



City of Lacey, Washington City Council Regular Meeting Agenda

Refer to the bottom of the agenda for meeting information.

Tuesday, February 6, 2024

6:00 PM

Council Chambers and Online

1. Call to Order

2. Roll Call

3. Pledge of Allegiance

4. Land Acknowledgement

We, the City of Lacey, are on the ancestral land of the Tribal People of the Treaty of Medicine Creek, including the Nisqually Indian Tribe and Squaxin Island Tribe. We acknowledge, and remember those Tribal People not recognized today who were absorbed or relocated into other tribes for survival. We recognize the ancestors and their descendants who are still here. We recognize and respect the Tribal People of the Treaty of Medicine Creek as the traditional stewards of this land since time immemorial and their role today in taking care of these lands in perpetuity. We recognize and have the responsibility to call attention to the histories of dispossession, forced removal, and abridged treaty rights that allowed our nation, state, and city to develop as it has today. We recommend that community members read the Medicine Creek Treaty of 1854.

5. Approval of Agenda and Consent Agenda Items:

- A. Council Worksession meeting minutes of January 9, 2024
- B. Council meeting minutes of January 16, 2024
- C. Approval of wages, claims, and transfers for January 8, 2024, through January 26, 2024

6. Public Recognitions and Presentations:

7. Public Comment:

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

8. Public Hearing:

9. Proclamations:

- A. **Black History Month Proclamation**
Michael Okoro, Pearl Foundation of Puget Sound

10. Resolutions:

11. Ordinances:

12. Mayor's Report:

- A. **Hearing Examiner Appointment**
Grant Beck, Planning and Development Services Manager
- B. **Library Board Reappointment: Pamela Nelson**
Mayor Ryder

13. City Manager's Report:

- A. **Interlocal Agreement for Thurston Climate Mitigation Collaborative Regional Initiatives**
Linsey Fields, Climate and Sustainability Coordinator

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 (EDC)
 - 2. Lodging Tax Advisory Committee (LTAC)
 - 3. Thurston County Coalition Against Trafficking (TCCAT)
 - 4. Joint Animal Services Commission (JASCOM)
- C. Councilmember Lenny Greenstein:
 - 1. Emergency Medical Services (EMS)
 - 2. TCOMM911
- D. Councilmember Michael Steadman:
 - 1. Nisqually River Council
 - 2. Thurston County Law & Justice Council
 - 3. Olympic Region Clean Air Agency (ORCAA)
- E. Councilmember Carolyn Cox:
 - 1. LOTT Clean Water Alliance
 - 2. Regional Housing Council
 - 3. Intercity Transit Authority



F. Councilmember Robin Vazquez:

1. Thurston Climate Mitigation Collaborative
2. Thurston Regional Planning Council (TRPC)
3. Thurston County Board of Health

G. Councilmember Nicolas Dunning:

1. Thurston Thrives
2. Solid Waste Advisory Committee (SWAC)
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)

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_9c-bXfB9Tbajamr05-Ct0w
Website:	https://cityoflacey.org/government/public-meetings/
Facebook:	https://www.facebook.com/cityoflacey
YouTube:	https://www.youtube.com/watch?v=b8ire202PEo
Cable:	Channel 77 with your local cable provider
Phone:	(888) 788-0099 or (877) 853-5247 (Webinar ID 844 4504 4287)

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_9c-bXfB9Tbajamr05-Ct0w

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.





City of Lacey, Washington Lacey City Council Worksession Minutes

Tuesday, January 9, 2024

6:00 PM

Council Chambers and Online

1. Call to Order

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

2. Roll Call

Council Present

Mayor Andy Ryder

Deputy Mayor Malcolm Miller

Councilmember Lenny Greenstein

Councilmember Michael Steadman

Councilmember Carolyn Cox

Councilmember Robin Vazquez

Councilmember Nicolas Dunning

Staff Present

Rick Walk, City Manager

Grant Beck, Interim Community and Economic Development Director

Dave Schneider, City Attorney

Hans Shepherd, Senior Planner

Brian Petrin, Civil Engineer

Elissa Fontaine, City Clerk

3. Land Acknowledgement

Mayor Ryder read the abbreviated Land Acknowledgement.

