



City of Lacey, Washington City Council Regular Meeting Agenda

Refer to bottom of the agenda for instructions on attendance and public comment.

Thursday, August 3, 2023

6:00 PM

Council Chambers and Online

Call to Order

1. Pledge of Allegiance

2. Approval of Agenda and Consent Agenda Items:

Items listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

A. Council Worksession minutes of July 13, 2023

B. Council minutes of July 20, 2023

C. A motion to approve payment of claims, wages, and transfers for July 13, 2023, through July 21, 2023.

3. Public Recognitions and Presentations:

4. Public Comment:

Refer to the bottom of the agenda for instructions on how to provide public comment.

5. Public Hearing:

6. Proclamations:

7. Referral from Planning Commission:

8. Referral from Hearings Examiner:

9. Resolutions:

10. Ordinances:

A. **Ordinance No 1640: Behavioral Nuisance**

Matt Sharp, Assistant City Attorney

11. Mayor's Report:

A. **Parks, Culture and Recreation Board Reappointment Recommendation:
Aram Wheeler**

Mayor Ryder

B. **LTAC Appointment Recommendation: Andrew Shin**

Mayor Ryder

12. City Manager's Report:

A. **Energy Efficiency Rebate Program Agreement**

Linsey Fields, Climate and Sustainability Coordinator

B. **Transportation Benefit District 2022 Annual Report**

Brian Petrin, Civil Engineer

C. **Neighborhood Commercial Update**

Hans Shepherd, Senior Planner

D. **Other Items**

Rick Walk, City Manager

13. Standing General Committees:

A. **Finance and Economic Development Committee - 07.25.2023**

Mayor Ryder

14. Other Business:

15. Boards, Commissions and Committee Reports:

A. Mayor Andy Ryder:

1. Mayors' Forum
2. Thurston Chamber Shared Legislative Committee
3. Transportation Policy Board (TPB)

B. Deputy Mayor Malcolm Miller:

1. Economic Development Council (CDC)
2. Lodging Tax Advisory Committee (LTAC)
3. Thurston County Coalition Against Trafficking (TCCAT)
4. Thurston Thrives

C. Councilmember Carolyn Cox:

1. Climate Action Steering Committee



2. LOTT Clean Water Alliance
3. Regional Housing Council
- D. Councilmember Lenny Greenstein:
 1. Emergency Medical Services (EMS)
 2. TCOMM911
- E. Councilmember Michael Steadman:
 1. Community Action Council
 2. Nisqually River Council
 3. Thurston County Law & Justice Council
- F. Councilmember Ed Kunkel:
 1. Joint Animal Services Commission (JASCOM)
 2. Lacey South Sound Chamber
 3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)
 4. Solid Waste Advisory Committee (SWAC)
- G. Councilmember Robin Vazquez:
 1. Intercity Transit Authority
 2. Olympic Region Clean Air Agency (ORCAA)
 3. Thurston Regional Planning Council (TRPC)
 4. Thurston County Board of Health

16. Adjourn

Attendance and Public Comment

Attend Remote or In Person

The public may attend the meeting in person, or you may view or listen to the meeting using one of the following platforms:

- | | |
|-----------|---|
| In Person | Council Chambers at Lacey City Hall
420 College Street SE, Lacey, WA 98503 |
| Zoom: | https://us02web.zoom.us/webinar/register/WN_qZgw2NsbSfO4xzq1lwlsQ |
| Website: | https://cityoflacey.org/government/public-meetings/ |
| Facebook: | https://www.facebook.com/cityoflacey |
| YouTube: | https://www.youtube.com/watch?v=-d_GTH1ebEI |
| Cable: | Channel 3 with your local cable provider |
| Phone: | (888) 788-0099 or (877) 853-5247 (Webinar ID 848 4270 0253) |



Verbal Public Comment

Those wishing to provide verbal public comment may do so in-person or by Zoom:

In Person: Use the sign-up sheet located in the Council Chambers.

Zoom: Preregister using the following Zoom link no later than two hours prior to the meeting:
https://us02web.zoom.us/webinar/register/WN_qZgw2NsbSfO4xzq1lwlvsQ

Instructions and access details will be provided once registration is complete.

Written Public Comment

Public comments may also be submitted by email to PublicComment@ci.lacey.wa.us.

The commenting period will close two hours before the meeting time.

Written comments will be provided to the City Council electronically prior to the meeting.

Comments will not be addressed during the Council meeting; however, comments received will be added to the official record.



MINUTES OF THE LACEY CITY COUNCIL WORKSESSION

THURSDAY, JULY 13, 2023

6:00 P.M. – 7:27 P.M.

REMOTE AND IN PERSON

To hear Council's full discussion of a specific topic, or the complete meeting, watch the recorded meeting available on the City of Lacey's Public Meeting Portal:

<https://laceywa.portal.civiclerk.com>

COUNCIL PRESENT: MAYOR RYDER, DEPUTY MAYOR MILLER, COUNCILMEMBERS GREENSTEIN, COX, STEADMAN (REMOTE), KUNKEL, AND VAZQUEZ

STAFF PRESENT: R. WALK, S. KELLEY-FONG, AND E. FONTAINE

Mayor Ryder requested amending the agenda to remove the following items:

***2024 Regional Athletic Complex Financial Plan and
2023 Lacey Parks, Culture and Recreation Comprehensive Plan.***

The removed items will be rescheduled for a future date.

ACTION: APPROVE AMENDED WORKSESSION AGENDA

MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER KUNKEL AND COUNCILMEMBER GREENSTEIN

TCMEDIA AND TELEVISION PRODUCTION AND PROGRAMMING SERVICES DISCUSSION

STAFF: SHANNON KELLEY-FONG, ASSISTANT CITY MANAGER

ACTION: INFORMATION ONLY

Shannon Kelley-Fong, Assistant City Manager, presented on the City's television production and programming services, as well as the history of the City's partnership with TCMedia. The presentation detailed the following topics:

- Public, Education, and Government (PEG) Overview
- Government Transparency
- History and TCMedia Proposal
- Alternative Internal Option

Staff recommended the following:

- Continue to evaluate alternative options as part of the 2024 budget process.

- Notify TCMedia as soon as possible of any changes to services.
- Continue to collaborate with neighboring jurisdictions.

Council expressed desire to continue the partnership with TCMedia, but outlined the uncertainty in moving forward without the other jurisdictions.

Council directed staff to continue to develop internal services as described. However, if the other jurisdictions move forward with a continued partnership with TCMedia, Lacey remains open to discussions.



**MINUTES OF A REGULAR MEETING OF THE
LACEY CITY COUNCIL
THURSDAY, JULY 20, 2023,
IN PERSON AND REMOTE ATTENDANCE**

To hear Council's full discussion of a specific topic, or the complete meeting, watch the recorded meeting available on the City of Lacey's Public Meeting Portal:

<https://laceywa.portal.civiclerk.com>

CALL TO ORDER

Deputy Mayor Miller called the meeting to order at 6:00 p.m.

1. PLEDGE OF ALLEGIANCE

Deputy Mayor Miller led the Pledge of Allegiance.

Council Present:

Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein
Councilmember Carolyn Cox
Councilmember Ed Kunkel
Councilmember Robin Vazquez

Council Excused:

Mayor Andy Ryder
Councilmember Michael Steadman

Staff Present:

Rick Walk, City Manager
Robert Almada, Chief of Police
Scott Egger, Public Works Director
Shannon Kelley-Fong, Assistant City Manager
Dave Schneider, City Attorney
Grant Beck, Planning & Development Services Manager
Martin Hoppe, Transportation Manager
Elissa Fontaine, City Clerk

2. APPROVAL OF AGENDA AND CONSENT AGENDA

Consent Agenda Items:

A. Council meeting minutes of July 6, 2023.

- B. A motion to approve payment of claims, wages and transfers for June 12, 2023, through July 7, 2023.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE THE AGENDA AND CONSENT AGENDA. COUNCILMEMBER VAZQUEZ SECONDED. MOTION CARRIED.

3. PUBLIC RECOGNITIONS AND PRESENTATIONS

4. PUBLIC COMMENT

Verbal Public Comments: The deadline to pre-register to speak via Zoom was 4:00 p.m. the day of the meeting.

Zero (0) people signed up to speak via Zoom.

Zero (0) people signed up to speak at the meeting:

Written Public Comments: The deadline to submit written public comments was 4:00 p.m. the day of the meeting. Written comments are not addressed during the meeting; however, they are added to the official record.

Zero (0) written public comments were received and made part of the record.

5. PUBLIC HEARING

6. PROCLAMATIONS

7. REFERRAL FROM PLANNING COMMISSION

- A. Resolution No. 1134 6-Year Transportation Improvement Program (TIP):** Martin Hoppe, Transportation Manager, presented Resolution 1134, relating to the 6-Year Transportation Improvement Program.

COUNCILMEMBER GREENSTEIN MOVED TO APPROVE RESOLUTION 1134 REGARDING 6-YEAR TRANSPORTATION IMPROVEMENT PROGRAM (TIP). COUNCILMEMBER VAZQUEZ SECONDED. MOTION CARRIED.

8. REFERRAL FROM HEARINGS EXAMINER

9. RESOLUTIONS

- A. Resolution No. 1134 6-Year Transportation Improvement Program (TIP):** Martin Hoppe, Transportation Manager, presented Resolution 1134, relating to the 6-Year Transportation Improvement Program.

Action was taken on this item under Referral from Planning Commission agenda item 7.A.

- B. Resolution No. 1135 Unopened ROW Vacation Public Hearing:** Dave Schneider, City Attorney, presented Resolution 1135, relating to the public hearing for the unopened ROW abutting Rainier Road.

COUNCILMEMBER KUNKEL MOVED TO APPROVE RESOLUTION 1135 RELATING TO UNOPENED ROW VACATION PUBLIC HEARING. DEPUTY MAYOR MILLER SECONDED. MOTION CARRIED.

10. ORDINANCES

11. MAYOR'S REPORT

12. CITY MANAGER'S REPORT

- A. Other Items:** None presented.

13. STANDING COMMITTEES

- A. Finance and Economic Development Committee
Councilmember Greenstein reported on the June 27, 2023, meeting.
- B. Land Use and Environment Committee
Councilmember Cox reported on the June 27, 2023, meeting.
- C. Community Relations and Public Affairs Committee
Councilmember Kunkel reported on the July 3, 2023, meeting as alternate.
- D. Utilities Committee
Councilmember Kunkel reported on the July 3, 2023, meeting.

