer will contract directly with the participant to complete the installation. The installer will provide all available rebates and incentives at the time of sale, including the Energize Thurston campaign pricing, as well as direct participants to program-approved financing options. The campaign staff team will support self-funded participants by offering customer support throughout the installation process.

Participant Management System

The partners will follow the model used by Energize Olympia for participant tracking and case management. "Monday.com" software will serve as a platform for project and task management, providing a streamlined system to track participant applications and partner tasks all in one place. The Staff Team will modify this system as needed to accommodate the expanded multijurisdictional campaign. We will refine and document the participant intake process for the LMI and self-funded pathways; train all campaign partners and installation partners on the use of the tracking software; and assign roles and responsibilities for case management, customer support, and installer oversight. We will host regular meetings will all campaign partners to ensure installers are meeting all contract deliverables and installation timelines, and address case management issues as they arise.

Outreach and Marketing Strategy

Energize Thurston will build upon the existing "Energize Olympia" brand and will expand outreach and marketing efforts countywide through a variety of methods as described below. Following the recommendations from background research, outreach will target both rural and urban areas with messages emphasizing environmental, health and safety benefits of electrification, as well as concerns about electric appliances cost and performance.

Energize Thurston will focus on reaching underserved and disadvantaged communities via targeted outreach and supportive program implementation. Target communities will include low-income households, communities of color, immigrants, seniors, first-time homeowners, and people on utility support programs, among others. Campaign staff will aim to develop partnerships with community-based organizations to leverage trusted networks that support these communities. A list of Community Outreach Partners will be included in the Energize Thurston Communications Plan.

Educational Workshop Series: Campaign staff, SPSHFH, and campaign installers will educate residents of Thurston County on the benefits of electrification appliances and services through a free series of educational workshops. The workshops provide information on the benefits of heat pump technology, residential energy efficiency, an overview of the program pathways and installation process, as well as information on the many available financial incentives including federal tax credits, and local utility incentives from Puget Sound Energy. The partners will host multiple in-person workshops across the county as well as an on-demand workshop to expand the accessibility of events.

TCMC Website: The TCMC website (<u>Thurstonclimatecollaborative.org</u>) will serve as the primary hub for interested residents to access Energize Thurston campaign information. The site will include information about in-person and on-demand workshops, participant eligibility criteria, FAQs, and contact information for the campaign's point of contact.

Switch Is On (SIO) Website: The Energize Thurston Campaign will build on an existing outreach and marketing campaign that was launched regionally in 2024 via the <u>wa.SwitchIsOn.org</u> web platform. The Switch Is On (SIO) website serves as a central information hub for residential home electrification. It educates residents about home electrification benefits and technologies and provides tools to find vetted contractors and available incentives.

Outreach at Community Events: Campaign staff and SPSHFH staff will provide targeted outreach to community groups throughout Thurston County. This will include informational presentations for cultural organizations, faith-based organizations, and neighborhood associations, as well as tabling at local businesses, trade shows or community events.

Distribution of Marketing Materials: Physical marketing materials will be distributed around the County including post cards, flyers and street banners at central hubs in the community. Campaign staff will also regularly post online updates on the status of the campaign through partner jurisdictions' e-newsletters and via social media platforms such as Facebook, Instagram, Threads, X, Nextdoor, and/or Reddit.

Outreach Partnerships and Volunteers: Energize Thurston will leverage trusted community partners to engage members of target communities. Staff will maintain a list of Community Outreach Partners and track engagements before and during campaign launch. Campaign staff will work with partners to recruit community volunteers ("Energize Ambassadors") to assist with distribution of marketing materials throughout the County. Early recruitment of volunteers can build greater awareness of the program, natural engagement of community partners, and opportunities for press coverage.

Translation and Interpretation services: The partners will set aside marketing budget to translate outreach materials and the on-demand workshop into Spanish; and to provide interpretation services as needed throughout the campaign.

Post-Installation Education: All participants will receive an educational packet providing information on how to use and maintain their newly installed equipment as well as a reference to the sources of funding that helped subsidize their installation.

Campaign Timeline, Tasks and Deliverables

To launch the Energize Thurston campaign in Q1 2025, the Staff Team will aim to complete the following project tasks by the end of 2024.

Step 1: Contract with Energize Thurston Partners (October – December 2024)

This step includes executing an interlocal agreement among the jurisdiction partners for joint implementation of Energize Thurston, conducting a competitive solicitation for installation partners, and contracting with Habitat for Humanity. The jurisdictions may also contract with a Customer Support Consultant to augment staff capacity (TBD).

Tasks:

- 1.1 Execute Energize Thurston 2025 Interlocal Agreement (ILA)
- Define roles and responsibilities of each jurisdiction partner
- Develop collaborative budget for campaign launch and implementation
- 1.2 Lead Jurisdiction: Issue Request for Proposal (RFP) for installation partners
- Develop scope of work and scoring rubric for Energize Thurston installation partners
- Publish and promote RFP
- Establish Installer Selection Committee and review proposals
- Contract individually with up to 5 installers that are selected through the RFP process
- Negotiate Energize Thurston group purchase discount with selected installers
- 1.3 All jurisdictions: Contract with LMI Pathway Administrator
- Confirm that South Puget Sound Habitat for Humanity (SPSHFH) will serve as the LMI
 Pathway Administrator based on their foundational role in the design and implementation
 of Energize Olympia (2023-2024).
- Each jurisdiction executes contract(s) with SPSHFH to provide grant funding for subsidized installations for LMI households.

