



CITY OF
TUMWATER

**PUBLIC WORKS COMMITTEE
MEETING AGENDA**

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

**Thursday, June 05, 2025
8:00 AM**

1. Call to Order
2. Roll Call
- [3.](#) Approval of Minutes: Public Works Committee, May 8, 2025
- [4.](#) Ordinance No. O2025-002 Renewing Puget Sound Energy Franchise Agreement (Transportation & Engineering Department)
- [5.](#) Supplemental Agreement No. 2 with Tierra ROW for X Street Roundabout project (Transportation and Engineering Department)
- [6.](#) Real Estate Contract with LOTT for Purchase of Deschutes Valley Properties (Water Resources & Sustainability Department)
7. Additional Items
8. Adjourn

Meeting Information

All committee members will be attending remotely. The public are welcome to attend in person, by telephone or online via Zoom.

Watch Online

<https://us02web.zoom.us/j/89719724199?pwd=S8w1nH4ewXD04b4DgAV9KV1aiO1t0a.1>

Listen by Telephone

Call (253) 215-8782, listen for the prompts and enter the Webinar ID 897 1972 4199 and Passcode 503889.

Public Comment

The public may submit comments by sending an email to council@ci.tumwater.wa.us, no later than 5:00 p.m. the day before the meeting. Comments are submitted directly to the Committee members 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.

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
MAY 8, 2025 Page 1**

CONVENE: 8:00 a.m.

PRESENT: Chair Eileen Swarthout and Councilmembers Michael Althausen and Angela Jefferson.

Staff: City Administrator Lisa Parks, City Attorney Karen Kirkpatrick, Assistant City Administrator Kelly Adams, Finance Department Director Troy Niemeyer, Fire Chief Brian Hurley, Acting Police Chief Jay Mason Transportation and Engineering Department Director Brandon Hicks, Water Resources & Sustainability Department Director Dan Smith, IT Department Director Lance Inman, Community Development Department Director Michael Matlock, Community Development Department Deputy Director Brad Medrud, GIS Manager Jennifer Radcliff, WRS Program Manager Patrick Soderberg, Communications Manager Jason Wettstein, Water Resources Specialist David Kangiser, Community Engagement Specialist Marnie McGrath, and City Clerk Melody Valiant.

**APPROVAL OF
MINUTES: PUBLIC
WORKS
COMMITTEE APRIL
3, 2025 & APRIL 17,
2025:**

MOTION: Councilmember Jefferson moved, seconded by Councilmember Althausen, to approve the April 3, 2025 and April 17, 2025 minutes as presented. A voice vote approved the motion.

**SMALL
GOVERNMENT
ENTERPRISE
AGREEMENT
RENEWAL WITH
ESRI:**

Manager Radcliff presented the proposal to renew the Small Government Enterprise Agreement with Esri. The Esri Small Municipal and County Government Enterprise Agreement (SGEA) is a three-year agreement that grants the City access to Esri term license software. The City has previously contracted with Esri. The agreement is structured on the population of the City. This year, the City's growth exceeded 25,000 people automatically advancing the agreement to the next tier. The cost is now \$42,200 per year. However, following negotiations with Esri staff was able to secure an agreement with the first year cost of \$32,200 followed by \$37,200 in the second year, and \$42,200 in the third year.

The agreement covers the City's GIS software licenses. Participating with other company agreements would be at a much higher cost to

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
MAY 8, 2025 Page 2**

the City. GIS is an acronym for Geographic Information System for mapping and analysis with spatial data. The Staff can create applications for the website, such as the “Follow the Snow Plow” application and various story maps and dashboards. The City has internal and external applications as well as desktop software the GIS team utilizes to produce maps and graphics for reports as well as creating and maintaining all data for the applications. The City also provides mobile apps to enable operations staff to inspect City assets.

Councilmember Jefferson asked whether the selection of the company was through a competitive process. Manager Radcliff responded that Esri is a leader in the industry and is a sole source vendor unless the City pursues open source, which is a much more difficult application. Esri could be considered the gold standard for the industry.

Manager Radcliff reviewed the recommended action to place the Small Government Enterprise Agreement Renewal with Esri on the May 20, 2025, City Council consent calendar with a recommendation to approve and authorize the Mayor to sign.

Chair Swarthout asked whether staff tracks visitors to the different apps. Manager Radcliff said she unaware of any tracking by the City other than Communications staff has indicated the snow plow app is very popular.

MOTION:

Councilmember Althaus moved, seconded by Councilmember Jefferson, to place the Small Government Enterprise Agreement Renewal with Esri on the May 20, 2025, City Council Consent Calendar with a recommendation to approve and authorize the Mayor to sign. Motion carried unanimously.

**ANNUAL BARNES
LAKE
MANAGEMENT
DISTRICT (BLMD)
WORK PLAN AND
BUDGET REVIEW:**

Specialist Kangiser presented the Annual Barnes Lake Management District (BLMD) Work Plan and Budget.

The 2025 Work Plan is under implementation with many activities in progress since the beginning of the year. Tasks completed or underway from January through April include the addition of two new committee members and the release of the 2025 newsletter by mail and Constant Contact outlining activities of the BLMD. Water quality monitoring will commence in May through October. This year, several new tools are available. One tool is the YSI multimeter measuring device for measuring dissolved oxygen, temperature, and other water quality parameters. Another tool is a HOB0 data logger

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
MAY 8, 2025 Page 3**

installed in the lake to track water level and temperature. Rainfall events are recorded each day to determine how it correlates to water level rise. A flexible leveler installed in the lake measures the height of the leveler used for beaver management to track the management of water levels during heavy rain events.