4. Approval of the Agenda

**Mayor Ryder moved to approve the agenda. Councilmember Cox seconded.
Motion carried.**

5. Agenda Items

A. Annual State of the Streets Report

Aubrey Collier, City Engineer

Brian Petrin, Civil Engineer, provided a presentation on the 2023 State of the Streets Report.

The City is required to conduct pavement rating surveys pursuant to RCW 47.04.125. The pavement condition ratings summarized in the State of the Streets Report are used to prioritize and select overlay projects which are funded by the Transportation Benefit District (TBD). A TBD is authorized by the legislature pursuant to RCW 36.73 for the purpose of funding transportation improvements including repair and maintenance to existing streets and sidewalks. The State of the Streets Report is not directly connected to the Transportation Benefit District.

B. Proposed Amendments to the County-Wide Planning Policies

Deputy Mayor Malcolm Miller

Grant Beck, Interim Community and Economic Development Director

Deputy Mayor Miller and staff presented additional information surrounding proposed amendments to the County-Wide Planning Policies. The policies are required by the Growth Management Act and include a formal process for cities to participate in.

C. Neighborhood Commercial Update

Hans Shepherd, Senior Planner

Staff presented updates surrounding the Neighborhood Commercial Districts. The presentation highlighted the following in detail:

- Existing Locations
- Project Kickoff and Community Outreach
- Initial Findings and Committee Review
- Business and Tenant Outreach
- Research Alternatives
- Site Coverage
- Permitted Uses
- Draft Code Updates and Community Review
- Proposed Schedule for Next Steps



D. Council Assignments

Mayor Andy Ryder

Mayor Ryder confirmed he received feedback from the Council regarding schedules and intergovernmental boards and committees priorities. The final draft of proposed assignments will be presented at a future Council meeting for approval.

E. Electronic Voting Implementation

Elissa Fontaine, City Clerk

Staff introduced the implementation of electronic voting during Council meetings. The feature will be made available to the Council at future meetings.

6. Adjourn

Mayor Ryder adjourned the meeting at 8:53 p.m.





City of Lacey, Washington
City Council Regular Meeting Minutes
Tuesday, January 16, 2024 - Council Chambers and Online

1. Call to Order

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

2. Roll Call

Council Present

Mayor Andy Ryder
Deputy Mayor Malcolm Miller
Councilmember Lenny Greenstein
Councilmember Michael Steadman
Councilmember Carolyn Cox
Councilmember Nicolas Dunning

Council Excused

Councilmember Robin Vazquez

Staff Present

Rick Walk, City Manager
Dave Schneider, City Attorney
Scott Egger, Public Works Director
Ryan Andrews, Planning Manager
Martin Hoppe, Transportation Manager
Jordy Ratkie, Recreation Coordinator
Elissa Fontaine, City Clerk

3. Pledge of Allegiance

4. Land Acknowledgement

Mayor Ryder read the abbreviated Land Acknowledgement.

5. Approval of Agenda and Consent Agenda Items:

- A. Council Meeting minutes of January 2, 2024
- B. Approval of wages, claims and transfers for December 12, 2023, through January 5, 2024
- C. 2024-2026 Council Intergovernmental Board Assignments

Councilmember Greenstein moved to approve the agenda and consent agenda. Deputy Mayor Miller seconded. Motion carried.

6. Public Recognitions and Presentations:

A. Lacey Loves to Read Bookmark Winners

Jordy Ratkie, Recreation Coordinator

Jami Roberts, Director of ELA, Social Studies and Library Programs, North Thurston Public Schools

Raina Sedore, Lacey Timberland Library

Mayor Ryder and Council recognized the Lacey Loves to Read Bookmark Winners.