1.4 (TBD) Lead Jurisdiction: Contract with Customer Support Consultant

- Refine scope of work for Customer Support Consultant
- Issue RFP and select consultant
- Contract with consultant

Step 1 Deliverables:

- Energize Thurston 2025 ILA
 Contracts with up to 5 installation partners
 Contracts between SPSHFH and each jurisdiction
- ☐ (TBD) Lead jurisdiction contract with Customer Support Consultant

Step 2: Develop Communications Plan and Outreach Materials (October – December 2024)

Energize Thurston will leverage existing Energize Olympia outreach materials and communication strategies and modify them as needed for the expanded program. This step includes producing the new marketing assets, developing a communications plan and tracking system, establishing outreach partnerships, and developing a framework for the educational workshops.

Tasks:

- 2.1 Design Energize Thurston marketing materials
- Work with Energize Olympia designer to revise materials for Energize Thurston
- Develop content for campaign website
- Compile weatherization information packet to provide participants (TBD if staff capacity allows)
- 2.2 Develop Communications Plan
- Build the Outreach & Marketing Strategy into a detailed campaign Communications Plan
- Determine number and locations of in-person workshops
- 2.3 Establish outreach partnerships
- Develop list of CBOs and outreach partners
- Contact outreach partners to initiate relationships and engage potential volunteers
- 2.3 Design Energize Thurston workshops
- Build off existing Energize Olympia workshops to add new technologies, application processes, and information about the multijurisdictional campaign
- Provide Spanish translation of workshop subtitles; and explore other options for translation/interpretation of on-demand workshop

Step 2 Deliverables:

Energize Thurston brand and marketing materials
Energize Thurston webpage
Energize Thurston Communications Plan
Tracking system for outreach activities and partner engagement

Step 3 - Develop Participant Application and Tracking System (November 2024 - January 2025)

This step involves modifying Energize Olympia's participant application and tracking system for the expanded multijurisdictional campaign.

Tasks:

- 3.1 Develop application materials and process
- Revise Energize Olympia's application as needed for expanded campaign
- Develop participant intake/tracking process for LMI and self-funded pathways
- 3.2 Set up participant tracking system in Monday.com software
- Expand existing system to track participants across multiple jurisdictions
- Establish project and task management boards in Monday.com
- 3.2 Train campaign partners on tracking system
- Host kickoff meeting with campaign partners, SPSHFH, and installation partners
- Assign roles and responsibilities for case management, customer support, and installer oversight
- Establish weekly check-in schedule with all campaign partners

Step 3 Deliverables:

- ☐ Final participant application
- ☐ Guidance document on Participant Tracking Process
- ☐ Complete project, task management system in Monday.com

Step 4 – Implement Campaign (est. March – June 2025)

Tasks:

- 4.1 Implement communications and outreach plan
- 4.2 Conduct in-person workshops
- 4.3 Record virtual "on-demand" workshop and post online
- 4.4 Implement participant intake and management process
- 4.5 Provide customer support and case management
- 4.6 Conduct oversight of installers and partners
- 4.7 Track and report on progress toward goals

Step 4 Deliverables:

- Campaign Outcomes
 - Workshop registrations
 - Workshop attendances
 - Participant applications
 - Completed installations for LMI Pathway
 - Completed installations for Self-Funded Pathway

Step 5 – Develop Campaign Continuation Plan (est. July - September 2025)

Tasks:

- 5.1 Document and evaluate processes and partnerships developed in the pilot campaign
- 5.2 Develop a plan for continuation of the campaign in alignment with related federal, state, and regional initiatives.
- 5.3 Develop recommendations for expanding the program to further enhance benefits to disadvantaged communities.

Item 6d.

Step 5 Deliverables:

- lacksquare Energize Thurston Evaluation Report
- ☐ Energize Thurston Continuation Plan

Exhibit "C" BUDGET AND TIMELINE

This budget is for Tumwater's portion of the Energize Thurston 2025 campaign to subsidize equipment installations for qualifying LMI participants residing within Tumwater jurisdiction boundaries.

This budget is anticipated to fund subsidized heat pump installations (combination of ducted and ductless) and subsidized HPWH installations.

	Tumwater Budget for Energize Thurston 2025				
Funding	Activity	Income	Amount		
Source		Qualification			
	HEAR-eligible appliance/service	0-80% AMI*	\$252,141		
	installation				
HEAR	HEAR-eligible appliance/service	80-120% AMI	\$168,094		
Grant	installation				
Operations / Staff Time (12% of HEAR		t)	\$57,305		
	HEAR Total				

^{* 60%} of the funding allocated for subsidized installations will be reserved for low-income (<80% AMI) applicants.