During June and July, vegetation management will be completed by a new contractor, Aquatechnex. The contractor will apply an application of fluoridone (applied every 3 to 5 years) to control invasive bladderwort. In between fluoridone treatments, the contractor will apply treatments of imazamox and diquat to control the growth of fragrant water lilies. During summer through fall, other efforts will focus on improving the boat launch. The BLMD is engaged in the permitting process to improve the boat launch to accommodate wider boats for lake treatments. The BLMD is also updating the Integrated Aquatic Vegetation Management Plan developed 10 years ago. The plan guides the BLMD in decision-making processes to manage lake vegetation.

A lake walkabout, scheduled on September 10, 2025, will provide steering committee members with different views of the lake. The walk is an educational opportunity for BLMD members to view the lake as a whole.

The BLMD is contending with two budget options in 2025. Option A funds the normal routine treatments of Imazamox and diquat costing approximately of \$14,000. Option B includes the fluoridone treatment, which is a much more expensive chemical but more targeted and used every three to five years. The committee selected Option B, which is undergoing the approval process.

Specialist Kangiser invited members to participate in the September walkabout. Chair Swarthout recommended scheduling a field trip of the committee as a component of the lake walkabout.

Chair Swarthout inquired about the increase in data availability through the new contractor. Specialist Kangiser said the contractor is a nationwide company, which provides more advantages as the company works with numerous jurisdictions along the West Coast.

In response to questions about the rarity of lake management districts, Specialist Kangiser reported that Thurston County has several lake management districts; however, the BLMD is one of the smallest and active lake management districts in the region.

**TUMWATER PUBLIC WORKS COMMITTEE
MINUTES OF VIRTUAL MEETING
MAY 8, 2025 Page 4**

Manager Soderberg added that although he did not directly manage any Thurston County lakes, he was involved in the county's Integrated Pest Management Program. Thurston County manages Long Lake and Lake Lawrence management districts. Black Lake is an independent special use district that enables self-management. The county may be in the process of adding Hicks Land and possibly Lake Patterson as other managed lake districts.

ADJOURNMENT: **With there being no further business, Chair Swarthout adjourned the meeting at 8:20 a.m.**

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

TO: Public Works Committee
FROM: Jennifer Radcliff, GIS Program Manager
DATE: June 5, 2025
SUBJECT: Ordinance No. O2025-002 Renewing Puget Sound Energy Franchise Agreement

1) Recommended Action:

Place Ordinance No. O2025-002 Renewing Puget Sound Energy (PSE) Franchise Agreement on the July 1, 2025, City Council consideration calendar for first reading.

2) Background:

On September 15, 2015, City Council adopted Ordinance No. O2015-006 and entered into a franchise agreement with Puget Sound Energy (PSE) which is effective for ten years, with the option to renew for two five-year terms upon written request. Ordinance No. O2015-006 replaced separate franchise agreements that the City previously held with PSE's predecessors Puget Sound Power & Light Company and Washington Natural Gas for the provision of electrical and natural gas services within the City. PSE has made a written request to renew and extend the agreement for five years.

3) Policy Support:

Be a leader in environmental health and sustainability; Provide and sustain quality public safety services; and Refine and sustain a great organization.

4) Alternatives:

- ☐ Do not authorize the franchise renewal.
 - ☐ Modify the franchise renewal.
-

5) Fiscal Notes:

N/A – there are no fiscal impacts as a direct result of this franchise renewal and extension.

6) Attachments:

A. Ordinance No. O2025-002

ORDINANCE NO. O2025-002

AN ORDINANCE of the City Council of the City of Tumwater, Washington, granting to Puget Sound Energy, Inc., a Washington corporation, its successors and assigns, a franchise renewal to set, erect, lay, construct, extend, support, attach, connect, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across, and through the Franchise Area to provide for the transmission, distribution and sale of gas and energy for power, heat and light, and any other purposes for which gas and energy may be used and amending Ordinance No. 02015-006.

WHEREAS, The City of Tumwater adopted Ordinance 02015-006 on September 15, 2015 granting Puget Sound Energy, Inc., its successors and assigns ("Puget Sound Energy"), a franchise to set, erect, lay, construct, extend, support, attach, connect, maintain, repair, replace, enlarge, operate and use Facilities, in, upon, over, under, along, across and through the Franchise Area to provide for the transmission, distribution and sale of gas and energy for power, heat and light, and any other purposes for which gas and energy may be used; and

WHEREAS, the term of the original franchise agreement was for a period of ten (10) years, expiring on September 14, 2025; and

WHEREAS, The City of Tumwater, at the sole discretion of the City Council, may extend the Franchise for two additional five (5) year terms upon the written request of Puget Sound Energy not more than one (1) year nor less than one hundred eighty (180) days prior to the expiration of the current term; and

WHEREAS, Puget Sound Energy has made a timely written request in accordance with Ordinance No. 02015-006 to renew and extend their franchise for an additional five (5) year term; and

WHEREAS, the City has reviewed Puget Sound Energy's performance and quality of service under the current franchise agreement, has identified the future gas and energy-related needs and interests of the City and its residents, has considered the financial, technical and legal qualifications of Puget Sound Energy, and has determined that Puget Sound Energy's plans for operating and maintaining its gas and energy system are adequate; and

WHEREAS, the City is authorized by RCW 35A.47.040 to permit and regulate under such restrictions and conditions as it may set by charter or ordinance and to grant nonexclusive franchises for the use of public streets, bridges or other public ways, structures or places above or below the surface of the ground

for railroads and other routes and facilities for public conveyances, for poles, conduits, tunnels, towers and structures, pipes and wires and appurtenances thereof for transmission and distribution of electrical energy, signals and other methods of communication, for gas, steam and liquid fuels, for water, sewer and other private and publicly owned and operated facilities for public service; and

WHEREAS, the City has completed the requirements of RCW 35A.47.040 for adoption of this ordinance and it has been more than five days since this ordinance was first considered by the City Council on _____; and

WHEREAS, the City Council of the City of Tumwater finds it is in the best interests of, and supports the health, safety and welfare of, the residents of the City of Tumwater to renew and extend the franchise for an additional five (5) year term.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUMWATER, STATE OF WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Grant. The City Council of the City of Tumwater hereby grants to Puget Sound Energy, subject to all terms and conditions of O2015-006, the right, privilege, authority and franchise to set, erect, lay, construct, extend, support, attach, connect, maintain, repair, replace, enlarge, operate and use Facilities in, upon, over, under, along, across and through the Franchise Area to provide for the transmission, distribution and sale of gas and energy for power, heat, light and such other purposes for which gas and energy may be used for an additional five year extension term, expiring at midnight on September 14, 2030. All other terms and conditions of Ordinance No. O2015-006 not modified by this ordinance shall remain in full force and effect.