B. Lacey Youth Council Reports

Youth Council Representatives

The following youth council representatives provided reports:

Sarah Towne, North Thurston High School

Eliana Allin, Pope John Paul II

Sophia Allard, Timberland High School

Nathaniel Clay, Timberland High School

C. Public Service Award: Dave Wasson, Planning Commissioner

Mayor Ryder

Mayor Ryder and Council presented a Public Service Award to Dave Wasson for his service on the Planning Commission from 2018-2023.

D. Public Service Award: Mark Mininger, Planning Commissioner

Mayor Ryder

Mayor Ryder and Council presented a Public Service Award to Mark Mininger for



his service on the Planning Commission from 2018-2023.

7. 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.

8. Public Hearing:

9. Proclamations:

A. Lacey Loves to Read

Jordy Ratkie, Recreation Coordinator

Jami Roberts, Director of ELA, Social Studies and Library Programs, North Thurston Public Schools

Raina Sedore, Lacey Timberland Library

Mayor Ryder and Council proclaimed February 2024, as Lacey Loves to Read Month. Representatives from the City, Lacey Timberland Library and North Thurston Public Schools accepted the proclamation.

10. Resolutions:

11. Ordinances:

A. Ordinance No. 1655: Capital Facilities Plan Amendment

Ryan Andrews, Planning Manager

Staff presented the Capital Facilities Plan Amendment and the draft Ordinance. The Capital Facilities Element of the Comprehensive Plan is a mandatory element as set forth in the Growth Management Act, RCW 36.70A. The Planning Commission reviewed the Capital Facilities Plan and the Government Facilities Plan and conducted a public hearing on December 5, 2023. The Planning Commission voted unanimously to recommend the City Council approve both documents.



Councilmember Steadman moved to adopt Ordinance 1655 adopting the 2023-2042 Capital Facilities Plan and the Government Facilities Master Plan. Councilmember Cox seconded. Motion carried.

12. Mayor's Report:

13. City Manager's Report:

A. Carpenter Road and Britton Parkway Roundabout

Martin Hoppe, Transportation Manager

Scott Egger, Public Works Director, highlighted the project and bid results. The project will construct a single-lane roundabout at the intersection of Carpenter Road and Britton Parkway. This includes an overlay of the westbound lane of Britton Parkway from Western Parkway to the roundabout.

Councilmember Greenstein moved to award Lacey Contract Number 2020-29 to low bidder Active Construction Inc. of Puyallup, Washington, for the amount of \$2,230,230.00. Deputy Mayor Miller seconded. Motion carried.

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)

Mayor Ryder presented a report from the Transportation Policy Board.

B. Deputy Mayor Malcolm Miller:

1. Economic Development Council (EDC)
2. Lodging Tax Advisory Committee (LTAC)



3. Thurston County Coalition Against Trafficking (TCCAT)
4. Joint Animal Services Commission (JASCOM)

Deputy Mayor Miller presented reports from the Mayor's Forum as alternate, and the Urban Growth Area subcommittee.

C. Councilmember Lenny Greenstein:

1. Emergency Medical Services (EMS)
2. TCOMM911

Councilmember Greenstein presented a report from TCOMM911.

D. Councilmember Michael Steadman:

1. Nisqually River Council
2. Thurston County Law & Justice Council
3. Olympic Region Clean Air Agency (ORCAA)

Councilmember Steadman did not provide any reports.

E. Councilmember Carolyn Cox:

1. LOTT Clean Water Alliance
2. Regional Housing Council
3. Intercity Transit Authority

Councilmember Cox presented a report from the Thurston Climate Mitigation Collaborative.

F. Councilmember Robin Vazquez:

1. Climate Action Steering Committee



2. Thurston Regional Planning Council (TRPC)
3. Thurston County Board of Health

Councilmember Vazquez was excused from the meeting. Councilmember Cox presented a report from the Regional Planning Council as alternate.