TIMELINE

Activity	Date
Executed contract between Thurston County and SPSHFH	1/21/2025
Training on participant management and application software	1/27/2025 – 2/14/2025
Energize Thurston outreach and marketing	2/1/2025-6/30/2025
Project Kickoff Meeting [estimated date]	3/3/2025 – 3/7/2025
Week of first community workshop [estimated date]	3/17/2025 – 3/21/2025
Applications closed to new participants [estimated date]	5/9/2025
Participant contract signing deadline [estimated date]	5/30/2025
Installations completed [estimated date]	6/30/2025

Exhibit D



Interagency Agreement with

City of Tumwater

through

State Home Electrification and Appliance Rebates Program

Contract Number: 24-92701-024

For

City of Tumwater - Electrification and Appliance Rebates Program

Dated: Wednesday, May 1, 2024



Table of Contents

TABLE	OF CONTENTS	2
FACE S	SHEET	3
SPECIA	AL TERMS AND CONDITIONS	4
1.	AUTHORITY	4
2.	ACKNOWLEDGEMENT OF CLIMATE COMMITMENT ACT FUNDING	4
3.	CONTRACT MANAGEMENT	4
4.	COMPENSATION	4
5.	BILLING PROCEDURES AND PAYMENT	4
6.	SUBCONTRACTOR DATA COLLECTION	
7.	INSURANCE	-
8.	FRAUD AND OTHER LOSS REPORTING	5
9.	ORDER OF PRECEDENCE	5
GENER	RAL TERMS AND CONDITIONS	7
1.	DEFINITIONS	7
2.	ALL WRITINGS CONTAINED HEREIN	7
3.	AMENDMENTS	7
4.	ASSIGNMENT	7
5.	CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION	7
6.	COPYRIGHT	8
7.	DISPUTES	
8.	GOVERNING LAW AND VENUE	
9.	INDEMNIFICATION	
10.	LICENSING, ACCREDITATION AND REGISTRATION	
11.	RECAPTURE	
12.	RECORDS MAINTENANCE	
13.	SAVINGS	
14.	SEVERABILITY	
15.	SUBCONTRACTING	
16.	SURVIVAL	
17.	TERMINATION FOR CAUSE	
18.	TERMINATION FOR CONVENIENCE	
19.		
20.	TREATMENT OF ASSETS	
21.	WAIVER	
	HMENT A: SCOPE OF WORK	
ATTAC	HMENT B: BUDGET	16
ATTAC	HMENT C. DDOGDAM WORK DIANI	17



Face Sheet

Contract Number: 24-92701-024

Energy Division Clean Buildings Unit Home Electrification and Appliance Rebates Program

1. Contractor City of Tumwater 555 Israel Road SW TUMWATER, WA 98501		2. Contractor Doing N/A	g Business As	(as ap	plicable)
3. Contractor Representative Alyssa Jones Wood Sustainability Coordinator (360) 754-4140 ajoneswood@ci.Tumwater.wa.us		Aaron Dumas Program Manager (564) 999-1414 Aaron.dumas@com		1011 I	ox 42525 Plum St. SE bia, WA 98504
5. Contract Amount \$477,540	6. Funding Source Federal: ☐ State: ⊠ O	other: N/A:	7. Start Date 5/1/2024		8. End Date 6/30/2025
9. Federal Funds (as applicat N/A	ole) Federal Agen N/A	icy:	ALN: N/A		
10. Tax ID #	11. SWV #	12. UBI #		13. UE	EI#
91-6001520	SWV0007172-00	344-000-001		LLLD	HHS4E5G1
14. Contract Purpose To administer a program that businesses to purchase and instance.	•			ome h	ouseholds and small
COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Contractor Terms and Conditions including Attachment "A" – Scop of Work, Attachment "B" – Budget, Attachment "C" – Program Work Plan				nt they are authorized erned by this Contract	
FOR CONTRACTOR		FOR COMMERCE			
Signed by: Delbie Sullivan OSINFFOORANGUAF		Docusigned by: Michael Furze 10818292855448A			
Debbie Sullivan, Mayor		Michael Furze, Assistant Director Energy Division			
10/1/2024 1:20 PM PDT		10/1/2024 1:57 PM PDT			
Date		APPROVED AS TO FOR BY ASSISTANT ATTOR APPROVAL ON FILE			

Page **3** of **20**



Special Terms and Conditions

1. AUTHORITY

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

2. ACKNOWLEDGEMENT OF CLIMATE COMMITMENT ACT FUNDING

If this Agreement is funded in whole or in part by the Climate Commitment Act, Grantee agrees that any website, announcement, press release, and/or publication (written, visual, or sound) used for media-related activities, publicity, and public outreach issued by or on behalf of Grantee which reference programs or projects funded in whole or in part with Washington's Climate Commitment Act (CCA) funds under this Grant, shall contain the following statement:

"The Home Electrification and Appliance Rebates Program is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at www.climate.wa.gov."

The Grantee agrees to ensure coordinated Climate Commitment Act branding on work completed by or on behalf of the Grantee. The CCA logo must be used in the following circumstances, consistent with the branding guidelines posted at CCA brand toolkit, including:

- A. Any project related website or webpage that includes logos from other funding partners;
- **B.** Any publication materials that include logos from other funding partners;
- **C.** Any on-site signage including pre-during Construction signage and permanent signage at completed project sites; and
- **D.** Any equipment purchased with CAA funding through a generally visible decal.

3. CONTRACT MANAGEMENT

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

4. COMPENSATION

COMMERCE shall pay an amount not to exceed \$477,540, for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work.

5. BILLING PROCEDURES AND PAYMENT

COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly nor less than quarterly.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 24-92701-024. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement. Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the



Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The Contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).