14. OTHER BUSINESS

15. BOARDS, COMMISSIONS AND COMMITTEE REPORTS

- A. Mayor Ryder
1. Mayor's Forum – **excused**
 2. Thurston Chamber Shared Legislative Committee – **excused**
 3. Transportation Policy Board – **excused**
- B. Deputy Mayor Miller
1. Economic Development Council (EDC) – **no report**
 2. Lodging Tax Advisory Committee (LTAC) – **no report**
 3. Thurston County Coalition Against Trafficking (TCCAT) – **no report**
 4. Thurston Thrives - **no report**
 5. Urban Growth Management Subcommittee – **no report**
- C. Councilmember Cox
1. Climate Mitigation Steering Committee - **made report**
 2. LOTT Clean Water Alliance - **no report**

3. Regional Housing Council - **no report**

D. Councilmember Greenstein

1. Emergency Medical Services (EMS) - **made report**
2. TCOMM911 - **made report**

Councilmember Greenstein updated that the LEOFF 1 Disability Board appointed Edwin Pole II to the Public-at-Large position.

E. Councilmember Steadman

1. Community Action Council – **excused**
2. Nisqually River Council - **excused**
3. Thurston County Law & Justice – **excused**

F. Councilmember Kunkel

1. Joint Animal Services Commission (JASCOM) – **no report**
2. Lacey South Sound Chamber – **no report**
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB) – **no report**
4. Solid Waste Advisory Committee (SWAC) - **no report**

G. Councilmember Vazquez

1. Intercity Transit – **no report**
2. Olympic Region Clean Air Agency – **made report**
3. Thurston Regional Planning Council - **made report**
4. Thurston County Board of Health – **no report**

Councilmember Vazquez provided updates from a zero-emissions workshop attended on July 12, 2023.

16. Adjourn

Deputy Mayor Miller adjourned the Council Meeting at 6:38 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____



LACEY CITY COUNCIL MEETING

August 3, 2023

SUBJECT: Disbursement Approval

RECOMMENDATION: By motion, approve payment of claims, wages, and transfers.

STAFF CONTACT: Troy Woo, Finance Director *TW*

ORIGINATED BY: Troy Woo, Finance Department

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 7/13/2023 through 7/21/2023. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	7/12/2023	270726	270726	521.82
	7/19/2023	270727	270821	506,153.71
	7/21/2023	270822	270884	1,199,699.97

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	7/13/2023	563.80
7/14/2023		750,978.30
	7/17/2023	63.45
	7/17/2023	109,351.51
	7/18/2023	1,296.80
	7/20/2023	200.92
	7/21/2023	1,557,819.49

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
KMB Architects	\$ 373,224.26	Police Station Design
LOTT Wastewater Alliance	\$ 246,293.64	LOTT Reserve Cap Fees
Pape Machinery, Inc.	\$ 159,617.64	John Deere Loader (replacement)
Badger Meter, Inc.	\$ 125,357.25	Water Meters
Miles Resources, LLC	\$ 388,720.08	Mullen Road Sewer Improvements
Pacific Civil & Infrastructure	\$ 75,678.98	Lift Station 19 Replacement
Phoenix Fabricators	\$ 581,546.50	Terry Cargil Reservoir
Puget Sound Energy	\$ 87,610.98	Utilities
SCI Infrastructure, Inc.	\$1,007,981.44	Golf Club Road Water/Sewer Improve.



LACEY CITY COUNCIL MEETING 8/3/23

SUBJECT: BEHAVIORAL NUISANCE ORDINANCE

RECOMMENDATION: Motion to: Adopt Ordinance 1640, amending the Lacey Municipal Code to add Chapter 14.41, pertaining to Behavioral Nuisances on land and buildings.

STAFF CONTACT: Rick Walk, City Manager *RW*
David Schneider, City Attorney
Matt Sharp, Assistant City Attorney

ORIGINATED BY: City Attorney's Office

ATTACHMENTS: 1. Ordinance 1640

FISCAL NOTE: None

PRIOR REVIEW: May 23, 2023 General Government & Public Safety Committee

BACKGROUND:

In general terms, a nuisance is something that annoys – a wearing on the nerves by a persistent unpleasantness. It can evoke anger and interfere with comfort and peace of mind. In a regulatory environment, the term "nuisance" includes anything that results in an invasion of one's legal rights.

A nuisance involves an unreasonable or unlawful use of property that results in material annoyance, inconvenience, discomfort, or injury to another person or to the public. The unlawful use may involve doing something (for example, piling garbage on residential property) or failing to do something (for example, cutting or removing noxious weeds from residential property).

Current LMC nuisances include junk accumulation, animals, noise, dangerous buildings, sewage and unsanitary conditions, and encroachments on the public right-of-way that interfere with pedestrian passage. Current code does not, however, address chronic behavioral patterns that rise to the level of a public nuisance.

Such nuisances can arise from criminal incidents occurring repeatedly at a single location. When a person in charge of a given premises fails to act to remediate the harm done to the community by the repeated criminal behavior, the City needs to have a means to address the issue and intervene on behalf of the public.

The proposed ordinance provides such means, defining the behavior that rises to the level of a public nuisance, and declaring it so. The ordinance provides an avenue for cooperation via a voluntary correction agreement, a Hearings Examiner procedure that satisfies due process, a civil penalty for violation, and a means by which the City can directly pursue abatement of the nuisance.

ADVANTAGES:

1. The Lacey Municipal Code will provide a mechanism with which it may address behavioral nuisance issues that may arise.

DISADVANTAGES:

2. None identified.

ORDINANCE NO. 1640

CITY OF LACEY

AN ORDINANCE OF THE CITY OF LACEY RELATED TO BEHAVIORAL NUISANCES, ADDING A NEW CHAPTER 14.41 TO THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.

WHEREAS, There are various types of buildings and land in the City of Lacey that have potential for an elevated number of crimes attributable to the real property; and

WHEREAS, The repeated use of real property for illegal behaviors is deemed to have a negative impact on the public health, safety, and welfare of the community; and

WHEREAS, Such use of real property is a distinct form of public nuisance, warranting a municipal code chapter that focuses on the phenomenon; and

WHEREAS, The City Council finds it in the interest of the health, safety, and welfare of the residents of the City of Lacey to create a mechanism for addressing such behavioral nuisances;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, AS FOLLOWS:

Section 1. There is hereby adopted a new Chapter 14.41 of the Lacey Municipal Code, to read as follows:

Chapter 14.41

CHRONIC BEHAVIORAL NUISANCES ON LAND AND BUILDINGS

14.41.010 Definitions generally

The following words and phrases used in this chapter, unless the context otherwise clearly indicates, shall have the following meanings:

A. All definitions within Title 14 LMC shall apply to this Chapter. Where a term is defined in multiple places, for purposes of this Chapter, the definitions of this section shall apply.

B. "Chronic behavioral public nuisance" property means:

1. a property, or immediately adjoining right-of-way, on which three (3) or more nuisance activities as described in LMC 14.41.020 exist or have occurred during any ninety (90) day period. Every single activity after the first three (3) shall be considered an additional, separate violation; or

2. five (5) or more nuisance activities have occurred during any twenty-four (24) month period. Every single activity after the first five (5) shall be considered an additional, separate violation; or

3. a property which, upon a request for execution of a search warrant, has been the subject of a determination by a court two (2) or more times within a twelve (12) month period that probable cause exists that illegal possession, manufacture or delivery of a controlled substance or related offenses as defined in Chapter 69.50 RCW, as amended, has occurred on the property.

C. "The City" means the City of Lacey Chief of Police, the Chief of Police's designee, the Community and Economic Development Director, or the Community and Economic Development Director's designee.

D. "Owner" means and includes one or more owner and any legal agent or representative capable of making legal decisions on behalf of the owner. The owner is presumptively the person revealed by the records of the Thurston County Assessor. An owner has authority to sell the property and to authorize a lien be placed on the property. An owner or legal agent of the owner is deemed to have control if the owner or legal agent has actual or constructive knowledge of the behavior upon the premises of any behavioral nuisance as defined in this chapter.

E. "Person in charge" of the property means any person in actual or constructive possession of the property, including but not limited to an owner, lessee, tenant, manager, bank and similar business, receiver, trustee, or occupant with control of the property. More than one (1) person may be deemed a person in charge if they have actual or constructive possession of the property and have control over the property.

G. "Premises" means any building, lot, parcel, real estate, land, or portion of land whether improved or unimproved, including adjacent sidewalks and parking strips and any lake, river, stream, drainage way, or wetland.

14.41.020 Behavioral public nuisance on land and buildings declared

The person in charge commits a violation of this chapter if they have actual or constructive knowledge of the following occurrences on their property that are reasonably preventable. Actual findings of prior criminal guilt or commitment of a civil infraction is not required. The City shall show by a preponderance of the evidence that chronic behavioral public nuisance violations have previously occurred on the property. Without limitation, the following acts are declared to be behavioral public nuisances:

A. Any rape or crimes against children, dependent persons and spouses, including but limited to chapters 9A.36, 9A.42, 26.40, 26.44 and 26.50 RCW;

B. Harassment, RCW 9A.46 or LMC 9.12.060;

C. Intimidation, RCW 9A.76.180;

- D. Disorderly conduct, RCW 9A.84.030 or LMC 9.24.010;
- E. Burglary and Trespass, chapter 9A.52 RCW, LMC 9.28.080 or 9.28.090 ;
- F. Gang activity, See RCW 9.101.010;
- G. Fraud, chapter 9A.60 RCW;
- H. Theft and Robbery, chapter 9A.56 RCW or LMC 9.28.050;
- I. Arson, reckless burning, and malicious mischief, chapter 9A.48 RCW or Chapter 9.28 LMC;
- J. Aiming, discharging, or unlawful possession of firearm, chapter 9.41 RCW or Chapter 9.36 LMC;
- K. Drug violations, Title 69 RCW or Chapter 9.44 LMC;
- L. Kidnapping, unlawful imprisonment, custodial interference, luring, trafficking, and coercion of involuntary servitude, chapter 9A.40 RCW or LMC 9.12.040;
- M. Obstructing law enforcement, RCW 9A.76.020 or LMC 9.32.030;
- N. Intimidating a public servant, RCW 9A.76.180;
- O. Reckless Endangerment, RCW 9A.36.050 or LMC 9.12.020;
- P. Trafficking (property), Chapter 9A.82 RCW;
- Q. Indecent exposure, prostitution, chapter 9A.88 RCW or Chapter 9.16 LMC;
- R. Homicide, chapter 9A.32 RCW;
- S. Assault and physical Harm, chapter 9A.36 RCW or LMC 9.312.010; and
- T. Rendering Criminal Assistance, LMC 9.32.050.