G. Councilmember Nicolas Dunning:

1. Thurston Thrives
2. Solid Waste Advisory Committee (SWAC)
3. Olympia-Lacey-Tumwater Visitor & Convention Bureau (VCB)

Councilmember Dunning presented a report from the Olympia-Lacey-Tumwater Visitor & Convention Bureau.

16. Adjourn

Mayor Ryder called the meeting adjourned at 7:23 p.m.

MAYOR: _____

ATTESTED BY CITY CLERK: _____

DATE APPROVED: _____





LACEY CITY COUNCIL MEETING

February 6, 2024

SUBJECT: Disbursement Approval

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

STAFF CONTACT: Troy Woo, Finance Director

ORIGINATED BY: Troy Woo, Finance Director *TW*
Alix Turcotte, Senior Accountant *AT*
Carrie Bode, Accounting Technician *CB*

BACKGROUND:

The action requested of the City Council is by motion to approve payment of claims, wages and transfers for 01/08/2024 through 1/26/2024. The disbursements consist of the following:

Checks:	<u>Week of</u>	<u>Beg. Check No.</u>	<u>End. Check No.</u>	<u>Amount</u>
	01/12/2024	273417	273499	1,366,967.17
	01/19/2024	273500	273555	329,091.88
	01/26/2024	273556	273642	2,277,030.12

Electronic Transfers:	<u>Week of</u>	<u>Amount</u>
	01/08/2024	675.00
	01/09/2024	125.30
01/09/2024		14.40
	01/09/2024	9,276.46
	01/09/2024	30.00
	01/12/2024	1,259,811.05
	01/16/2024	28.09
	01/19/2024	416,338.98
	01/19/2024	237.00
	01/22/2024	521.20
	01/22/2024	473.00
	01/22/2024	1,702.55
	01/22/2024	556.44
	01/22/2024	132,863.16
	01/26/2024	1,084,229.46

Significant Disbursements:

<u>Vendor</u>	<u>Amount</u>	<u>Description</u>
LOTT Wastewater Alliance	\$ 1,204,289.47	December 2023 ERU's
Miles Resources LLC	\$ 482,291.64	RAC Parking Lot Expenses
Pacific Civil & Infrastructure	\$ 77,098.96	Liftstation 19 Replacement
SCI Infrastructure LLC	\$ 490,926.59	Golf Club Rd Water & Wastewater
Aspect Consulting LLC	\$ 51,647.40	S06 WR Exploratory
National Auto Fleet Group	\$ 90,230.68	F250 Truck With Custom Body
Nisqually Indian Tribe	\$ 103,074.00	December 2023 Inmate Support
WA St Dept of Revenue	\$ 132,863.16	December 2023 Excise Taxes
Miles Resources LLC	\$ 197,467.89	2022 Overlay Utilities
Phoenix Fabricators	\$ 699,346.53	Terry Cargil Reservoir
Puget Sound Energy Inc	\$ 172,517.46	Utility Bills
Saint Martin's University	\$ 454,104.61	Lacey MakerSpace
WA Cities Insurance	\$ 1,348,620.00	2024 Member Assessments

CITY OF LACEY OFFICIAL PROCLAMATION

WHEREAS, during Black History Month, we celebrate the many achievements and contributions made by Black and African Americans to our economic, cultural, spiritual, and political development; and

WHEREAS, in 1915, Dr. Carter G. Woodson, a noted African American historian, scholar, educator, and publisher, founded the Association for the Study of African American Life and History, and initiated Negro History Week in 1926, selecting the month of February to coincide with the birthdays of Frederick Douglass and Abraham Lincoln; and in 1976, Black History Month was formally adopted to honor and affirm the importance of Blacks in American History and beyond, advance the cause of civil rights, and strengthen families, communities, and the nation; and

WHEREAS, the first enslaved Africans were brought to the Americas in 1619, marking the beginning of legalized slavery which continued with the founding of the United States of America, and was legal in the country until the ratification of the Thirteenth Amendment in 1865; and