6. SUBCONTRACTOR DATA COLLECTION

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

7. INSURANCE

Each party certifies that it is self-insured under the State's or local government self-insurance liability program, and shall be responsible for losses for which it is found liable.

8. FRAUD AND OTHER LOSS REPORTING

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

9. ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions

nvelope ID: 38AB851A-D104-4BEF-A64B-2507792CD2C7

Item 6d.

- Washington State Department of Commerce
 - Attachment A Scope of Work
 - Attachment B Budget
 - Attachment C Program Work Plan



General Terms and Conditions

1. **DEFINITIONS**

Commerce

As used throughout this Contract, the following terms shall have the meaning set forth below:

- **A.** "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- **B.** "COMMERCE" shall mean the Washington Department of Commerce.
- **C.** "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- **D.** "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- **E.** "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- **F.** "State" shall mean the state of Washington.
- **G.** "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

2. ALL WRITINGS CONTAINED HEREIN

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

3. AMENDMENTS

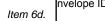
This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

4. **ASSIGNMENT**

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION

- A. "Confidential Information" as used in this section includes:
 - All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
 - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and



- Washington State Department of Commerce
 - **iii.** All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.
 - В. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.
 - **C.** Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

6. COPYRIGHT

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

7. DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority





prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

8. **GOVERNING LAW AND VENUE**

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9. INDEMNIFICATION

Each party shall be solely responsible for the acts of its employees, officers, and agents.

10. LICENSING, ACCREDITATION AND REGISTRATION

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

11. RECAPTURE

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

12. RECORDS MAINTENANCE

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

13. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

14. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.



15. SUBCONTRACTING

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

16. SURVIVAL

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

17. TERMINATION FOR CAUSE

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

18. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

19. TERMINATION PROCEDURES

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.



COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- **A.** Stop work under the contract on the date, and to the extent specified, in the notice;
- **B.** Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- **C.** Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- **D.** Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- **E.** Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- **F.** Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- **G.** Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

20. TREATMENT OF ASSETS

Title to all property furnished by COMMERCE shall remain in COMMERCE. Title to all property furnished by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in COMMERCE upon delivery of such property by the Contractor. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in COMMERCE upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by COMMERCE in whole or in part, whichever first occurs.

- **A.** Any property of COMMERCE furnished to the Contractor shall, unless otherwise provided herein or approved by COMMERCE, be used only for the performance of this contract.
- **B.** The Contractor shall be responsible for any loss or damage to property of COMMERCE that results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management



practices.

- **C.** If any COMMERCE property is lost, destroyed or damaged, the Contractor shall immediately notify COMMERCE and shall take all reasonable steps to protect the property from further damage.
- **D.** The Contractor shall surrender to COMMERCE all property of COMMERCE prior to settlement upon completion, termination or cancellation of this contract.
- **E.** All reference to the Contractor under this clause shall also include Contractor's employees, agents or Subcontractors.

21. WAIVER

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

Attachment A: Scope of Work

Purpose

Commerce Commerce

Engrossed Substitute Senate Bill 5200 Section 1008 Subsection 1 states:

Home Electrification and Appliance Rebates (HEAR) Program

For the department (Commerce) to administer grants to eligible third-party administrators for heat pump and other high-efficiency electric equipment rebates, with a focus on low/moderate income households and small businesses. State incentives and rebates for installation of high efficiency electric equipment, including electrical panel upgrades, provide a benefit to the public consistent with the state's energy strategy and climate mandates by reducing greenhouse gas emissions from the built environment.

(a) \$75,000,000 of the climate commitment account-state appropriation is provided solely for the department to administer ESSB 5200.PL grants to low/moderate income households and small businesses.

Commerce shall implement a statewide high efficiency electric equipment program consistent with the following:

- (a) Aid the transition of residential and commercial buildings away from fossil fuels by providing education and outreach resources for the installation of high efficiency electric heat pumps and other high efficiency electric equipment;
- (b) Provide grants, coordination, and technical assistance to eligible third-party administrators to promote the adoption of high efficiency electric heat pump equipment for space and water heating; and
- (c) Develop strategies to ensure that the program serves low-income households, vulnerable populations, and overburdened communities, including dedicating a portion of the program funding for this purpose.

Tasks and Deliverables

Task 1: Funding Priorities

Third-party administrators that receive funding through HEAR, must meet the following funding priorities:

- 1. Provide rebates and incentives that serve the following populations:
 - a. Low-income single- and multifamily households with household income of 80% or less of Area Median Income.
 - b. Moderate-income single- and multifamily households with household income between 80% and 150% of Area Median Income.
 - Small businesses with fifty (50) employees or less, or otherwise meet the definition in RCW 39.26.010(22)
- 2. Rebates and incentives must be for the purchase or installation of high-efficiency electric equipment, including, but not limited to:

Table 1: Eligible High-Efficiency Electric Equipment

·· · · -	
Upgrade Type	Eligible Equipment
	Electric Heat Pump Water Heater
	Electric Air-source or Ground source Heat
Appliance	Pump for Space Conditioning
Appliance	Commercial or Residential Induction Kitchen
	Equipment
	Electric Heat Pump Clothes Dryer



Electric Service necessary for the installation of	Electrical Service and Panel Upgrade
high-efficiency electric equipment	Electric Wiring