14.41.030 Abatement of behavioral public nuisances

A. The City may use all processes authorized by law to abate behavioral public nuisances. In order to proceed with the process for seeking fines and additional abatement regulations under LMC 14.41.060 the City shall issue a written notice of violation that describes potential violations on the property to any potential person in charge. Such a letter shall include the following:

1. The street address or legal description sufficient for identification of the real property and the name and address of other persons in charge of receiving the notice.
2. A declaration that the enforcement officer has determined that behavioral nuisance activities have occurred on real property along with a description of those specific activities.

3. A notice that the person in charge may be subject to monetary penalties, under the process set forth in LMC 14.41.060, if not corrected to the satisfaction of the City. A notice to the person in charge that a failure to comply may subject them to monetary penalties under the process of LMC 14.41.060 and collections and also that their property may be subject to a lien on the land that in part may be equal in priority to taxes. See, for example, RCW 35A.21.405 and RCW 4.56.200.

4. A demand that the owner or person in charge responds to the City within 15 (fifteen) days.

5. A notice that if no response is received, the City may, in its discretion, take action to abate the nuisance pursuant to the process described in LMC 14.41.060.

B. The City may enter into a written correction agreement that can put potential enforcement, including but not limited to fines or tickets that could be imposed pursuant to LMC 14.41.060, in abeyance on condition that the agreement terms are followed by the person in charge. The person in charge may agree to a lien for costs to be recovered by the City, including attorney's fees and fines if subsequently imposed under LMC 14.41.060, if the person in charge fails to follow the terms of the agreement. This section is not an exclusive method to seek abatement of violations. The correction agreement, if entered into, shall include the following:

1. The name and address of the person in charge of the property.

2. The street address or a description sufficient for identification of the property, building, structure, or land upon or within which the nuisance is occurring.

3. A description of the chronic behavioral public nuisance activities.

4. The necessary correction action to be taken, and a date or time by which correction must be completed.

5. An agreement by the person in charge that the City may inspect the property as may be necessary to determine compliance with the correction agreement.

6. An agreement by the person in charge that the City may abate the nuisance and recover its costs, expenses, and monetary penalties pursuant to this chapter subject to collections or liens in the City's discretion from the owner or person in charge if the terms of the correction agreement are not met.

7. An acknowledgment of the existence of the violation and waiver of the right to later dispute that the violation occurred.

C. Each violation of a correction agreement entered pursuant to this chapter is subject to a penalty of One Thousand and no/100 Dollars (\$1,000.00) per violation and is enforced by the Hearing Examiner pursuant to the process of LMC 14.41.060.

14.41.040 Liability for continuing nuisance

Every successive owner, person in charge, or occupant of real property who neglects to abate a continuing nuisance upon or in the use of such real property caused by a former owner, is liable thereof in the same manner as the owner who created it. Any owner and person in charge may be held joint and severally liable.

14.41.050 Cumulative effect of chapter

The provisions of this chapter shall be cumulative and in addition to the provisions of the now existing ordinances of the City.

14.41.060 Hearing Examiner process for determination of violations penalty and abatement requirements

A. Except as provided in this section, in addition to any other sanction or remedial procedure that may be available, the person in charge is subject to a civil penalty of Five Hundred and no/100 Dollars (\$500.00) for every chronic behavioral public nuisance violation by the process more specifically described in this section. Proof is by a preponderance of the evidence. Exception: each violation of the correction agreement described in LMC 14.41.030 is subject to a penalty up to One Thousand and no/100 Dollars (\$1,000.00).

The complaint against a person in charge shall be filed with the City of Lacey Hearing Examiner and subject, by substantial compliance, to the requirements in Subsections B and C below.

B. Complaint to the Hearing Examiner. The City shall file a Complaint with the Hearing Examiner. Content of the Complaint shall include the following:

1. The name and address of the owner responsible for the violation;
2. The street address or description sufficient for identification of the building, structure, premises, or land upon which the violation has occurred or is occurring;
3. A description of each violation and a reference to the provision(s) of this chapter that has been violated;
4. The required corrective action and the date and time by which the correction must be completed to avoid a hearing;
5. The Complaint shall state the date, time, and location of an administrative hearing before the Hearing Examiner, which will be at least ten (10) days from the date of the Complaint;
6. A statement that the costs and expenses of abatement incurred by the City and a monetary penalty for each violation as specified in LMC 14.41.060 may be assessed against the person in charge to whom the Complaint is directed as specified and ordered by the Hearing Examiner and that the fines may be placed as liens on the land pursuant to RCW 35A.21.405, RCW 4.56.020, and any other authority;

7. The prior Notice of Violation pursuant to LMC 14.41.030 of chronic behavioral nuisance property, if any should be attached to the Complaint; and

8. Recommended penalties, as referred to in LMC 8.24.060 and 8.24.030, to be adopted by the Hearing Examiner.

C. Hearing Examiner process.

1. Hearing. A hearing will be scheduled by the Community and Economic Development staff in consultation with the Police Department.

2. Procedure. The Hearing Examiner shall conduct a quasi-judicial hearing on the Complaint pursuant to the rules of procedure of the Hearing Examiner. City staff and the owner to whom the Complaint was directed, and their attorney(s) if any, may participate as parties in the hearing. Each party may call witnesses. The City shall have the burden of proof to show by a preponderance of the evidence that the property is a chronic behavioral public nuisance property under this chapter and that the corrective action is reasonably calculated to abate the chronic nuisance. Copies of police incident reports and reports of other City departments documenting nuisance activities shall be admissible in such actions. Additionally, evidence of a property's general reputation and the reputation of persons residing in or frequenting the property shall be admissible in such actions. At the request of the City, the Hearing Examiner may allow testimony from the general public that relate to the chronic behavioral public nuisance case. The Hearing Examiner may place reasonable limits on such testimony. The City may also call neighbors and others as witnesses regarding the chronic behavioral public nuisance.

14.41.070 Decision of the Hearing Examiner

A. The Hearing Examiner shall adopt, decline to adopt or modify the City's decisions, recommended penalties, and recommended decision regarding the alleged violation(s) and corrective action(s) and mail a copy of the decision to the owner and to the City within then (10) working days of the hearing, unless due to extraordinary circumstances additional time is needed.

B. The Hearing Examiner shall have authority to impose remedies for violation of this chapter. The Hearing Examiner shall issue an order to the person in charge responsible for the violation which contains the following information:

1. The decision regarding the alleged violation(s), including findings of fact and conclusions based thereon in support of the decision;
2. The required corrective action;
3. The date and time by which the correction must be completed;
4. The monetary penalties assessed based on the criteria in subsection (C) of this section;

5. Make any other order that will reasonably abate nuisance activities from occurring on the property, including authorizing the City to take action to abate nuisance activities from occurring upon the real property if other Hearing Examiner orders are not complied with or do not abate nuisance activity on the property and providing that the costs of such City action are to be paid for by the person in charge of the property;

6. Business license revocation, if any;

7. The date and time after which the City may proceed with abatement of the unlawful condition if the required correction is not completed.

C. Assessment of Monetary Penalty. Monetary penalties assessed by the hearing examiner shall be collected by any method in the full discretion of the City Manager or designee, including but not limited to collections, liens and other legal actions.

1. The Hearing Examiner shall have the following options in assessing monetary penalties:

a. Assess monetary penalties; or

b. Assess some monetary penalties and hold some penalties in abeyance pending a grant of an opportunity to comply; or

c. Assess no monetary penalties.

2. In determining the monetary penalty assessment, the Hearing Examiner shall consider the following factors:

a. Whether the person in charge responded to the City's attempts to contact the person and cooperated with efforts to correct the violation;

b. Whether the person in charge failed to appear at the hearing;

c. Whether the violation was a repeat violation;

d. Whether the person in charge showed due diligence and/or substantial progress in correcting the violation;

e. Whether a genuine code interpretation issue exists; and

f. Any other relevant factors.

D. Failure to Appear. If the person in charge to whom the Complaint was issued fails to appear at the scheduled hearing, the Hearing Examiner will enter an order finding the violation as stated in the Complaint, and ordering the appropriate remedies. The City may proceed to carry out the Hearing Examiner's order and recover all related expenses, plus the cost of the hearing and any monetary penalty from that owner or person in charge.

E. Appeal of Hearing Examiner decision to Superior Court of land use decision regarding use of the premises and/or buildings (real property). The City declares that the Hearing Examiner decision, pursuant to RCW 36.70C.020(c), due to the link to specific identifiable

real property, is enforcement by the City of ordinances regulating the improvement, modification, maintenance, or use of real property. An appeal by the person in charge of the decision of the Hearing Examiner must be filed with Superior Court within twenty-one (21) calendar days from the date the Hearing Examiner's decision under the process and standards of the Land Use Petition Act, chapter 36.70C RCW.

14.41.080 Right of entry for inspection and enforcement

The City retains all rights of entry as allowed by any law, code, constitutional provision, common law, case law, or any other legal authority.

14.41.090 Superior Court abatement of nuisance

The City may enforce the Hearing Examiner order in superior court by any and all legal means in its sole discretion. The City may also pursue any and all other legal means to abate the nuisance, including actions for public nuisance, condemnation and blight, chapters 35.80 and 35.80A RCW. This may also include seeking an order to file a lien pursuant to RCW 35A.21.405 and RCW 4.56.200. The City may also file for receivership under chapter 7.60 RCW.

14.41.100 Chapter inapplicable when it would have the effect of penalizing certain persons

Notwithstanding anything in this Chapter to the contrary, a property may not be designated a chronic behavioral public nuisance under this Chapter where such designation would have the effect of penalizing the landlord of the property, the homeowner of the property, a tenant of the property, a resident of the property, an occupant of the property, a guest in housing at the property, or an applicant for housing at the property, based on any such person's request for assistance or based on criminal activity of which such person is a victim or otherwise not at fault.