WHEREAS, since the abolishment of slavery, many iterations of racist laws and policies were instituted across the Country that served to disenfranchise blacks and African Americans from full political, economic, educational, and social opportunities; and

WHEREAS, despite these abhorrent attempts to enslave and then exclude them, as a result of their determination, hard work, and perseverance, Blacks have made invaluable and lasting contributions to our community, the state, the nation, and the world; achieving exceptional success in all aspects of society including business, education, politics, science, medicine, the military, sports, and the arts; and

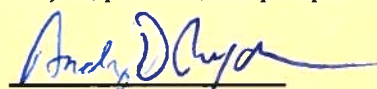
WHEREAS, the Association for the Study of African American Life and History's 2024 theme is, "African Americans and the Arts", and

WHEREAS, the Lacey City Council is committed to creating a community where everyone feels safe and welcome, and the observance of Black History Month calls our City's attention to the continued need to dismantle racism and build a society that lives up to its democratic ideals.

NOW, THEREFORE, I, Andy Ryder, Mayor of the City of Lacey, on behalf of the Lacey City Council, do hereby proclaim February 2024, as

Black History Month

in the City of Lacey and urge all community members to recognize the continued need to dismantle racism and to build a society that is more just, peaceful, and prosperous for all.



Mayor Andy Ryder
February 6, 2024





LACEY CITY COUNCIL
February 6, 2024

SUBJECT: Professional Services Agreement – Hearings Examiner Services

RECOMMENDATION: Move to authorize the City Manager to enter into a Professional Services Agreement for Hearings Examiner Services as recommended by Mayor Ryder.

STAFF CONTACT: Rick Walk, City Manager *RW*
Grant Beck, Planning and Development Services Manager *GB*

ORIGINATED BY: Community and Economic Development Department

ATTACHMENTS: 1. Summary of Statements of Qualifications

FISCAL NOTE: None. Funding for Hearings Examiner Services is budgeted annually.

WORK PLAN GOAL AND STRATEGY: Coordinated & Collaborative Planning - (B)(2)
Review Development Regulations
Ongoing Services

OTHER POLICY DOC. ALIGNMENT: Comprehensive Plan Economic Development Element (1)(B)
Ensure Lacey's development process remains clear, predictable, timely, and efficient.

COMMUNICATIONS PLAN: None

HOUSING ACTION PLAN: Many goals reference a streamlined permitting process.

PRIOR REVIEW: Council Ad Hoc Interview Committee interviews

BACKGROUND:

The Lacey City Council amended Chapter 2.30 Lacey Municipal Code as part of a larger update related to the Hearings Examiner system as utilized by the City of Lacey. Section 2.30.020 LMC now states:

The city council shall choose and appoint, by professional services contract, an examiner and any deputy examiners for terms which shall initially expire one year following the date of original appointment and thereafter expire four years following the date of each reappointment. The city council may also appoint in the same manner for terms and functions deemed appropriate, examiners pro-tem to serve in the event of absence or inability to act of the examiner and deputy examiners.

In October of 2023, Sound Law Center terminated their contract for Hearings Examiner services with the City of Lacey and in December the Council authorized a contract for a Pro-Tem Hearings Examiner with Andrew Reeves of Trebucket Legal Consultants. Council was informed at that time that a Request for Qualifications would be issued for Hearings Examiner services.

Lacey staff issued a Request for Qualifications on December 11, 2023, with a deadline for submittal of Statements of Qualifications of January 5, 2024. The City received three Statements of Qualifications.

Mayor Ryder appointed an ad-hoc Interview Committee of the Council to review the statements, interview qualified firms, and provide a recommend to the full Council.

Interviews will be conducted on Friday, February 2, 2024, by the Interview Committee, comprised of Mayor Ryder and Councilmembers Greenstein and Vasquez with support from Grant Beck, Planning & Development Services Manager and Samra Seymour, Senior Planner.