Section 2. Ratification. Any act consistent with the authority and prior to the effective date of this ordinance is hereby ratified and affirmed.

Section 3. Severability. The provisions of this ordinance are declared separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of the ordinance, or the validity of its application to other persons or circumstances.

Section 4. Effective Date. This ordinance shall become effective thirty (30) days after passage, approval and publication as provided by law. Provided, however, in order to claim the benefits of this ordinance and acquire the rights, privileges, and authorities hereby granted, Puget Sound Energy must, within thirty (30) days of the effective date of this ordinance, file in the office of the City Clerk its written acceptance of this franchise. The failure of Puget Sound Energy to file such an

acceptance shall be deemed a rejection by Puget Sound Energy and this ordinance shall be null and void.

ADOPTED this _____ day of _____, 2025.

CITY OF TUMWATER

Debbie Sullivan, Mayor

ATTEST:

Melody Valiant, City Clerk

APPROVED AS TO FORM:

Karen Kirkpatrick, City Attorney

Published:_____

Effective Date:_____

HONORABLE MAYOR AND CITY COUNCIL
CITY OF TUMWATER, WASHINGTON

In the matter of the application of)
 Puget Sound Energy, Inc., a) Franchise Ordinance No. O2025-002
 Washington corporation, for a)
 franchise to construct, operate, and)
 maintain facilities in, upon, over,)
 under, along, across, and through the) ACCEPTANCE
 franchise area of the City of)
Tumwater, Washington.)

WHEREAS, the City Council of the City of Tumwater, Washington, has granted a Franchise renewal to Puget Sound Energy, Inc., a Washington corporation, its successors and assigns, by enacting an Ordinance No. O2025-002, bearing the date of _____, 2025; and

WHEREAS, a copy of said Ordinance granting said Franchise renewal was received by Puget Sound Energy, Inc. on _____, 2025, from said City of Tumwater, Thurston County, Washington.

NOW, THEREFORE, Puget Sound Energy, Inc., a Washington corporation, for itself, its successors and assigns, hereby accepts said Ordinance and all the terms and conditions thereof, and files this, its written acceptance, with the City of Tumwater, Thurston County, Washington.

IN TESTIMONY WHEREOF, said Puget Sound Energy, Inc. has caused this written Acceptance to be executed in its name by its undersigned
 _____ (print name) thereunto duly authorized on this
 _____ day of _____, 2025.

ATTEST (notary):

PUGET SOUND ENERGY, INC.

By: _____

Copy received for City of Tumwater
 On _____, 2025.

By: _____
 City Clerk

TO: Public Works Committee
FROM: Joseph Norman, Senior Engineer
DATE: June 5, 2025
SUBJECT: Supplemental Agreement No. 2 with Tierra ROW for X Street Roundabout project

1) Recommended Action:

Place the Supplemental Agreement No. 2 with Tierra Right of Way Services for the X Street Roundabout project on the June 17, 2025 City Council consent calendar with a recommendation to approve and authorize the Mayor to sign.

2) Background:

Tierra Right of Way Services, LTD (Tierra) has been providing right-of-way (ROW) procurement services for the X Street Roundabout project. The original scope assumed a certain amount of involvement by the city in the ROW procurement process. Due to the increased management workload resulting from staffing changes, Tierra is taking on a more active role in the project than previously assumed. This supplemental agreement reflects the shift in effort and updates Tierra's billing rates.

This supplement will increase the original contract maximum amount payable from \$150,000 to \$184,220, an increase of \$34,220.

3) Policy Support:

Create and Maintain a Transportation System Safe for All Modes of Travel – Provide a safe, efficient, and cost-effective transportation system.

4) Alternatives:

☐ Do not sign the supplemental agreement

5) Fiscal Notes:

This supplement will increase the original contract maximum amount payable from \$150,000 to \$184,220, an increase of \$34,220.

Additional funds are covered under the current Local Agency Agreement. The city agreement has \$200,000 for Consultant Services as they relate to right-of-way services. These funds are part of the STBG funds awarded to this project in July, 2020.

6) Attachments:

A. Tierra ROW Supplemental Agreement No. 2



Supplemental Agreement Number <u>02</u>		Organization and Address Tierra Right of Way Services, Ltd 1575 East River Road, Suite 201 Tuscon, AZ 85718	
Original Agreement Number N/A		Phone: 360.870.0190	
Project Number 5235018	Execution Date	Completion Date December 31, 2027	
Project Title X Street Roundabout	New Maximum Amount Payable \$184,220		
Description of Work (No Change) Right-of-way services consisting of all items indicated as "Contract with a qualified consultant" on the City's approved "Right of Way Procedures" attached to the Request for Proposals (RFP) including, but not limited to, negotiating with property owners to acquire property rights, appraisal and appraisal review services in conformance with federal, state, and agency standards, relocation services, project certification services and other work as detailed in the RFP.			