- (a) All equipment must meet the following requirements:
 - Remove all fossil fuel equipment where technically and economically feasible.
 - All air-source heat pumps must be listed on the Northeast Energy Efficiency Partnership's (NEEP) Cold Climate Air Source Heat Pump (ccASHP) Product List, or meet the most recent ENERGY STAR Cold Climate product criteria.
 - All equipment must be ENERGY STAR Certified or CEE North Region Certified.
 - All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State Department of Ecology and the U.S. Environmental Protection Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air Resources Board (CARB).
- (b) Mechanical, electrical, and plumbing (MEP) equipment may be eligible if necessary for the installation of eligible high-efficiency electric equipment listed in Table 1.
- (c) Education and outreach resources to promote the adoption of high-efficiency electric equipment and build workforce capacity.
- (d) Program administration costs not to exceed 15 percent of grant funds.

Task 2: Program Work Plan and Outcomes

Grantees must provide a work plan to COMMERCE. Work plans must address the following:

- 1. High-level description of the program, including goals and outcomes.
- 2. Description of the jurisdiction that the program will serve. This may include information on rural status, median income, and population demographics.
- 3. Total funding for the program Commerce grant funds plus matching funds and an anticipated budget that must include at a minimum:
 - a. Costs for rebates and incentives for eligible high-efficiency electric equipment
 - i. Costs should be categorized into the funding allocated to household and small business rebates and incentives, and subsequently by the eligible equipment rebates and incentives the program is providing (as described in Task 1).
 - b. Costs for outreach and education, if applicable.
 - c. Administrative costs.
- 4. Grantees must ensure that their program only provides rebates and incentives to the eligible rebate recipients listed in Task 1.
 - a. What populations or subsets of the listed eligible rebate recipients, does this program primarily serve? How will your jurisdiction prioritize the populations that will receive rebates and incentives?
 - b. How will the program qualify eligible households and small businesses to receive rebates or incentives? Possible methods for verifying eligibility of households may include participation in other income-qualified benefits programs (LIHEAP, SNAP, etc), tenancy in income-qualified housing units, or other methods, which verify income against the thresholds described in Task 1.
- 5. Describe how your jurisdiction, and any partners or subcontractors will, provide outreach and education about the program, and resources for the installation of high efficiency electric equipment.
 - a. What strategies will this program use to reach low-income households, vulnerable populations, and overburdened communities?
- 6. Describe the process for distributing rebates and incentives, including any application process that rebate recipients or contractors must follow.



Washington State Department of Commerce

7. Describe partnerships or subcontracts that the Grantee will use to complete the proposed scope of work of the program.

Task 3: Expenditure Reporting

- 1. All Grantees are required to submit Project and Expenditure Reports
 - a. Grantees must provide COMMERCE quarterly reports with an official expenditure report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program and any backup invoice documentation requested from COMMERCE. The expenditure report/ledger must include:
 - i. Number of households and small businesses that were provided rebates and incentives to purchase or install high-efficiency electric equipment and appliances
 - ii. Site information for households and small businesses that received rebates and incentives:
 - 1. Address, city, and zip code
 - 2. Date rebate or incentive claimed or issued
 - 3. Household income or small business size verification
 - 4. Pre-rebate fuel type of the household or small business
 - 5. Technical specifications of the equipment and appliances purchased or installed through the program, including, but not limited to the equipment brand, certifications, efficiency (SEER/HSPF/EER/COP), and cost
 - 6. Amount of the rebate or incentive claimed or issued
 - 7. Applicable building and electrical permit numbers
- 2. Grantees must provide COMMERCE an official final/close out expenditure report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program.
- 3. Grantees shall also provide information for any subawards, contracts, transfers, and direct payments made using funding from the program.
- 4. COMMERCE will withhold 2% of the total reimbursable amount for each item listed in Attachment B: Budget until the Grantee provides the official report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program.

nvelope ID: 38AB851A-D104-4BEF-A64B-2507792CD2C7



Attachment B: Budget

Item	Description	Amount
1	Grant to administer a rebates and incentives program for higherficiency electric equipment and appliances	\$477,540.00
	Total Grant Amount	\$477,540.00

Washington State Department of Commerce



1. Program Description

Thurston County and the cities of Olympia, Lacey, and Tumwater are working together as the Thurston Climate Mitigation Collaborative ("TCMC") to plan a Residential Energy Efficiency and Electrification Campaign ("EEE Campaign") that will provide outreach and financial incentives to accelerate residential building decarbonization throughout the county. The EEE Campaign aims to support energy equity by prioritizing benefits to low- and moderate-income (LMI) single- and multi-family households. Within the framework of this broader program, Tumwater will utilize it's HEAR funding to provide rebates and incentives to LMI residents of Tumwater.

All proposed rebates and installations include the following HEAR-eligible appliances and services:

- Heat pump water heaters
- Heat pump space conditioning
- Induction kitchen equipment
- Heat pump clothes dryers
- Electrical service and panel upgrades, when necessary for the installation of the above equipment
- Electric wiring, when necessary for the installation of the above equipment.