Section 2. SEVERABILITY. If any section, sentence, clause or phrase of this ordinance should be held to be invalid by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Section 3. CORRECTIONS. The City Clerk and the codifiers of this ordinance are authorized to make necessary corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. The Summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, at a regularly-called meeting thereof, held this Third day of August, 2023.

CITY COUNCIL

By: _____
Mayor

Approved as to form:

City Attorney

Attest:

City Clerk

SUMMARY FOR PUBLICATION

ORDINANCE NO 1640

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on August Third, 2023, Ordinance No. 1640, entitled “AN ORDINANCE OF THE CITY OF LACEY RELATED TO BEHAVIORAL NUISANCES, ADDING A NEW CHAPTER 14.41 TO THE LACEY MUNICIPAL CODE AND APPROVING A SUMMARY FOR PUBLICATION.”

The main points of the Ordinance are described as follows:

1. The Ordinance creates a new Chapter 14.41 of the Lacey Municipal Code which pertains to behavioral nuisances.
2. The Ordinance approves this Summary for Publication.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: _____, 2023.



LACEY CITY COUNCIL MEETING

August 3, 2023

SUBJECT: Lacey/Puget Sound Energy Matching Rebate Program

RECOMMENDATION: **Motion to:** Authorize the City Manager to sign the necessary agreements to effectuate a residential energy efficiency rebate program in partnership with Puget Sound Energy.

STAFF CONTACT: Rick Walk, City Manager *RW*
Grant Beck, Planning & Development Services Manager *GB*
Ryan Andrews, Planning Manager *RA*
Linsey Fields, Climate and Sustainability Coordinator *LF*

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS: 1. Master Services Agreement
2. Scope of Work No. 1 - Master Energy Savings Administration Agreement

FISCAL NOTE: The funds for the Lacey Matching Rebate were allocated through the 2023 Budget, and Climate Action was awarded \$200,000 for program implementation. We anticipate using \$50,000 - \$70,000 of these funds.

WORK PLAN GOAL AND STRATEGY: Environmental Stewardship – (K) Continue Implementation of Climate Mitigation efforts
(5) Develop rebate/grant program for Lacey residents to install energy efficiency upgrades; (6) Launch Program

THURSTON CLIMATE MITIGATION PLAN: Reduce energy use in existing residential buildings. Strategy B1

COMPREHENSIVE PLAN: Environmental Goal 1: Work to reduce greenhouse gas (carbon) emissions and work toward sustainable practices and policies.

COMPREHENSIVE PLAN: Housing Goal 3: Work with regional agencies and bodies to Implement affordable housing techniques consistently and on regional scale.

BACKGROUND:

The City adopted the Thurston Climate Mitigation Plan (TCMP) in September of 2021 intending to create climate programs that reduce greenhouse gas (GHG) emissions in our region. There were 72 specific actions called out in the TCMP which are sorted by category (buildings and energy, transportation, forestry and agriculture, waste, and cross-cutting). Specifically, Strategy B1. “Reduce energy use in existing residential buildings” of the TCMP includes action items targeting residential home energy reduction.

With adoption of the TCMP Lacey City Council identified several priority actions including exploring a partnership with Puget Sound Energy to establish a matching rebate program. \$200,000 was proposed in the 2022 City budget for climate action plan implementation reinforcing the councils’ intentions to act on climate programs and the Council’s identified priority actions. The City Council approved the proposed 2022 budget and subsequently carried forward the funding into the 2023 budget approval.

After a year of coordination and discussions with PSE staff, the attached draft Master Services Agreement and Master Energy Savings Administration Agreement have been developed to create a partnership between the City of Lacey and PSE to establish a matching rebate program.

The Lacey/Puget Sound Energy (PSE) Matching Rebate is a pilot program that funds residential home energy efficiency upgrades by providing a 100% match to the PSE residential home energy rebate program. The City’s budget for climate action (\$200,000) will fund this pilot, staff is proposing the initial allocation of \$50,000 to launch this pilot program with PSE. CED staff will monitor the program and provide periodic status reports to Council on the rebate program activity. Based on evaluation, the Council may extend the program and/or authorize additional funding in the future.

This rebate program will target energy use in buildings which is our region’s largest source of GHG emissions. The 2022 Thurston Climate Mitigation Progress Report found that energy use in the region has risen overall since 2015, and both electricity and natural gas use increased in 2021 compared to 2020. This rebate program will help the city meet its commitments to climate mitigation.

Lacey residents who reside within City limits will be eligible for this rebate match when applying for PSE energy efficiency rebates and will not need to separately apply to the City of Lacey to qualify. The matching rebate will incentivize residents to complete energy efficiency upgrades and help residents save money through lowering the cost of their energy bill.

ADVANTAGES:

1. Supports Strategy B1. “Reduce energy use in existing residential buildings”, of the Thurston Climate Mitigation Plan
2. Provides direct funds to residential homeowners.
3. Streamlines the application process for easier access to program funds.
4. Supports residential homeowners in reducing their GHG emissions and carbon footprints by incentivizing participation in climate action.

DISADVANTAGES:

1. Program may have additional costs in future years based on program participation.

MASTER SERVICES AGREEMENT

No. _____

This Master Services Agreement (“MSA”), dated as of _____ (“Effective Date”), is by and between **Puget Sound Energy, Inc.**, a Washington corporation (“PSE”) and **City of Lacey**, a government agency (“Supplier”). PSE and Supplier are referred to individually as a “Party” and collectively as the “Parties”. Unless earlier terminated pursuant to Section 11, this MSA will continue through December 31, 2023 (“Term”).

In consideration of the mutual covenants and agreements set forth herein, the Parties agree as follows:

SECTION 1. SERVICES

- 1.1** Supplier will perform for PSE those services (“Services”) set forth in any one or more statements of work entered into by the Parties under this MSA (each, an “SOW”). Unless otherwise agreed upon by the Parties, each SOW will be set forth on PSE’s applicable SOW template. Any such SOW may include the following: (a) detailed description of Services, which may include Deliverables; (b) a schedule for the performance of the Services (and delivery of the Deliverables); (c) compensation details; (d) identity of key personnel who will work on the SOW; and (e) items to be provided by PSE.
- 1.2** “Deliverables” means any and all inventions, processes, methods, concepts, documents, drawings, specifications, calculations, maps, sketches, notes, reports, data, estimates, models, samples, designs, recommendations, results, methods, photographs, computer programs, software code, prototypes, data, and other tangible or intangible items to be delivered by Supplier to PSE in connection with the Services.
- 1.3** “Agreement” means this MSA and all SOWs entered into hereunder and any Information Security Requirements Addendum that may be entered into between the Parties under this MSA (“Security Addendum”).
- 1.4** Except as otherwise set forth in an SOW or otherwise provided by PSE in writing, Supplier will provide all facilities, equipment, supplies or other items required to perform the Services and prepare and develop the Deliverables.

SECTION 2. COMPENSATION

- 2.1** Subject to the terms and conditions of the Agreement, PSE will pay Supplier the compensation described in the applicable SOW as full compensation for the satisfactory performance of the Services and delivery of the Deliverables.
- 2.2** Supplier will submit invoices to PSE as specified below, as applicable, via the submission method specified in the applicable SOW. Each invoice must reference the SOW number. Supplier will provide any supporting documents as reasonably requested by PSE.

- a. Any amounts payable for time and material Services rendered during a calendar month must be submitted within thirty (30) days after the end of such calendar month. Each invoice must set forth a detailed description of the Services performed in such period and the dates and number of hours spent by Supplier's personnel in performing such Services.
- b. Deliverable-based invoices must be submitted within thirty (30) days after PSE's Acceptance (as defined in Section 3.7) of the applicable Deliverable, and must include a detailed description of the accepted Deliverable.
- c. All invoices must include an itemization of reimbursable expenses incurred in connection with the Services performed or Deliverable(s) delivered, as pre-approved by PSE in writing.

PSE reserves the right to reject any invoice submitted more than ninety (90) days after completion of the applicable Services, Acceptance of the applicable Deliverable, or incurrence of the otherwise reimbursable expense.

- 2.3** Any sales, service, use, consumption or other similar taxes imposed upon the Services must be separately itemized and added to each invoice unless PSE provides Supplier with appropriate evidence of a tax exemption claimed for the relevant jurisdiction(s). In no event will PSE be obligated to pay or reimburse Supplier for any taxes based on Supplier's net income, gross receipts or property, or for withholding and payroll taxes with respect to any wages or other compensation payable to Supplier's personnel.
- 2.4** PSE will pay each of Supplier's invoices, submitted in accordance with this Section 2, within sixty (60) days after PSE's receipt and verification thereof; provided, however, that if PSE elects to pay Supplier's invoices within ten (10) days after PSE's receipt thereof, Supplier agrees that a 2% discount from the invoice pricing will apply. If PSE disputes any portion of an invoice it may withhold payment in respect of such disputed amount, provided it pays the undisputed portion of the invoice within 60 days. PSE will be entitled to set-off any amount due and payable by it from and against amounts held to the credit of Supplier on any account, whether under the Agreement or otherwise. This is without prejudice to any other rights or remedies available to PSE under the Agreement or otherwise.
- 2.5** No payment by PSE will constitute acceptance of, or a waiver of PSE's rights with respect to, any Services or any Deliverable not performed or delivered in accordance with the terms of the Agreement.

SECTION 3. PERFORMANCE BY SUPPLIER

- 3.1** Supplier will not subcontract, or use any third-party vendor for, any Services except for those third-party vendors set forth in the applicable SOW (the "Subcontractors"). Any failure to abide by the preceding sentence will constitute a material default of the Agreement and will immediately entitle PSE to terminate this MSA, any underlying SOW, or both. At PSE's request, Supplier will provide to PSE documentation related to a proposed subcontractor's qualifications to perform the Services. If Supplier subcontracts Services, Supplier will be responsible for Subcontractor's compliance with the Agreement and performance hereunder. PSE may require Supplier to remove or replace any Subcontractor whose performance is deemed unacceptable by PSE in its sole discretion.