The Local Agency of The City of Tumwater

desires to supplement the agreement entered in to with Tierra Right of Way Services, Ltd

and executed on February 27, 2023 and identified as Agreement No. N/A

All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby changed to read:

There shall be no changes to the scope of work. Term extension, rates change, and additional time for all Work as described in the scope of work.

II

Section IV, TIME FOR BEGINNING AND COMPLETION, is amended to change the number of calendar days for completion of the work to read: December 31, 2027

III

Section V, PAYMENT, shall be amended as follows:

Rates for services have been updated from 2023 rates to 2025 rates. Additional estimated hours accounts for expectation of Tierra Right of Way Services, LTD. performing more work for each property than previously estimated.

as set forth in the attached Exhibit A, and by this reference made a part of this supplement.

If you concur with this supplement and agree to the changes as stated above, please sign in the Appropriate spaces below and return to this office for final action.

By: _____ By: _____

Consultant Signature

Approving Authority Signature

Date

CONSULTANT FEE DETERMINATION - SUMMARY OF PROJECT COSTS					
Tierra Right of Way Services, Ltd.					
Supplement #2 City of Tumwater, X Street Roundabout					
Labor Classification	Direct Billing Rate	Estimated Hours		Total	Total Amount
<i>7 Negotiations/1 Business Relocation</i>					
Vice President	\$ 245.00	55		\$ 13,475.00	
Project Manager	\$ 175.00	150		\$ 26,250.00	
Senior Right of Way Agent	\$ 145.00	250		\$ 36,250.00	
Right of Way Agent	\$ 125.00	350		\$ 43,750.00	
Right of Way Technician	\$ 100.00	100		\$ 10,000.00	
Project Coordinator	\$ 105.00	125		\$ 13,125.00	
		1030			\$ 142,850.00
Direct Reimbursables					
<i>7 Appraisals/7 Reviews</i>					
Travel (Mileage): Miles	\$ 0.700	400		\$ 280.00	
Postage Total	\$ 10.00	14		\$ 140.00	
R.F. Duncan & Associates	7			\$ 31,500.00	
Lingeman Valuation & Consulting	7			\$ 9,450.00	
			Direct Reimbursables Subtotal:		\$ 41,370.00
			Total Amount Payable		\$ 184,220.00

TO: City Council
 FROM: Dan Smith, Director of Water Resources & Sustainability Department
 DATE: June 5, 2025
 SUBJECT: Real Estate Contract with LOTT for Purchase of Deschutes Valley Properties

1) Recommended Action:

Place the Real Estate Contract with the LOTT Clean Water Alliance (LOTT) for the purchase of Deschutes Valley Properties on the June 17, 2025 City Council consent calendar with a recommendation to approve and authorize the Mayor to sign.

2) Background:

In November 2023, the Council approved a Memorandum of Understanding that initiated a process to evaluate three parcels for purchase in the Deschutes Valley declared surplus by LOTT. A feasibility analysis completed for the City by SCJ Alliance documented a variety of public uses the properties could serve, and in 2024, the City agreed to develop a real estate contract to acquire the parcels. Staff will review the structure of the agreement, outline the process to determine a fair purchase price, and review special considerations supporting LOTT and the City.

3) Policy Support:

1. Be a Leader in Environmental Health and Sustainability
 - a. Improve overall habitat and water quality by assessing fish passages, removing obstructions, converting urban-density septic systems, and collaborating with area Tribes.
 2. Create and Maintain a Transportation System Safe for All Modes of Travel
 - a. Implement transportation components of the Brewery District Plan.
 3. Pursue and Support Targeted Community and Economic Development Opportunities
 - a. Support the Tumwater Craft movement.
 - b. Use strategically targeted public investments to leverage private and other sources of investment.
-

4) Alternatives:

- ☐ Refine or propose alternative considerations for negotiation with LOTT.
-

5) Fiscal Notes:

The purchase of the three parcels will be funded by the Stormwater Fund, in support of habitat restoration along the riparian corridor of the Deschutes River, and the General Fund, in support of critical parking for City and Craft District events, and the eventual connection of E Street to Cleveland Avenue. The contract allows the City to make installment payments to LOTT over six years with nominal interest and LOTT has set aside funds to aid in any unforeseen mitigation that may become necessary as the City prepares the site for public use.

6) Attachments:

- A. Real Estate Contract with LOTT for purchase of Deschutes Valley Properties

When recorded return to:
 City of Tumwater
 555 Israel Road SW
 Tumwater, WA 98501

REAL ESTATE CONTRACT

PART I. Specific Terms

A. PARTIES, PROPERTY, AND PURCHASE PRICE

Date:	<u>July 1, 2025</u>
Seller:	<u>LOTT Clean Water Alliance</u>
Seller's Address:	<u>500 Adams Street SE</u> <u>Olympia, WA 98501</u>
Purchaser:	<u>City of Tumwater</u>
Purchaser's Address:	<u>555 Israel Road SW</u> <u>Tumwater, WA 98501</u>
Real Property Legal Description:	<u>As defined by Exhibit A.</u>
Abbreviated Legal Description(s):	<u>0947003000: Section 26/35 Township 18 Range 2W Quarter S2 SW/N2 NW Donation Land Claim HAYS, S #60 DLC BLA057481TW TR PTN B Document 3721999 LESS PTN PER COURT CAUSE 06-2- 00310-9 BEG MOST SLY &</u> <u>09470021000: S HAYS DC COM AT PT W OF SW COR WALKER DC W OF W B DY HW</u> <u>09470045000: Section 26 / 35 Township 18 / 18 Range 2W / 2W Quarter SW / NW BLA110945TW TR B Document 4242138</u>
Tax Parcel Number(s):	<u>0947003000, 09470021000, 09470045000</u>
Personal Property:	<u>None.</u>
Form of Deed:	<u>Statutory Warranty Deed</u>
Title Exceptions (include leases):	<u>None.</u>
TOTAL PURCHASE PRICE:	<u>\$3,192,670.00</u>

B. TERMS OF DEFERRED AMOUNT TO BE PAID TO SELLER

Interest Rate:	3%
Interest Beginning Date:	July 1, 2025
Installment Periods:	Annual
First Installment Date:	July 1, 2025
Installment Amounts:	\$548,075.02
Final Payment Date:	6/31/2030
Default Rate:	None.
Late Charge:	None.
Prepayment Provisions:	Purchaser may prepay with no penalty.
Address to Which Installment Amounts are to be Sent:	LOTT Clean Water Alliance 500 Adams Street SE Olympia, WA 98501

C. TERMS OF PRIOR ENCUMBERANCES.

No prior encumbrance exists for the properties under this agreement.