The City of Tumwater will efficiently distribute the HEAR rebates/incentives by incorporating methods used by existing local programs. Specifically, Tumwater will build on and expand the City of Olympia's Energize Olympia program, which provides 100% cost coverage installations for eligible equipment for low- and moderate-income households (up to 120% area median income, AMI). Additionally, the City of Tumwater may design and offer rebates for residents earning 121-150% AMI for eligible equipment. Final incentive/subsidy amounts will be determined via stakeholder outreach during Phase I of the EEE Campaign development in summer 2024. During this phase we will also identify local campaign partners, finalize the campaign launch and implementation schedule, brand the campaign and develop a communications plan.

The goal of the program is to support comprehensive, equitable electrification services to City of Tumwater residents, with an anticipated outcome of supporting approximately 20-40 fully subsidized installations of eligible equipment with Commerce HEAR funding.

2. Jurisdiction Service Description

The EEE program in Tumwater will be focused on targeted financial incentives and customer support to galvanize consumer action and remove barriers to energy efficiency through the installation of home electrification equipment and appliances. According to US Census 2022 ACS 5-year estimates, the City of Tumwater has a total population of approximately 25,350 residents as of 2023 consisting of:

- 13.6% of persons aged 65 and older
- 2.6% of persons identifying as Black or African American alone
- 1.3% of persons identifying as American Indian and Alaska Native alone
- 5.4% of persons identifying as Asian alone
- 8.7% Hispanic or Latino
- 11.8% two or more races
- 8.2% persons in poverty
- A median household income of \$84,177 per year.



3. Program Funding

Tumwater's total projected funding for EEE Campaign incentives is fully encompassed within the HEAR award of \$477,540. Unlike other TCMC jurisdictions involved in the EEE Campaign, Tumwater's population size has limited the City's access to other federal funds to leverage and grow this program. However, Thurston County was able to secure an EECBG Fellow, which will provide some staff capacity to help TCMC communities develop, administer, and ensure sustainability of the EEE Campaign.

The anticipated budget for the City of Tumwater's HEAR funds is shown in Table 1 below.

	Table 1. Anticipated EEE Budget: HEAR Funds			
1	Residential Rebates and Incentives	\$405,909		
2	Administration, including outreach & education (15%)	\$71,631		
	Total	\$477,540		

4.a Populations Served & Prioritized

This residential program serves low- to moderate-income households, prioritizing the following populations:

- Low-income homeowners
- No working heat source, or oil/wood/propane/natural gas heating households
- No working air conditioner
- Seniors (one or more persons aged 65 or older)
- Large households (6 or more residents in house)
- Homeowners with disabilities
- Participants of Tumwater's Utility Lifeline program (seniors or low-income disabled households)

4.b Qualification and Verification

Residential Program

Tumwater's EEE campaign will serve both single-family and multifamily households, including rental households. For both single-family and multifamily rental households, the Program will require a signed landlord or building owner consent to participation in the program.

Single-family: All single-family households will be required to sign self-attestation of income. The Program will verify customer incomes through one of two methods:

- 1. Households will be asked to provide up-to-date registration information from another program with income requirements equal to or less than Program AMI requirements; examples are listed in Table 2.
- 2. Households send in income information (most recent Form 1040 tax form) allowing for independent income verification.

Multifamily: For participating multifamily buildings to be considered low-income, at least 50% of the multifamily units must have incomes less than 81% AMI, verified through one of the above two methods. Alternatively, income-qualified subsidized housing would also qualify.

Table 2. Income-Qualified Programs and Associated Verification Information				
Medical (Apple Health-Medicaid)	ProviderOne Number with Health Care Authority or			
	Washington Department of Social and Health Services			
	(DSHS)			
Basic Food/SNAP	Aces (Automated Client Eligibility System) ID number			
Cash Assistance (through DSHS)	Aces ID number			
Social Security Benefits	Copy of award letter to the federal program.			
Veterans	Copy of award letter to the federal program.			
Aged Blind Disabled (ABD)	ProviderOne Number with DSHS			
Supplemental Security Income (SSI)	ProviderOne Number with Health Care Authority			



City of Tumwater Utility Lifeline	Copy of Tumwater utility electricity bill showing Lifeline
City of Fulliwater Office Lifetime	Copy of Turriwater utility electricity bill showing Lifetine
Drogram (LIDD)	oprollmont
Program (UDP)	enrollment

5.a Outreach and Education Strategies

Tumwater's EEE campaign will educate residents of Tumwater through a series of educational workshops hosted by the TCMC, City of Tumwater, and/or installers. The workshops will provide information on the benefits of heat pump technology, induction cooking, home electrification, and an overview of the program pathways and the installation process, as well as information on the many available financial incentives including federal tax credits and local utility incentives from Puget Sound Energy. Handouts, slides, and any printed materials provided during the workshops or in the recruitment of workshop attendees will include the required language citing that the program is funded by the Climate Commitment Act.

In addition to the workshops, Tumwater will conduct outreach directly to Utility Lifeline Customers, targeted radio advertising, tabling at community events and spaces, sharing marketing materials and flyers throughout the City, and informational meetings with various community groups. These outreach methods will include verbal (in the case of radio advertising) and/or written acknowledgment of the Climate Commitment Act funding that makes the program possible.

5.b Partnerships

The City of Tumwater will partner with other TCMC jurisdictions to launch this regional program. That launch includes developing partnerships and installer agreements to ensure the success of the program.