- 3.2** The Parties acknowledge and agree that Supplier will at all times be an independent contractor. The Agreement will not create the relationship of employer and employee, a partnership, joint venture, or other relationship between PSE and Supplier. Supplier will have no authority to bind, obligate, or commit PSE by any promise or representation without the prior written consent of PSE.
- 3.3** Supplier will perform the Services and deliver the Deliverables, if any, as specified in the applicable SOW. In performance of the Services, including, where applicable, development of the Deliverables, Supplier will: (a) conform to the highest commercial standards accepted in the Supplier's industry; (b) maintain complete and accurate records relating to the provision of the Services, including, if applicable, records of the time spent and materials used by Supplier or its Subcontractors in providing the Services ("Books and Records"). Supplier represents and warrants that: (y) PSE will receive good and marketable title to all Deliverables, free and clear of all encumbrances and liens of any kind; and (z) to Supplier's knowledge, none of the Services, Deliverables, and PSE's use thereof, infringe, or will infringe, any Intellectual Property Rights (as defined in Section 6.1) of any third party. Supplier will conduct (and will cause all Subcontractors to conduct) general employer screening background checks on all personnel engaged to perform under the Agreement, and will, if requested by PSE, certify compliance.
- 3.4** Supplier will fully cooperate with PSE and coordinate its performance of the Services with related work to be performed by PSE or third parties. If any Services depend upon the results of work to be performed by PSE or others, Supplier will, prior to commencing such Services, notify PSE of any actual or apparent deficiencies or defects in such other work that render such other work unsuitable for performance of the Services.
- 3.5** Supplier will not hire any employee of PSE to perform any of the Services. Supplier will employ persons to perform the Services who are fully experienced and properly qualified, and do not have disqualifying factors resulting from a background check as referenced in Section 3.3 of this MSA. In certain circumstances Supplier may be required to, and will agree to, assign performance of the Services to certain key personnel specifically listed in an SOW. In such event, Supplier will not (for so long as these individuals remain in Supplier's employ) reassign or remove any such individual from working under the SOW without PSE's prior written consent. If any such individual leaves Supplier's employ or, with PSE's approval, is reassigned or removed by Supplier, Supplier will replace such individual with personnel approved by PSE in writing.
- 3.6** Supplier will promptly pay all Subcontractors and promptly secure the discharge of any liens asserted by Subcontractors. Supplier will furnish to PSE such releases of claims and other documents as may be requested by PSE to evidence such payment and discharge.
- 3.7** Acceptance of each of the Deliverables ("Acceptance") will be determined in accordance with the Acceptance procedures set forth in the applicable SOW. If no Acceptance procedure is set forth in the SOW, then Acceptance will be deemed to have occurred fourteen (14) calendar days after receipt of a Deliverable, unless PSE has notified Supplier of nonconformance with the specifications or other requirements of the SOW. In order for "Acceptance" to have occurred, Supplier must provide PSE an acceptance form in substantially the form provided by PSE, clearly identifying the Deliverable(s) by name, the date of delivery (which must be no earlier than the date the form is delivered to PSE), and including a space for comments by PSE and PSE's acceptance signature.

SECTION 4. COMPLIANCE WITH LAWS

- 4.1** Supplier will comply, and will cause all Subcontractors to comply, with all applicable laws, ordinances, rules, regulations, orders, licenses, permits ("Laws") and other requirements, now or hereafter in effect, of any governmental authority that are applicable to Supplier or the performance of the Services (including such requirements as may be imposed upon PSE and applicable to the Services). Supplier will furnish such documents as may be required to effect or evidence such compliance by Supplier or any applicable Subcontractor.
- 4.2** Supplier will at all times during the Term comply with the terms of PSE's Responsible Supplier and Contractor Guidelines ("Contractor Guidelines"), which is available at <https://www.pse.com/pages/contractors-and-suppliers/responsible-supplier-and-contractor-guidelines> as well as other supplier policy, guideline or other documentation PSE institutes from time to time, each of which is incorporated herein and made a part of the Agreement as if fully set forth herein.
- 4.3** Supplier will not, and will ensure that its Subcontractors will not, directly or indirectly, offer, promise, authorize or give anything of value to a government official, a political party, a candidate for political office or any other person connected to a government in any way, or authorize the giving of anything of value to a government official, a candidate for political office, or any other person connected to a government in any way, for the purposes of: (a) influencing an act or decision of that government official (including a decision not to act) in connection with PSE's business or in connection with Supplier's business with PSE; or (b) inducing such a person to use his or her influence to affect any government act or decision in connection with PSE's business or in connection with Supplier's business with PSE. Supplier further warrants that neither it nor any of its Subcontractors have offered or given, or will offer or give, any gifts or gratuities to PSE employees, agents, or representatives for the purpose of securing the Agreement or securing favorable treatment under the Agreement. In addition, Supplier will notify PSE immediately if any of its employees, officers, or principals are officials or representatives of any government or are candidates for such government positions. Any breach of this provision by Supplier or any Subcontractor will constitute a material breach of the Agreement and will immediately entitle PSE to terminate this MSA, any underlying SOW, or both.
- 4.4** Except as may be restricted by Law or PSE's security policies, PSE will grant Supplier access to PSE's premises or IT systems as necessary to perform the Services. Supplier agrees and acknowledges that certain portions of PSE's premises may have restricted access and require prior authorization or a PSE designated escort to allow Supplier access. If notified by PSE that access is restricted, Supplier will comply, and will cause its Subcontractors to comply, with any required background checks in addition to those required pursuant to Section 3.3, and drug and alcohol testing of employees. Any such additional screening required under this Section 4.4 will be conducted at PSE's expense. Supplier understands that no work can begin under the Agreement until these requirements have been met.
- 4.5** PSE has entered into the Agreement with Supplier based upon PSE's reasonable belief that Supplier adheres to the strictest of ethical standards. In connection therewith, Supplier has reviewed PSE's Corporate Ethics and Compliance Code at <http://www.pse.com/aboutpse/CorporateInfo/Pages/Our-Ethics.aspx>.

SECTION 5. INSPECTION; EXAMINATION OF RECORDS

- 5.1** Supplier's performance in connection with any Deliverables to be provided under any SOW will at all times be subject to review by PSE, including a review of all Books and Records related to such Deliverables. The making of (or failure or delay in making) any inspection will not relieve Supplier of responsibility for performance of the Services, including delivery of Deliverables, notwithstanding PSE's knowledge of defective or noncomplying Deliverables or Services. Supplier will provide PSE sufficient, safe, and proper facilities and equipment for such inspection, and free access to such facilities.
- 5.2** During the Term and for a period of three (3) years thereafter, Supplier, upon PSE's request, will allow PSE or its representative to inspect and copy Supplier's Books and Records and interview Supplier's representatives in connection with the performance provision of the Services. PSE will provide Supplier with at least three (3) business days' advance written notice of the planned inspection. Any such inspection will take place during regular business hours and no more than once annually, except if irregularities are discovered in which case PSE may audit more frequently.

SECTION 6. INTELLECTUAL RIGHTS AND CONFIDENTIAL INFORMATION

- 6.1** PSE will be the sole owner of all right, title, and interest in and to all Deliverables and all other items authored, collected, conceived, reduced to practice, invented, created, developed, discovered, made, or produced by Supplier in connection with the Services ("Work Product"), together with any and all patent, copyright, trade secret, trademark, and other intellectual property rights in any Work Product ("Intellectual Property Rights"). To the extent applicable, PSE will be deemed to be the "author" of all Work Product and all such Work Product will constitute "works made for hire" under the U.S. Copyright Act (17 U.S.C. §§101 et seq.) and any other applicable copyright law. Supplier hereby waives any and all moral rights (including rights of integrity and attribution) in and to the Work Product. Without limiting the ownership of "works-made-for-hire" stated above, Supplier upon receipt of payment for such Deliverables, assigns and transfers to PSE, without separate compensation, all right, title, and interest (including all Intellectual Property Rights) that Supplier may have or acquire in the Deliverables. Supplier will take such action (including the execution, acknowledgment, and delivery of documents) as may be requested by PSE to effect, perfect, or evidence PSE's ownership of the Deliverables and Intellectual Property Rights. Without limiting the foregoing, Supplier will obtain, at its expense, such assignments to PSE from Supplier's employees, agents, and Subcontractors as necessary to effectuate PSE's ownership rights in and to the Deliverables and Intellectual Property Rights.
- 6.2** If Supplier or any Subcontractor uses, provides, or incorporates into any Deliverables any pre-existing items or other tangible or intangible materials of any nature that are not covered by Section 6.1, then PSE is hereby granted a worldwide, non-exclusive, perpetual, irrevocable, royalty free, fully paid up, sub-licensable right to: (a) make, use, copy, modify, and create derivative works of such items; and (b) publicly perform or display, import, broadcast, transmit, distribute, license, or lend copies of such items (and derivative works thereof).

- 6.3** Except to the extent the Deliverables contain Confidential Information of PSE (as defined in Sections 6.4 and 6.5), Supplier reserves a permanent, non-assignable, non-exclusive, royalty-free license to use in its performance of services for others any Intellectual Property Rights licensed to PSE in Sections 6.1 and 6.2.
- 6.4** All non-public, confidential, or proprietary information of a Party ("Confidential Information") including information that, by the nature of the circumstances surrounding the disclosure, reasonably would be considered proprietary or confidential, whether disclosed orally or accessed in written, electronic, or other form or media in connection with the Agreement is confidential and, with respect to PSE, PSE Information (as defined below), is solely for the receiving Party's use in performing under the Agreement. Such Confidential Information may not be disclosed or copied unless authorized by the disclosing Party in writing. Confidential Information does not include information the receiving Party can prove: (a) was or becomes generally available to the public through no breach of an obligation of confidentiality; (b) was already in the possession of the receiving Party at the time it was received in connection with the Agreement without any prior obligation of confidentiality; (c) was lawfully obtained by the receiving Party from a third party without breach of an obligation of confidentiality; or (d) was independently developed by the receiving Party without use of or reference to any of the Confidential Information. The receiving Party will: (x) maintain the other Party's Confidential Information in confidence; (y) use the Confidential Information exclusively for such Party's performance (or the performance of Subcontractors or third parties engaged by PSE) in connection with any applicable SOW; and (z) will take all precautions necessary to prevent the Confidential Information from being disclosed to any unauthorized third party. Notwithstanding the foregoing, the receiving Party may disclose Confidential Information to the limited extent required by applicable law or by order of a court of competent jurisdiction; provided, however, that to the extent permitted by applicable law, the receiving Party must promptly notify the disclosing Party in writing in advance of such required disclosure and reasonably cooperate so that the disclosing Party may take appropriate action to prevent or limit the scope of such required disclosure and protect its Confidential Information.
- 6.5** "PSE Information" means: (a) any project, design, roadmap, and architecture plans of PSE; (b) any personally identifiable information about persons or entities that Supplier obtains from any source, whether disclosed orally or accessed in written, electronic, or other form or media in connection with the Agreement, which concerns prospective and existing customers or employees of PSE, or any third party PSE has a business relationship with, including names, addresses, telephone numbers, e-mail addresses, social security numbers, credit card numbers, call-detail information, purchase information, product and service usage information, account information, credit information and demographic information; and (c) any aggregate data created or derived from the previously described personally identifiable information. In addition to those disclosure and usage restrictions set forth in Section 6.4, Supplier: (y) will collect, access, use, maintain, and disclose PSE Information solely for Supplier's use in performing under the Agreement; and (z) will not disclose PSE Information, whether or not it is publicly available.
- 6.6** Supplier will return, or at PSE's option destroy, any and all Confidential Information upon: (a) expiration or earlier termination of this MSA, any underlying SOW, or both; or (b) upon request by PSE. Upon PSE's request, Supplier will certify in writing the completion of such return or destruction.