PART II. GENERAL TERMS

- A. **AGREEMENT OF SALE.** The Seller agrees to sell and the Purchaser agrees to purchase all that certain Real Property and Personal Property described in this contract and all of the Seller's improvements, fixtures, timber, and crops currently and hereafter located thereon (herein collectively the "Property"), subject to the Title Exceptions listed in the Specific Terms hereof so listed which are not required to be discharged by the Seller prior to or at the time of the delivery of the Statutory Warranty Deed to the Purchaser, and to any rights, titles, estates, leases, encumbrances, and other interests suffered or created by the Purchaser, all for the considerations and subject to the terms, covenants, and conditions herein contained.
- B. **PURCHASE PRICE.** The Purchaser agrees to pay the Purchase Price to the order of the Seller in the manner set forth in the Specific Terms. The deferred portion of the Purchase Price which the Purchaser is to pay to the Seller shall be paid in Installment Amounts, commencing on the First Installment Date and continuing on the same day of each Installment Period thereafter until the Final Payment Date, at which time all outstanding principal and unpaid interest, shall be due. Each payment of the Installment Amounts shall be first applied against the interest, and secondly against the principal then due to the Seller. Interest shall commence on the date set forth in Specific Terms under Paragraph I(B) and continue to accrue until the Seller receives the full Purchase Price. At any time during the term of this contract, the Seller or the Purchaser shall

have the right to require that all subsequent payments of Installment Amounts be made through an escrow or collection account, the costs of which shall be borne by the requesting party unless otherwise agreed. Table 1, below, defines the payment schedule for the property.

Table 1: PAYMENT SCHEDULE FOR DECHUTES VALLEY PROPERTY PURCHASE

PAYMENT DATE	PRINCIPAL	INTEREST (3%)	TOTAL AMT DUE
AT CLOSING	\$532,111.67	\$15,963.35	\$548,075.02
6/1/2026	\$532,111.67	\$15,963.35	\$548,075.02
6/1/2027	\$532,111.67	\$15,963.35	\$548,075.02
6/1/2028	\$532,111.67	\$15,963.35	\$548,075.02
6/1/2029	\$532,111.67	\$15,963.35	\$548,075.02
6/1/2030	\$532,111.67	\$15,963.35	\$548,075.02
TOTAL	\$3,192,670.00	\$95,780.10	\$3,288,450.10

- C. PREPAYMENTS. If Prepayment is permitted, the Purchaser may prepay the entire amount remaining at any time, so long as any interest accrued to the date of prepayment is included.
- D. RETENTION OF TITLE AND SECURITY. Except as otherwise provided herein, the Seller's title to the Property shall remain in the Seller until the Purchaser receives delivery of the Statutory Warranty Deed.
- E. FUTURE EASEMENT(S). Purchaser agrees to provide Seller an easement, or easements, across the Property as necessary for the Seller to continue providing services to the City of Tumwater.
 - a. The location of any easement(s) considered under this agreement shall be determined in consultation with City of Tumwater staff and defined by standard agreement processes.
 - b. Legal, permitting, engineering, and administrative costs for the easement(s) are the sole responsibility of the Seller; however, the Purchaser waives any fees for right-of-way acquisition across the Property under this agreement.
- F. POSSESSION. From and after the date of this contract, the Purchaser may enter upon and take possession of the Property and, irrespective of the assignments and security interests granted in this contract, enjoy the use, rents (to the extent permitted to be collected herein), issues, and profits thereof so long as such rights have not been affected by the exercise of any remedy of the Seller.
- G. TAXES AND ASSESSMENTS. In addition to the payments herein above provided for, the Purchaser shall pay all real and personal property taxes, all general and special assessments, and all other charges of whatsoever kind or nature levied or assessed by any lawful authority upon or against the Property or the use thereof to the extent the same or any installments thereof are attributable to the period following the date of this contract. The prorated portion of said taxes, assessments, and charges which are attributable to any period prior to the date of this contract, excluding taxes for such period assessed because of the reclassification of the use of the Property by the Purchaser or any successors of the Purchaser, shall be paid before delinquency by the Seller. Said periods shall be determined by reference to the year in which the taxes, assessments, and charges are required to be paid. Either party shall have the right to contest in good faith any

tax or assessment which may have been or is hereafter levied against the Property or any portion thereof so long as no portion of the Property is threatened with any tax forfeiture or sale as the result of such contest. So long as such contest is pursued in good faith, the nonpayment of the amounts in dispute shall not constitute a default under this contract or afford the Seller the right to require tax reserve payments.