- Local Government Partners: The EEE campaign will be implemented at a regional scale via an
 Interlocal Agreement (ILA) between Thurston County, City of Olympia, City of Lacey, and City of
 Tumwater at minimum. Additional jurisdictions may opt-in to join the campaign. The ILA will specify
 the roles and responsibilities of each partner including program management, management of thirdparty contracts, funding, and in-kind commitments.
- Campaign Partners: Partnerships will be finalized during Phase I of the EEE campaign development (summer 2024), and may include South Puget Sound Habitat for Humanity, Thurston County Public Health & Social Services, Community Action Council, and/or other community-based organizations. For example, in the Energize Olympia program, Habitat for Humanity has provided heat pump installations for LMI participants, site assessments, subcontract management, and collaboration on program outreach and recruitment.
- **TBD Installer:** A TBD installer(s) will provide information for educational workshops, conduct free site assessments, offer streamlined access to financial incentives and equipment rebates, and execute all installations for the program. Tumwater and partners will aim to negotiate a group purchase discount (e.g. 10%) to allow program dollars to fund more fully subsidized installations.
- Puget Sound Energy: Puget Sound Energy (PSE) is the local electric utility and natural gas utility
 for Tumwater. PSE provides a variety of incentives including home electrification assessments and
 energy efficiency rebates. The partner jurisdictions will coordinate with PSE on outreach/marketing
 and training of the TBD Installer(s) to ensure all applicable utility incentives are provided to
 participants as a time-of-sale discount.

6. Distribution Process

To receive a fully subsidized home electrification installation (which may include one or more appliances), participants must progress through the program via the following steps:

- 1. Sign up for and attend a program workshop.
- 2. Submit a program application and specify that the household is interested in receiving a subsidized installation.

nvelope ID: 38AB851A-D104-4BEF-A64B-2507792CD2C7

Item 6d.



- 3. Program staff will verify site eligibility and request income eligibility information.
- 4. Program staff will provide the participant with a status update and notify the installer that the participant is ready to schedule a site assessment.
- 5. Participants will schedule and receive HEAR-eligible installation(s) from the installer.
- 6. The Installer will submit the customer invoice from the installation to program staff verifying the HEAR-eligible equipment installed, and request reimbursement.

TO: City Council

FROM: Brandon Hicks, Transportation & Engineering Director

DATE: January 7, 2025

SUBJECT: Transportation Benefit District Briefing (TBD)

1) Recommended Action:

No recommended action. This is an informational briefing in anticipation of 2025 TBD renewal.

2) <u>Background</u>:

The Tumwater City Council created the Tumwater Transportation Benefit District (TBD), a quasi-municipal taxing jurisdiction, authorized by State law to fund street maintenance. Tumwater voters approved a sales tax increase of 0.2% (two-tenths of one percent) for a period of ten years to fund street maintenance projects in the City limits. Revenues collected from this additional sales tax levy are held in separate accounts and used only for authorized street maintenance projects. The City Council serves as the governing body of this taxing district.

The City continues to use the strategy of leveraging future TBD funds as local match when applying for federal and state grant funding. Each time we are successful, the planned pavement management program grows in size and allows other transportation items to be addressed including curb ramps, audible pedestrian systems, and traffic signal upgrades.

3)	PΩ	licv	Su	oaa	rt.
.) 1	ГΟ	IIC V	Ou	$\nu\nu\nu$	ıι.

C. Create and Maintain a Transportation System Safe for All Modes of Travel

4) Alternatives:

□ N/A

5) <u>Fiscal Notes</u>:

None

6) Attachments:

A. O2014-19/memo

ORDINANCE NO. O2014-019

AN ORDINANCE of the City Council of the City of Tumwater Washington, amending the Tumwater Municipal Code to enact a new Chapter 12.42 Transportation Benefit District, establishing a Transportation Benefit District, as more particularly described herein.

WHEREAS, the City Council of the City of Tumwater has the responsibility under the Constitution of the State of Washington for the construction, improvement, maintenance, protection and operation of public ways within the corporate limits of the City pursuant to RCW 35A.11.020 and Chapter 35A.47 RCW; and

WHEREAS, the construction, improvement, maintenance, protection and operation of public ways requires building sufficient capacity to adequately accommodate existing congestion and anticipated future congestion, and also requires maintaining and preserving existing transportation improvements to avoid both catastrophic failure of the improvements which would require significant additional funds to reconstruct, as well as their gradual deterioration; and

WHEREAS, the number one priority in the "Washington Transportation Plan for 2007-2026", adopted by the Washington Transportation Commission (State Transportation Plan) is to preserve and extend prior investments in existing transportation facilities and the services they provide to people and commerce; and

WHEREAS, the City has limited transportation funding to pay for necessary transportation projects that may alleviate congestion and preserve and maintain existing infrastructure; and

WHEREAS, the ongoing annual costs to combat congestion and to preserve and maintain the City's transportation infrastructure continue to rise, making it difficult for the City to sufficiently address these issues; and

WHEREAS, Chapter 36.73 RCW provides for the establishment of transportation benefit districts and for the levying of additional revenue sources for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels; and

WHEREAS, the state, regional and local transportation plans all emphasize the importance of maintaining level of service standards so as to reduce congestion Ordinance No. O2014-019
Page 1 of 5

and the need to preserve and maintain current infrastructure in order to maximize investment and avoid costly reconstruction; and