- 6.7** Except as may be required by Law, neither Party will, without the prior written consent of the other make any news release, public announcement, or place any advertisement or similar communications (collectively, “promotional material”) stating that: (a) PSE and Supplier have contracted for the products or Services specified in the Agreement; or (b) have entered into any business relationship. Use of any PSE name, trademark, or service mark in any promotional materials of Supplier requires PSE’s prior written approval, which PSE may withhold in its sole discretion. In the event PSE approves the use of its name, trademark, or service mark in any promotional materials of Supplier, all of the content must be submitted to PSE’s Corporate Communications Department for review prior to each publication.

SECTION 7. RELEASE, INDEMNITY AND HOLD HARMLESS

- 7.1** Supplier releases and will defend, indemnify, and hold harmless PSE, its subsidiaries and affiliates, and each of their respective shareholders, directors, officers, employees, representatives, and agents from and against any and all claims, costs, losses, liabilities, damages, fines, and expenses of any nature (including reasonable attorneys’ fees and costs) (“Losses”) arising out of or resulting from any claim of a third party, arising out of or occurring in connection with:
- (a) the fault, negligence, professional error or omission, strict liability or product liability of Supplier or any Subcontractor in connection with the Agreement;
 - (b) a lien asserted by any Subcontractor or any supplier or vendor of Supplier upon any PSE property in connection with the Agreement;
 - (c) infringement or misappropriation of any patent, copyright, trade secret, trademark, or other Intellectual Property Right by any Deliverable or the Services;
 - (d) an act, error, or omission of any Subcontractor that, if done by Supplier, would be a breach or default under the Agreement; or
 - (e) breach or default under the Agreement by Supplier.

Supplier’s indemnification of PSE will not be subject to the insurance coverage specified in Section 8 and will not be capped at any limits of insurance required by the Agreement.

- 7.2** In connection with any action to enforce Supplier’s obligations under this Section 7, and to the extent permitted by Law, Supplier waives any immunity, defense or protection under any workers’ compensation, industrial insurance, or similar laws (including the Washington Industrial Insurance Act, Title 51, of the Revised Code of Washington).
- 7.3** Supplier acknowledges that the foregoing provisions regarding indemnification and waiver are an important part of the consideration for PSE to enter into the Agreement, and that the foregoing waiver provision has been mutually negotiated.

SECTION 8. WORKERS’ COMPENSATION AND INSURANCE

- 8.1** At all times during the Term, Supplier will procure and maintain, at its sole cost and expense, insurance with provisions, coverages, and limits as specified below, and will require all Subcontractors providing the Services on its behalf to maintain such insurance as applicable to their performance in connection with the Agreement. Supplier will maintain

the insurance and coverages described herein in full force and effect at all times: (i) until all of Supplier's obligations under the Agreement have been fully performed and all operations of Supplier have been completed; and (ii) in the case of completed operations and product liability, professional liability, and any "claims made" umbrella or excess insurance, until the expiration of three (3) years after the end of the Term, through continued policy renewals or purchase of "tail coverage."

- a. **Workers Compensation and Employer's Liability.** With respect to all persons performing the Services, Statutory workers' compensation benefits as required for all employees by Title 51 of the Revised Code of Washington and Employer's Liability Insurance, including Occupational Disease coverage, in the amount not less than \$1,000,000 for bodily injury by accident, \$1,000,000 for bodily injury by disease, and \$1,000,000 in the aggregate. Such insurance must provide coverage for all persons employed by Supplier who will be performing any aspect of performance of Supplier hereunder.
- b. **Commercial General Liability Insurance.** On an occurrence-basis, with limits of no less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate for products/completed operations, and \$2,000,000 in the aggregate. The policy will be written on an occurrence basis on a form no less broad than ISO CG 0001 04 13 and will provide coverage for, but not limited to, premises and operations, products and completed operations, independent contractors, personal and advertising injury, medical expenses, broad form property damage, and blanket contractual coverage.
- c. **Automobile Liability Insurance.** Covering all owned, hired and non-owned vehicles to be used in the performance of the Services in an amount no less than \$1,000,000 per occurrence combined single limit for bodily injury (including death) and property damage (including loss of use).

8.2 Prior to performing any Services and within ten (10) days after execution of this MSA, Supplier shall furnish PSE with a certificate of insurance and copies of relevant endorsements demonstrating the insurance required in Section 8.1. Subject to Section 8.3(f), within thirty (30) days after any renewal, material modification, or any notice of termination, cancellation, or expiration of any policy of insurance required under the Agreement, Supplier will deliver to PSE a certificate of insurance with respect to any replacement policy. If requested by PSE, Supplier will provide PSE a copy of any policy of insurance required to be maintained under this Section 8, including all endorsements thereto.

8.3 All policies of insurance required under this MSA must:

- (a) be placed with an insurance carrier maintaining an AM Best rating of at least A- VII and licensed to do business under the laws of the State of Washington;
- (b) with the exception of workers' compensation, employer's liability, and professional liability insurance, be endorsed to name PSE, its subsidiaries and affiliates, and each of their respective shareholders, directors, officers, employees, representatives, and agents (the "Owner Parties") as additional insureds;
- (c) with the exception of workers' compensation, employer's liability, and professional liability insurance, state that the "Insured v. Insured" exclusion does not preclude coverage if an additional insured brings a claim against the named insured;

- (d) be primary insurance with respect to the interests of the Owner Parties; any insurance or self-insurance maintained by any of the Owner Parties will be excess and non-contributory insurance with respect to the insurance required herein;
- (e) include a provision providing a waiver of the insurer's right to subrogation against each of the Owner Parties. To the extent permitted by its policies of insurance, Supplier hereby waives all rights of subrogation against each of the Owner Parties;
- (f) with the exception of workers' compensation, employer's liability, and professional liability insurance, apply severally and not collectively to each insured against whom any claim is made or suit is brought, except that the inclusion of more than one insured shall not operate to increase the insurance company's limits of liability as set forth in the insurance policy; and
- (g) provide that the policies will not be canceled or their limits reduced or restricted to a level below the requirements of this Section 8 without giving at least thirty (30) days' prior written notice to the Procurement Department of Puget Sound Energy, Inc., PO Box 97034, (BOT-01O) Bellevue, WA 98009-9734.

8.4 Supplier will be solely responsible for any premium, deductible, self-insured retention, and similar self-insurance mechanism amounts contained in its insurance program and for any deficiencies in the amounts of insurance maintained. Supplier will have no right to call upon or seek contribution from the Owner Parties for deductibles, self-insured retentions, similar self-insurance mechanisms, or insurance premiums associated with policies of insurance required in this MSA. Any deductible, self-insured retention, or similar self-insurance mechanism greater than \$50,000 requires PSE's prior written approval.

8.5 The requirements of this MSA as to insurance and acceptability to PSE of insurers and insurance to be maintained by Supplier are not intended to and will not in any way limit or qualify any other obligation of Supplier under the Agreement. Supplier will be held accountable for all insurance coverage, including that of any Subcontractors hired by Supplier. Insurance will be independent of the indemnity provisions of this MSA, and insurance hereunder is not designed solely to guarantee payment of Supplier's indemnity obligations. The limits of liability set out in this Section 8 may be increased or decreased by mutual consent of the Parties, which consent will not be unreasonably withheld by either Party, in the event of any factors or occurrences, including changes in work scope, substantial increases in the level of jury verdicts or judgements, or the passage of state, federal, or other governmental compensation plans, or Laws that would materially increase or decrease Supplier's and/or PSE's exposure to risk.

8.6 Supplier will comply with all OSHA Recordkeeping and injury reporting requirements. Supplier will report to PSE within 24 hours any OSHA recordable injuries that occur while performing work on behalf of PSE. A "recordable injury" includes any injury that results in treatment beyond first aid, restricted workdays, and/or lost workdays. Supplier must provide the following details via email to safety@pse.com: Supplier's formal legal name, date and location of incident, a short description of the incident, and whether the recordable injury includes one or more lost workdays (not including the date of injury).

8.7 **Proof of supplier's membership in Washington Cities Insurance Authority (WCIA) shall satisfy all conditions and requirements under this Section 8.**

SECTION 9. CHANGES

9.1 Subject to Section 9.2, PSE may at any time by written notice thereof to Supplier, without

liability or penalty, modify any Services as defined in any SOW (including additions to or deletions from any Services, suspension of performance and changes in the schedule, and location of performance) with or without cause effective immediately or as otherwise specified in such notice.

- 9.2** If any change under Section 9.1 would result in an increase or decrease in Supplier's cost for performance of the Services or delivery of the Deliverables, the Parties will follow the change procedure set forth in the applicable SOW.