- H. **INDEMNIFICATION.** The Purchaser shall and hereby covenants and agrees to indemnify and hold the Seller harmless for any losses, damages, costs, claims, and liabilities, including attorney's fees, caused by any negligent, reckless or intentional act of, or negligent or reckless failure to act by the Purchaser, or any of its agents, servants, employees, independent contractors, invitees, or licensees on, about, or with respect to the Property, and for any breach of this contract by the Purchaser or any of such persons, and this covenant of indemnification shall survive the delivery of the Seller's deed to the Purchaser. Damage to or destruction of the Property or any portion thereof shall not constitute a failure of consideration or provide a basis for the rescission of this contract, nor shall such circumstances relieve the Purchaser of its obligation to pay the remaining Installment Amounts when due.
- I. **UTILITIES.** The Purchaser shall pay for the cost of all electric, power, gas, sewer, water, telephone, cable television, refuse disposal service, and any and all other utilities furnished to or used or consumed in, on, or about the Property by the Purchaser or by any person following the date of this contract, and Purchaser shall contract for the same solely in its own name. Any such services used prior to the date hereof by any person other than the Purchaser shall be the responsibility of the Seller.
- J. **CONDITION OF PROPERTY.** Except as may be otherwise provided herein or in any written agreement between the parties hereto which is intended to survive the execution of this contract, the Purchaser hereby accepts the Property in the condition existing on the date of this contract and confirms that neither the Seller nor any agent or representative of the Seller has given or made any warranty or representation whatsoever concerning the physical condition thereof or the uses or purposes to which the same may now or hereafter be placed.
- K. **MITIGATION FUNDS.** Seller and Purchaser acknowledge the historical industrial uses of the Property and agree that some additional environmental remediation may be required at a future date, in excess of that considered part of the purchase. The Parties have conducted multiple assessments to identify areas of the Property that may require future environmental remediation.
 - a. **Environmental Mitigation Funds.** Seller agrees to set aside Three Hundred Thousand and no/100 Dollars (\$300,000.00) as a "Cleanup Fund" to reimburse the Purchaser for its costs incurred in efforts of general environmental remediation of the Property.
 - b. **Building Mitigation Funds.** Seller agrees to set aside Two Hundred Twenty-Five Thousand and no/100 Dollars (\$225,000) as a demolition contingency fund for the removal of the "Boiler House" in the event removal exceeds \$645,330.00.
 - c. **Reimbursement** will only be made for costs incurred on or before December 31, 2030. Requests for Reimbursement from these funds must be made by June 30, 2031, and include documentation evidencing the work performed and associated costs to be reimbursed, with sufficient detail to allow Seller to verify the accuracy of the information.
 - d. Purchaser shall inform the Seller prior to performing mitigation activities that the Purchaser will be seeking reimbursement, and shall make available upon Seller's request, all information related to the need and estimated project scope, cost, and

schedule.

- e. When work is agreed upon by the parties, the Purchaser shall complete the work, and Seller shall reimburse costs within 45 days of receiving the Request for Reimbursement from Purchaser.
- L. **RISK OF LOSS.** The Purchaser shall bear the risk of loss for the complete or partial destruction of the Property after the date of this contract. No loss, damage, or destruction of all or part of the Property shall constitute a failure of consideration or a basis for the rescission of this contract.
- M. **MAINTENANCE AND INSPECTION.** The Purchaser shall keep and maintain the Property in good repair and shall not commit or suffer to be committed any waste or other willful damage to or destruction of the Property or any portion thereof.
- N. **COMPLIANCE WITH LAWS AND RESTRICTIONS.** The Purchaser shall faithfully observe, perform, and comply with all laws, ordinances, rules, and regulations of every governmental authority affecting the Property and the use thereof and activities thereon.
- O. **PURCHASER'S DEFAULT.** The Purchaser shall be in default under this contract if it: (a) fails to observe or perform any term, covenant, or condition herein set forth; (b) fails or neglects to make any payment of principal or interest or any other amount required to be discharged by the Purchaser precisely when obligated to do so.
- P. **SELLER'S REMEDIES.** In the event the Purchaser defaults under this contract the Seller may, at its election, take the following courses of action:
 - a. **Suit for Delinquencies.** The Seller may institute suit for any Installment Amounts or other sums due and payable under this contract as of the date of the judgment and any sums which have been advanced by the Seller as of said date pursuant to the provisions of this contract, and any other damages incurred by the Seller which are caused by the Purchaser's failure to comply with any provision or agreement herein; together with interest on all of said amounts at the Default Rate from the date each such amount was advanced or due, as the case may be, to and including the date of collection;
 - b. **Specific Performance.** The Seller may institute suit to specifically enforce any of the Purchaser's covenants hereunder, and the same may include redress by mandatory or prohibitive injunction;
- Q. **PURCHASER'S REMEDIES.** In the event the Seller defaults under this contract and such default continues for 15 days after the Purchaser gives the Seller written notice specifying the nature thereof and the acts required to cure the same, the Purchaser shall have the right to specifically enforce this contract, institute suit for its damages caused by such default, or pursue any other remedy which may be available to the Purchaser at law or in equity.
- R. **WAIVERS.** No waiver of any rights of either party under this contract shall be effective unless specifically evidenced in a written agreement executed by the waiving party. Any forbearance, including, without limitation, a party's acceptance of any payment after the due date or any extension thereof, shall not be considered a waiver of such party's right to pursue any remedy hereunder for any other existing or subsequent defaults of the same or a different nature or for breach of any other term, covenant, or condition hereof.
- S. **COSTS AND ATTORNEYS' FEES.** In the event either party hereto institutes, defends, or is involved with any action to enforce the provisions of this contract, the prevailing party in such action shall be entitled to reimbursement by the losing party for its court costs and reasonable

attorneys' costs and fees.