WHEREAS, RCW 35.21.225 authorizes the City Council to establish a Transportation Benefit District subject to the provisions of Chapter 36.73 RCW; and

WHEREAS, the City desires to form a Transportation Benefit District which includes the entire City of Tumwater as the boundaries currently exist or as they may exist in the future; and

WHEREAS, the City Council of the City of Tumwater finds it to be in the best interests of the City to establish a citywide Transportation Benefit District for the preservation and maintenance of the City's transportation infrastructure consistent with Chapter 36.73 RCW, to protect the City's long-term investments in that infrastructure, to reduce the risk of transportation facility failure, to improve safety, to continue optimal performance of the infrastructure over time, and to avoid more expensive infrastructure replacements in the future; and

WHEREAS, prior to establishing a Transportation Benefit District, the City Council is required to conduct a public hearing upon proper notice to describe the functions and purposes of the proposed Transportation Benefit District; and

WHEREAS, the City provided proper notice, conducted a public hearing on September 16, 2014 and took public comment regarding the proposed establishment of a Transportation Benefit District in accordance with RCW 36.73.050; and

WHEREAS, the City Council of the City of Tumwater shall establish a governing body for the Transportation Benefit District comprised of the City Council acting in an ex officio and independent capacity;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUMWATER, STATE OF WASHINGTON, DOES ORDAIN AS FOLLOWS:

<u>Section 1.</u> <u>Purpose</u>. The purpose of this ordinance is to establish the Tumwater Transportation Benefit District pursuant to RCW 35.21.225 and 36.73 RCW.

Section 2. Findings. The City Council finds it is in the public interest to provide adequate levels of funding to make transportation improvements that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels as provided in Chapter 36.73 RCW. Council further finds that it is in the public interest to provide

Ordinance No. O2014-019 Page 2 of 5 for transportation improvements that specifically focus on reducing the risk of transportation facility failure and improving safety, decreasing travel time, increasing daily and peak period trip capacity, improving modal connectivity, and preserving and maintaining optimal performance of transportation infrastructure over time so as to avoid more expensive infrastructure replacement in the future.

Section 3. Creation of New City Code Chapter Providing for Formation of a Transportation Benefit District. The City of Tumwater adopts a new chapter 12.42 to the Tumwater Municipal Code entitled "Tumwater Transportation Benefit District" which is set forth as follows:

Chapter 12.42 TUMWATER TRANSPORTATION BENEFIT DISTRICT

Sections:

12.42.010	Establishing Transportation Benefit District
12.42.020	Governing Board
12.42.030	Authority of the District
12.42.040	Use of Funds
12.42.050	Dissolution of District
12.42.060	Liberal Construction

12.42.010 Establishing Transportation Benefit District. There is created a Transportation Benefit District with geographical boundaries comprised of the corporate limits of the City as they currently exist or as they may exist in the future.

12.42.020 Governing Board.

- A. The governing board of the Transportation Benefit District shall be the Tumwater City Council acting in an ex officio and independent capacity, which shall have the authority to exercise the statutory powers set forth in Chapter 36.73 RCW.
- B. The treasurer of the Transportation Benefit District shall be the City Finance Director.
- C. The Board shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the plan, pursuant to the requirements set forth in RCW 36.73.160(1).
- D. The Board shall issue an annual report, pursuant to the requirements of RCW 36.73.160(2).

Ordinance No. O2014-019 Page 3 of 5

- 12.42.030 Authority of the District. The Board shall have and may exercise any powers provided by law to fulfill the purpose of the District.
- 12.42.040 Use of Funds. The funds generated by the Transportation Benefit District may be used for any purpose allowed by law including to operate the District and to make transportation improvements that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels pursuant to Chapter 36.73 RCW. The transportation improvements funded by the District shall be made in an effort to reduce the risk of transportation facility failure and improve safety, decrease travel time, increase daily and peak period trip capacity, improve modal connectivity, and preserve and maintain optimal performance of the infrastructure over time to avoid expensive infrastructure replacement in the future.
- 12.42.050 Dissolution of District. The Transportation Benefit District shall be dissolved when all indebtedness of the district has been retired and when all of the District's anticipated responsibilities have been satisfied.
- **12.42.060 Liberal Construction.** This chapter is to be liberally construed to accomplish the purpose of establishing a Transportation Benefit District.
- <u>Section 4.</u> <u>Severability</u>. The provisions of this ordinance are declared separate and severable. If any provision of this ordinance or its application to any person or circumstances is held invalid, the remainder of this ordinance or application of the provision to other persons or circumstances shall be unaffected.
- <u>Section 5.</u> <u>Corrections.</u> The City Clerk and codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.
- <u>Section 6</u>. <u>Ratification</u>. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.
- <u>Section 7</u>. <u>Effective Date</u>. This ordinance, being the exercise of power specifically delegated to the City's legislative body, is not subject to referendum and shall take effect five (5) days after publication as provided by law.

ADOPTED this 16th day of September, 2014.

CITY OF TUMWATER

Pete Kmet, Mayor

ATTEST:

Prene M. Kolster -Melody Valiant, City Clerk Frene M. Koester, Acting City Clerk

APPROVED AS TO FORM:

Published: <u>September 19,2014</u>
Effective Date: <u>September 24,2014</u>