SECTION 10. WARRANTIES

- 10.1** Supplier warrants that all Services will be performed in a professional manner with professional skill and care and in compliance with the terms and conditions of the Agreement.
- 10.2** Each Party warrants to the other that: (a) it has full power and authority to enter into and to perform its obligations under the Agreement; (b) the Agreement does not violate any Law or breach any other agreements to which it is a party or is otherwise bound; and (c) it will comply with all Laws in performing its obligations under the Agreement.
- 10.3** EXCEPT AS EXPRESSLY SET FORTH IN THE AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAWS, NEITHER PSE NOR SUPPLIER MAKES ANY OTHER WARRANTIES WITH RESPECT TO THE AGREEMENT, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED, AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USAGE OF TRADE, WITH RESPECT TO THE AGREEMENT.

SECTION 11. TERMINATION

- 11.1** PSE may at any time, by written notice thereof to Supplier, terminate this MSA, any underlying SOW, or both, as to all or any portion of the Services not then performed, whether or not Supplier is then in breach or default. Upon receipt of any such notice of termination Supplier will, except as otherwise directed by PSE, immediately stop performance of the Services to the extent specified in such notice and deliver to PSE any work in process or Deliverables, regardless of their level of completion.
- 11.2** In the event of termination pursuant to Section 11.1 for PSE's convenience, upon PSE's review and approval of a fully supported invoice to be submitted within thirty (30) days after the date of termination, an equitable adjustment will be made in the compensation payable to Supplier under the Agreement, provided that such compensation as so adjusted will in no event exceed a percentage of the total compensation otherwise payable under the Agreement equal to the percentage of the Services satisfactorily completed, including Deliverables delivered, at the time of termination. Further, Supplier will not be entitled to any reallocation of cost, profit or overhead. Supplier will not in any event be entitled to anticipated profit on Services not performed on account of such termination. Supplier must use its best efforts to minimize the compensation payable under the Agreement in the event of such termination.

- 11.3** The obligations of the Parties under Sections 5, 6, 7, 8, 10, 11, and 12, and all provisions of the Agreement that may reasonably be interpreted or construed as surviving the completion, termination, expiration, or cancellation of the Agreement will survive the completion, termination, expiration, or cancellation of the Agreement.

SECTION 12. MISCELLANEOUS

- 12.1** Any notice, request, designation, direction, statement, or other communication under the Agreement must be made in writing and delivered by courier or registered or certified mail, return receipt requested, postage paid to the addresses for legal notices in the signature block hereunder. Notices related to SOWs will be sent via email to the Parties' contacts identified in the applicable SOW (with a hard copy to the legal notice recipient if appropriate), return receipt requested. All notices will be effective upon receipt. Either Party may change its address by giving the other Party notice of such change in accordance with this Section 12.1.
- 12.2** Supplier may not (by contract, operation of law, or otherwise) assign, transfer, delegate, or subcontract any of its rights or obligations under the Agreement without the prior written consent of PSE. For the purposes of the foregoing, any transfer of a controlling interest in Supplier (e.g., by a transfer of securities or otherwise) will not be deemed an assignment of the Agreement. Any purported assignment or delegation in violation of this Section 12.2 will be voidable at PSE's option. No such assignment will relieve Supplier from any of its obligations hereunder. The Agreement is binding on and inures to the benefit of the Parties and their successors and permitted assigns.
- 12.3** No waiver by any Party of any of the provisions of the Agreement will be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in the Agreement, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from the Agreement will operate or be construed as a waiver hereof, will any single or partial exercise of any right, remedy, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege.
- 12.4** No Party will be liable or responsible to the other Party, nor be deemed to have defaulted under or breached the Agreement, for any failure or delay in fulfilling or performing any term of the Agreement (except for any obligations to make payments to the other Party hereunder), when and to the extent such failure or delay is caused by or results from the following (each, a "Force Majeure Event"): (a) acts of God; (b) epidemic, flood, fire, earthquake, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order or law; (e) actions, embargoes, or blockades in effect on or after the date of the Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns, or other industrial disturbances; or (i) shortage of adequate power or transportation facilities. The affected Party must give notice to the other Party ("FME Notice") within twenty-four (24) hours of the Force Majeure Event, stating the period of time the occurrence is expected to continue. The affected Party must use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized, and will resume performance of its obligations as soon as reasonably practicable after the removal of the cause. Notwithstanding anything herein to the contrary, PSE will not be liable for payment for any Services or Deliverables it does not receive due

to a Force Majeure Event affecting Supplier's performance of its obligations under the Agreement.

- 12.5** Each Party acknowledges and agrees that a breach or threatened breach by a Party of any of its obligations under Section 6 would give rise to irreparable harm to the other Party for which monetary damages would not be an adequate remedy. In the event of such breach or threatened breach the non-breaching Party will, in addition to all other rights and remedies that may be available to it at law, at equity, or otherwise, be entitled to equitable relief (including injunctive relief or specific performance) without posting bond in addition to any other available remedies, including damages. In any litigation concerning a breach of Section 6, the prevailing Party will be entitled to recover all reasonable expenses of litigation, including reasonable attorney fees at trial and on any appeal.
- 12.6** Except as otherwise specifically stated in the Agreement, the rights and remedies of a Party set forth in any provision of the Agreement are in addition to and do not in any way limit any other rights or remedies afforded to that Party by any other provision of the Agreement, or by law.
- 12.7** This MSA together with any related exhibits and SOWs set forth the entire agreement and supersedes any and all prior and contemporaneous oral or written communications, understandings and agreements with regard to the Services and development of the Deliverables, including, for the avoidance of doubt, any confidentiality agreement between the Parties. In the event of a conflict between this MSA and any SOW, the terms of this MSA will prevail unless an SOW expressly provides that certain provisions therein will control over certain specified provisions in this MSA. In the event of a conflict between this MSA and a Security Addendum, the terms of the Security Addendum will govern except that the confidentiality provisions in the Security Addendum are intended to supplement the confidentiality and security obligations of Supplier as set forth in this MSA. No amendment or modification of any provision of the Agreement will be valid unless set forth in a written amendment signed by the Parties.
- 12.8** If any term or provision of the Agreement is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provision hereof or invalidate or render unenforceable such provision in any other jurisdiction.
- 12.9** Neither Party will commence or prosecute any action, suit, proceeding, or claim arising under or by reason of the Agreement other than in the state and federal courts sitting in King County, Washington. The Parties hereby irrevocably consent to the jurisdiction of the courts of the State of Washington with venue laid in King County, Washington and of the U.S. District Court for the Western Division District of Washington in Seattle, Washington.
- 12.10** The Agreement will be construed as if prepared by the Parties. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in the Agreement against the Party that has drafted it is not applicable and is waived. The Agreement will be interpreted, construed and enforced in accordance with the laws of the State of Washington without reference to its choice of law rules.
- 12.11** The headings used in the Agreement are for convenience and ease of reference only and will not be used to construe, interpret, expand or limit the terms of the Agreement. The

words “include,” “includes,” and “including” are to be read as if they were followed by the phrase “without limitation.” This MSA, any underlying SOW, or both may be executed in one or more counterparts, each of which will be deemed an original, and all together will constitute the Agreement in its entirety. Notwithstanding anything to the contrary in Section 12.1, a signed copy of this MSA or any underlying SOW or Security Addendum, or any amendment thereto, delivered by facsimile, email, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy.

--Signature page follows--

Intending to be legally bound, PSE and Supplier have caused their duly authorized representatives to execute this Master Services Agreement in the space provided below.

PSE:
Puget Sound Energy, Inc.

Supplier:
City of Lacey

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address for Legal Notices:
Puget Sound Energy, Inc.
Attn: Procurement
PO Box 97034, (BOT-01G)
Bellevue, WA 98009-9734

Address for Legal Notices:
City of Lacey
420 College ST SE
Lacey, WA 98503

**Scope of Work No. under
Master Services Agreement No. 46000015534
CITY OF LACEY – MATCHED REBATES**

1. OVERVIEW

This Statement of Work No. _____ (“SOW”) adopts and incorporates by reference the terms and conditions of the Master Services Agreement No. 4600015534 dated _____, (“MSA” or “Agreement”), as it may be amended from time to time, between Puget Sound Energy, Inc. (“PSE”) and City of Lacey (“Supplier” or (“COL”), and together with PSE, “Parties”). This SOW is effective as of the date of the last signature below (“Effective Date”) and will remain in effect until: [estimated date]; the date the Services (as specified herein) are completed (and accepted, if applicable); or the date earlier terminated in accordance with the MSA.

Transactions performed under this SOW will be conducted in accordance with and be subject to the terms and conditions of this SOW and the MSA. Capitalized terms used but not defined in this SOW shall have the meanings set out in the MSA

COL approached PSE in October 2022 indicating interest in using funding from the city’s Climate Action Plan to help city residents perform energy efficiency upgrades in their homes. COL’s Climate Action Plan recognizes that residential energy use is one of the largest sources of greenhouse gas emissions in our region and aims to maximize energy efficiency.

PSE’s Customer Energy Management (CEM) department agreed to pilot the initiative through a partnership, but limited scope to residential rebates for retrofit programs. CEM believes that this project will further the department’s mission of empowering customers to reduce their energy use. Furthermore, CEM believes that, by matching rebates, some COL customers may be able to afford energy efficiency upgrades that otherwise wouldn’t have. This aligns with CEM’s equity goals related to better serving low-to-moderate income customers.

Appendix A outlines the rebates that will be applicable in this partnership

COL’s projected budget for this pilot matching rebate initiative is \$50,000. However additional funding may be available if customer demand exceeds budget.

2. PROGRAM DESCRIPTION

A. Program Offerings

The scope of this pilot initiative will be single-family retrofit rebates in the Weatherization, Windows, Space Heat, Water Heat, Thermostat, and Appliance programs. The scope excludes any other PSE rebates not in these programs, namely: new construction rebates, midstream rebates, retail/in-store discounts, multifamily rebates, and commercial rebates. Appendix A displays a table of the residential rebates that are eligible for matching by COL. The table displays:

- Standard, everyday rebates for single-family home customers. There are no income guidelines for these rebates
- Efficiency Boost rebates. These require customers to sign an income qualification form stating that their income is less than or equal to 90% of Area Median Income.
- Manufactured Home rebates. These are reserved for customers that reside in manufactured homes.