- T. **NOTICES.** Subject to the requirements of any applicable statute, any notices required or permitted by law or under this contract shall be in writing and shall be personally delivered or sent by first class certified or registered mail, return receipt requested, with postage prepaid, to the parties' addresses set forth in the Specific Terms of this contract. Either party may change such address for notice and, if payments are not made to an escrow or collection account, the Seller may change the address for payments, by designating the same to the other party hereto in the manner herein above set forth and by causing a copy of such change to be properly recorded. All notices which are so addressed and paid for shall be deemed effective when personally delivered or, if mailed, on the date of the deposit thereof in the US mail and irrespective of actual receipt of such notice by the addressee.
- U. **TIME OF PERFORMANCE.** Time is specifically declared to be of the essence of this contract and of all acts required to be done and performed by the parties hereto, including, but not limited to, the proper tender of each of the sums required by the terms hereof to be paid.
- V. **PARAGRAPH HEADINGS.** The word or words appearing at the commencement of paragraphs and subparagraphs of this contract are included only as a guide to the contents thereof and are not to be considered as controlling, enlarging, or restricting the language or meaning of those paragraphs or subparagraphs.
- W. **GENDER AND NUMBER.** The use of any gender or neutral term shall include all genders, and the use of any number shall be construed as singular or plural, as the case may require. The terms "Purchaser" and "Seller" refer to either the singular or the plural.
- X. **DEFINITIONS.** As used herein the term "Property" means all of the estate, right, title, and interest currently held and hereafter acquired by the Seller in and to the Real Property and Personal Property described herein and the rights, easements, privileges, and appurtenances thereunto belonging or appertaining or held and enjoyed therewith, together with all timber and crops thereon and any repairs, improvements, replacements, and additions thereto whether made, erected, or constructed by the Seller or the Purchaser prior to or subsequent to the date hereof. All capitalized terms in this contract shall have the meanings ascribed herein or set forth opposite the same in the Specific Terms of this contract. References to the Statutory Warranty Deed or fulfillment deed herein shall include assignments of a vendee's interest under a prior real estate contract, provided, however, any form of conveyance shall contain the warranties to which the Purchaser is entitled under this contract or other agreement with the Seller.
- Y. **INVALIDITY.** In the event any portion of this contract should be held to be invalid by any court of competent jurisdiction, such holding shall not affect the remaining provisions hereof unless the court's ruling includes a determination that the principal purpose and intent of this contract are thereby defeated. The intention of the Seller is to charge the Purchaser a lawful rate of interest, and in the event it is determined by any court of competent jurisdiction that any rate herein provided for exceeds the maximum permitted by law for a transaction of the character evidenced by these presents, the amounts so determined to be above the legal rate shall be applied against the last installments of principal due hereunder or, if such principal has been paid, or otherwise at the discretion of the then holder of this contract, said excess shall be refunded to the Purchaser on demand without interest, and the interest rates specified hereunder shall be reduced to the maximum rate then permitted by law for the type of transaction to which this contract pertains.
- Z. **LEGAL RELATIONSHIPS.** The parties to this contract execute the same solely as a seller and

a purchaser. No partnership, joint venture, or joint undertaking shall be construed from these presents, and, except as herein specifically provided, neither party shall have the right to make any representation for, act on behalf of, or be liable for the debts of the other. All terms, covenants, and conditions to be observed and performed by either of the parties hereto shall be joint and several if entered into by more than one person on behalf of such party, and a default by any one or more of such persons shall be deemed a default on the part of the party with whom said person or persons are identified. No third party is intended to benefit by this contract.

AA. APPLICABLE LAW. This contract shall be governed and interpreted in accordance with the laws of the State of Washington and the venue of any action brought to interpret or enforce any provision of this contract shall be laid in the county in which the Real Property is situated. All sums herein referred to shall be calculated by and payable in the lawful currency of the United States.

BB. ENTIRE AGREEMENT. This contract contains the entire agreement of the parties hereto and, except for any agreements or warranties otherwise stated in writing to survive the execution and delivery of this contract, supersedes all their previous understandings and agreements, written and oral, with respect to this transaction. Neither the Seller nor the Purchaser shall be liable to the other for any representations made by any person concerning the Property or regarding the terms of this contract, except to the extent that the same are expressed in this instrument. This contract may be amended only by written instrument executed by the Seller and the Purchaser after the date hereof.

THE SELLER AND THE PURCHASER HEREBY AGREE TO THE TERMS HEREIN ABOVE SET FORTH AND THE COVENANTS AND CONDITIONS CONTAINED IN THE GENERAL TERMS, ALL OF WHICH ARE INCORPORATED BY THIS REFERENCE. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE SPECIFIC TERMS (INCLUDING ANY EXHIBITS ATTACHED) AND THE GENERAL TERMS, THE FORMER SHALL CONTROL.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Seller and the Purchaser have executed this agreement as of the date first above stated.

SELLER

PURCHASER

Matthew J. Kennelly, Executive Director
LOTT Clean Water Alliance

Debbie Sullivan, Mayor
City of Tumwater

SELLER NOTARY

State of _____

County of _____

I certify that I know or have satisfactory evidence that _____ 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 _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Signature)
Notary Public in and for the State of _____
My appointment expires: _____

PURCHASER NOTARY

State of _____

County of _____

I certify that I know or have satisfactory evidence that _____ 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 _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Signature)
Notary Public in and for the State of _____
My appointment expires: _____

EXHIBIT A LEGAL DESCRIPTION

NEW BOUNDARY LINE ADJUSTMENT PARCEL
(EAST SIDE OF RAILROAD)

PARCEL 2 OF SHORT SUBDIVISION NUMBER SS-7126, AS RECORDED AUGUST 23, 1984, UNDER RECORDING NUMBER 8408230087;

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF TUMWATER FOR ROAD PURPOSES BY DEED RECORDED UNDER RECORDING NUMBERS 9401130204 AND 3225387;

ALSO EXCEPTING THEREFROM THAT PORTION. CONDEMNED BY THE CITY OF OLYMPIA, CITY OF LACEY AND THE CITY OF TUMWATER BY JUDGMENT AND DECREE OF APPROPRIATION ENTERED DECEMBER 19, 2008 IN THURSTON COUNTY SUPERIOR COURT CAUSE NO. 06-2-00310-9;

ALSO EXCEPTING THEREFROM THAT PORTION OF SAID PARCEL 2 DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL 2 ON THE EASTERLY RIGHT-OF-WAY MARGIN OF THE UNION PACIFIC RAILROAD; THENCE SOUTH 88°22'19" EAST, ALONG THE NORTHERLY LINE OF SAID PARCEL, 481.30 FEET TO AN ANGLE POINT IN SAID NORTHERLY LINE; THENCE LEAVING SAID NORTHERLY LINE SOUTH 22°08'29" WEST 848.57 FEET TO THE EASTERLY RIGHT-OF-WAY MARGIN OF THE UNION PACIFIC RAILROAD; THENCE NORTH 14°43'38" WEST, ALONG SAID EASTERLY MARGIN, 104.77 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE RIGHT HAVING A RADIUS. OF 7070.00 FEET; THENCE NORTHERLY ALONG THE ARC OF THE CURVE AND SAID EASTERLY MARGIN 108.38 FEET THROUGH A CENTRAL ANGLE OF 00°52'42" THENCE NORTH 76°09'04" EAST, ALONG SAID EASTERLY MARGIN, 20.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE EAST FROM WHENCE THE CENTER POINT BEARS NORTH 76°09'04" EAST 7050.00 FEET DISTANT; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE AND SAID EASTERLY MARGIN 256.69 FEET THROUGH A CENTRAL ANGLE OF 02°05'10"; THENCE NORTH 11°45'46" WEST, ALONG SAID EASTERLY MARGIN, 345.50 FEET TO THE POINT OF BEGINNING AND THE END OF THIS DESCRIPTION,

TOGETHER WITH THAT PORTION OF S. HAYS DONATION LAND CLAIM NO. 60, SECTION 35, TOWNSHIP 18 NORTH, RANGE 2 WEST, W.M., DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 720 FEET WEST OF THE POINT ON THE WEST LINE OF THE RIGHT-OF-WAY OF SECONDARY STATE HIGHWAY NUMBER 5-1 (NOW CLEVELAND AVENUE), SAID POINT BEING DUE WEST FROM THE SOUTHWEST CORNER OF THE ft M. WALKER DONATION LAND CLAIM NUMBER 3, SAID TOWNSHIP AND RANGE; THENCE WEST 497.66 FEET, MORE OR LESS, TO A CONCRETE MONUMENT SET ON THE EAST LINE OF THE RIGHT-OF-WAY OF THE UNION PACIFIC RAILROAD (OREGON-WASHINGTON RAILROAD AND NAVIGATION COMPANY); THENCE NORTHERLY ALONG THE EAST LINE OF SAID RIGHT-OF-WAY 257.1 FEET, MORE OR LESS, TO A CONCRETE MONUMENT; THENCE EAST 541.9 FEET, MORE OR LESS, TO A POINT NORTH OF THE POINT OF BEGINNING; THENCE SOUTH 221.5 FEET, MORE OR LESS, TO THE POINT OF BEGINNING AND THE END OF THIS DESCRIPTION;

ALSO TOGETHER WITH THAT PORTION OF THE S. HAYS DONATION LAND CLAIM NO. 60, SECTION 26, TOWNSHIP 18 NORTH, RANGE 2 WEST OF THE WM.,
REAL ESTATE CONTRACT – DESCHUTES VALLEY PROPERTIES

WASHINGTON, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL 2 OF SHORT SUBDIVISION NO. SS-7126 ON THE EASTERLY RIGHT-OF-WAY MARGIN OF THE UNION PACIFIC RAILROAD; THENCE SOUTH 88°22'19" EAST, ALONG THE NORTHERLY LINE OF SAID PARCEL, 481.30 FEET TO AN ANGLE POINT IN SAID LINE AND THE POINT OF BEGINNING; THENCE SOUTH 60°48'09" EAST, ALONG SAID NORTHERLY LINE, 492.18 FEET; THENCE NORTH 73°41'51" EAST, ALONG SAID NORTHERLY LINE 249.35 FEET TO THE WESTERLY RIGHT-OF-WAY MARGIN OF CLEVELAND AVENUE; THENCE NORTH 34°27'26" WEST, ALONG SAID WESTERLY MARGIN, 179.73 FEET; THENCE SOUTH 55°32'34" WEST, ALONG SAID WESTERLY MARGIN, 5.00 FEET; THENCE NORTH 34°27'26" WEST, ALONG SAID WESTERLY MARGIN, 642.65 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE EAST; THENCE LEAVING SAID WESTERLY MARGIN SOUTH 56°43'56" WEST 320.67 FEET; THENCE SOUTH 11°45'46" EAST 336.32 TO SAID NORTHERLY LINE OF PARCEL 2 AT THE POINT OF BEGINNING AND THE END OF THIS DESCRIPTION.

THURSTON COUNTY, WASHINGTON

EXISTING PARCEL
(ALONG THE RIVER ON THE WEST SIDE OF RAILROAD)

PARCEL B OF BOUNDARY LINE ADJUSTMENT NO. BLA. 05-7481 TW, AS RECORDED APRIL 7, 2005 UNDER AUDITORS FILE NO. 3721999

EXCEPTING THEREFROM THAT PORTION CONDEMNED BY THE CITY OF OLYMPIA, CITY OF LACY AND CITY OF TUMWATER BY JUDGMENT AND DECREE OF APPROPRIATION AND ENTERED DECEMBER 19, 2008 IN THURSTON COUNTY SUPERIOR COURT CAUSE NO, 06-00310-9.

THURSTON COUNTY, WASHINGTON

TAX ACCOUNT NO(S).:

09470045000 / 09470047000 / 0947003000