The customer will receive two separate rebate payments. The first will be the PSE rebate ('PSER') and the second will be the City of Lacey rebate ('COLR'). The customer journey for this partnership will be as below:

- The customer hears about promotion through COL or PSE marketing (website, email, digital advertising, postcard, etc.).
- The customer installs equipment or has work performed by a contractor.
- The customer receives PSER via an instant rebate, check, or bill credit
- The customer gets an automated email confirming the PSER.
- Weekly, PSE staff pulls a list of customers that have received rebates. PSE filters the list, first using zip code (98503, 98516, 98513) as an initial filter, then using [COL's searchable boundary map tool](#) to confirm.
- PSE rebate processor pays the COLR to customer via check (this rebate amount matches what the customer was paid for PSER, not exceeding the total Project Cost). The check will have a note on it for COL attribution: "City of Lacey Matching Rebate Initiative"
- The customer gets another automated email confirming the COLR.
- PSE gives the list of COLR granted to the COL.
- The COL reimburses PSE.

COL will match the PSER, as detailed in Appendix A, up to the Pre-Tax Project Cost ('PTPC'). The PSE rebate plus the COL rebate should not exceed the PTPC. In other words, the sum of the two rebates should not exceed what the customer paid for the work.

If the PSER plus the COLR are less than or equal to the PTPC, then the COLR will match the PSER.

- If $PSER + COLR \leq PTPC$, then $COLR = PSER$

If the PSER plus the COLR are greater than the PTPC, then the COLR will max out at the PTPC minus the PSER, so that the customer does not profit off of this partnership.

- If $PSER + COLR \geq PTPC$, then $COLR = PTPC - PSER$

B. Program Eligibility

COL customers need to live within the City of Lacey, as determined by COL's searchable boundary map (only Lacey City Limits, not Lacey Urban Growth Area or Lacey Zoning)

<https://www.arcgis.com/home/webmap/viewer.html?webmap=e6a619c8bf784dc6b7396bf5958c3270>

The possible zip codes for COL are 98503, 98516, and 98513.

The PSE programs and measures that are eligible for this initiative are outlined in Appendix A. All other PSE program and measures are excluded from this initiative. Any PSE customer who meets the rebate program requirements is eligible to participate.

COL customers will be eligible for the matching rebate initiative after the execution date of this contract. Under this contract, if the date of installation occurred prior, there will be no retroactive rebate policies applied.

ROLES

A. Customer Care

Questions regarding COLR qualifications and requirements should be directed to Linsey Fields, COL's Climate and Sustainability Coordinator. PSE can also assist with status updates on the COLR. However, PSE shall not be liable for instances where the matching rebate gets sent to the wrong customer, at no fault of PSE. Some examples of this would be:

- A customer moves in the time between when they get their first rebate check, and the second matching COL check.
- A customer provides a wrong or incomplete address.
- U.S. Postal Service (USPS) delivers mailed rebate to the wrong address.
- PSE staff incorrectly qualifies a customer that is on the COL border

B. Marketing

All marketing and advertising materials will need brand review and approval from PSE. PSE will provide review comments within ten (10) days of receipt of materials.

COL will take the lead role in marketing of this initiative through the following tactics:

- Assigning a COL staff to oversee and steward the partnership's efforts
- Creation of a website
- Sending out a bill insert to COL customers via water bill
- Advertisements via COL social channels
- Virtual event for COL customers, featuring a Q&A and reason for the initiative
- Postcard mailed to COL residents. PSE to cover design costs, and COL to cover printing and shipping costs
- One pager: PSE to cover design costs; COL to cover printing

PSE may support this initiative with the following marketing, outreach and event tactics:

- Assigning a PSE staff member as the partnership's efforts liaison

- Creation of a flyer outlining initiative
- Targeted emails to COL residential customers
- Targeted social media advertisements in COL zip codes (98503, 98516, and 98513)
- Design and create a postcard to send to COL residents
- Event staffing, including a possible Kickoff event
- Virtual event for trade allies
- Press release (The Olympian, JOLT, Thurston Talks)

C. Reporting

- i. PSE will send COL a Batch Summary report of rebates paid to COL customers by the ____ of each month. This report will be submitted securely via MOVEit, according to PSE's Secure File Transfer Protocol. Report will include:
 - a. Installation address and zip code
 - b. Measures installed
 - c. PTPC
 - d. PSER
 - e. COLR

D. BUDGET AND PAYMENT

On a monthly basis, COL will reimburse PSE for the COL rebate paid to customers.

- PSE shall invoice COL monthly not more than forty five (45) days following the month the program activity occurred. Invoices shall be accompanied by the monthly Batch Summary report.
- COL will send PSE payment no more than 30 days after receiving PSE invoice

E. TERM

The term of this Scope of Work shall begin upon execution by both parties and end December 31st, 2023.

60 days prior to the end date, PSE and COL shall convene to explore partnership continuation.

F. PROGRAM CONTACTS

The following staff have been identified as leads by each utility for this Scope of Services:

PSE Program Lead:

Name: Amit Singh
 Address: 20111 120th Ave NE
 BOT-O2O
 Bothell, WA 98011
 Phone: 425-287-2587
 Email: Amitpal.Singh@pse.com

COL Lead:

Name: Linsey Fields
Address: City of Lacey
420 College St SE
Lacey, WA 98503
Phone: (360) 486-8739
Email: Lfields@ci.lacey.wa.us

G. SIGNATURES

CITY OF LACEY

By: _____
Name: _____
Title: _____

PUGET SOUND ENERGY, INC.

By: _____
Name: _____
Title: _____

Appendix A. PSE Rebates for City of Lacey partnership

Program	Measure	Standard Incentive	Efficiency Boost Incentive	Manufactured Home Incentive
Weatherization	Attic Insulation R-0 to R-49	\$0.50 per sq. ft.	\$1.50 per sq. ft.	\$1.30 per sq. ft.
	Attic Insulation R-11 to R-49	\$0.50 per sq. ft.	\$1.30 per sq.ft.	N/A
	Floor Insulation R-11 or less to R-30	\$0.25 per sq. ft.	\$1.45 per sq. ft.	\$1.30 per sq. ft.
	Wall Insulation R-0 to R-13	\$0.75 per sq. ft.	\$1.60 per sq. ft.	None
	Prescriptive Duct Sealing and Insulation R-0 to R-11	Up to \$400	Up to \$900	None
	Duct sealing only	Up to \$300	Up to \$500	Up to \$500
	Prescriptive Air Sealing (attic and/or crawl space)	\$0.10 per sq. ft.	\$0.20 per sq. ft.	None
Windows	Windows, Single Pane to U30	\$50 per window, up to \$750	\$200 per window, up to \$2,000	\$200 per window, up to \$2,000
	Windows, Double Pane to U30	None	None	\$200 per window, up to \$2,000
	Windows, Single Pane to U22	\$100 per window, up to \$1500	\$200 per window, up to \$2,000	\$200 per window, up to \$2,000
	Windows, Double Pane to U22	\$100 per window, up to \$1500	\$200 per window, up to \$2,000	\$200 per window, up to \$2,000
Water Heat	Gas tankless water heater	\$250	\$600	\$600
	Gas storage water heater	\$50	\$100	\$100
Space Heat	ENERGY STAR® or AHRI Certified natural gas boiler (95 percent AFUE)	\$700	\$1,000	\$1,000
	ENERGY STAR® or AHRI Certified natural gas forced-air furnace (95 percent AFUE)	\$700	\$1,400	\$1,400
	Zonal electric resistance to ductless heat pump conversion	\$800	\$2,400	\$2,400
	Electric forced-air furnace to heat pump conversion	\$1,500	\$2,400	\$2,400

Thermostats	Line Voltage Connected Thermostat (PSE-approved models)	\$75	\$130	\$130
	Smart thermostat (ENERGY STAR® models)	\$75	\$175	\$175
Appliances	ENERGY STAR® frontload clothes washer	\$75	\$125	\$125
	ENERGY STAR® dryer	\$50	\$100	\$100

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE MINUTES
JULY 25, 2023
8:30 A.M. – 9:32 A.M.
REMOTE & IN PERSON

To hear the complete meeting or to listen to a specific topic, please watch the recorded meeting available on the City of Lacey's Public Meeting Portal: <https://laceywa.portal.civicclerk.com>

COUNCIL PRESENT: MAYOR RYDER (CHAIR), DEPUTY MAYOR MILLER, AND
COUNCILMEMBER GREENSTEIN

STAFF PRESENT: RICK WALK, SHANNON KELLEY-FONG, WESLEY NGUYEN, AND ELISSA
FONTAINE

ACTION: APPROVE THE FINANCE & ECONOMIC DEVELOPMENT COMMITTEE AGENDA
MOTION: MOTION MADE, SECONDED, AND CARRIED BY COUNCILMEMBER GREENSTEIN
AND MAYOR RYDER.

MARKET AT THE DEPOT UPDATE

STAFF: WESLEY NGUYEN, ECONOMIC DEVELOPMENT COORDINATOR
ACTION: INFORMATION ONLY

Wesley Nguyen, Economic Development Coordinator, presented an update on the Market at the Depot.

The Lacey Market at the Depot and Food Truck Plaza provides cultural, recreational, and culinary experiences to the community, while supporting local businesses.

Staff highlighted the 2023 calendar, event performance, and observations.

LACEY MAKERSPACE UPDATE

STAFF: WESLEY NGUYEN, ECONOMIC DEVELOPMENT COORDINATOR
ACTION: INFORMATION ONLY

Wesley Nguyen, Economic Development Coordinator, presented the following updates for the Lacey MakerSpace:

- 2021 EDA Equipment Grant

- 2023 Congressional Direct Spending – SBA Capital Investment Grant
- Expansion & Remodel
- Partnership
- Trainings
- Operations

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY UPDATE

PRESENTERS: WESLEY NGUYEN, ECONOMIC DEVELOPMENT COORDINATOR

MICHAEL CADE, EXECUTIVE DIRECTOR, THURSTON EDC

ACTION: INFORMATION ONLY

Wesley Nguyen, Economic Development Coordinator, provided an update on the Comprehensive Economic Development Strategy (CEDS).

Staff identified that a regionally owned CEDS plan identifies and prioritizes economic development opportunities in the region. It creates the environment for regional economic prosperity. A CEDS plan is a prerequisite for the designation of an Economic Development District (EDD), a designation that opens the door to federal planning funds.

Michael Cade, Executive Director of Thurston EDC, presented an overview of the Pacific-Salish Economic Development District. The presentation included the following topics:

- Economic Development Districts 101
- Benefits
- Current EDA Funding Priorities
- Eligible Projects for Funding
- Next Steps