OPTIONS:

1. Accept the Interview Committee's recommendation to authorize the City Manager to enter into a PSA for Hearings Examiner services.
2. Reject the Interview Committee's recommendation and consider an updated process to appoint a Hearings Examiner.

ATTACHMENT 1
SUMMARY OF STATEMENTS OF QUALIFICATIONS

Firm: Laminar Law, PLLC
Examiner: Peregrin K. Sorter

Firm: Olbrechts & Associates, PLLC
Examiner: Phil Olbrechts

Firm: Scheibmeir, Kelly & Nelson, P.S.
Examiner: Mark Scheibmeir



LACEY CITY COUNCIL MEETING

February 6th, 2024

SUBJECT: Interlocal Agreement between Thurston County and the Cities of Lacey, Olympia and Tumwater Supporting Implementation of the 2024 Thurston Climate Mitigation Collaborative Regional Initiatives

RECOMMENDATION: **Motion to:** Authorize the City Manager to sign the Interlocal Agreement between Thurston County and the cities of Olympia & Tumwater to implement the 2024 Thurston Climate Mitigation Collaborative Regional Initiatives.

STAFF CONTACT: Rick Walk, City Manager *RW*
Ryan Andrews, Planning Manager *RA*
Linsey Fields, Climate and Sustainability Coordinator *LF*

ORIGINATED BY: Community and Economic Development Department Through Regional Initiative

ATTACHMENTS: **Attachment 1:** Interlocal Agreement to Support Implementation of the 2024 Thurston Climate Mitigation Collaborative Regional Initiatives
Attachment 2: Residential Energy Efficiency and Electrification Campaign Project Plan

FISCAL NOTE: Funding will be allotted through the Climate Action budget. There is currently \$200,000 for climate initiatives, and \$125,000 has been allocated for PSE/Lacey Matching Rebate. Funding for this ILA will equal \$14,875 per jurisdiction during 2024 budget year.

WORK PLAN GOAL AND STRATEGY: Environmental Stewardship
Continue implementation of Climate Mitigation efforts- (K)

OTHER POLICY DOC. ALIGNMENT: Thurston Climate Mitigation Plan
Strategy B1. Reduce energy use in existing residential buildings.
B1.1 residential energy performance ratings.
B1.2 residential energy audits

PRIOR REVIEW: None

BACKGROUND:

In 2023 Lacey signed an interlocal agreement (ILA) with Thurston County and the cities of Olympia and Tumwater. That specific ILA gave authority for the Thurston Climate Mitigation Collaborative (TCMC) to continue work implementing the Thurston Climate Mitigation Plan (TCMP). One part of the TCMC is implementation of the chosen regional initiative.

The regional initiative is an annual process that identifies priority strategies and/or actions that would benefit from regional coordination and act as a focus for regional work for the year. These strategies and actions are consistent with the TCMP. The chosen 2024 regional initiative contains two parts: the Home Energy Score Disclosure Model Ordinance and the Energy Efficiency and Electrification Campaign.

The Home Energy Score Disclosure Model Ordinance initiative is a policy proposal for the development of an ordinance which stipulates the requirement for all home listings to include an energy audit and home energy score. The TCMC Home Energy Score Disclosure Model Ordinance and Supporting Program will include a proposed regional policy for residential energy assessments and disclosures, a proposal for a supporting administrative program to implement the regional policy, and estimated implementation costs.

The Energy Efficiency and Electrification (EEE) Campaign will include three components:

- Component A: Web-based Information Hub
 - The webpage will educate users about electric and energy-efficient technologies, provides access to Inflation Reduction Act (IRA) rebates and incentives, and connects users with location-based information about vetted contractors and local incentives.
- Component B: Advisory Support Service
 - The second component of the EEE Campaign is an advisory support service that consists of one-on-one personalized support (email, phone, and/or video calls) to answer technical questions and help residents plan and complete home electrification and energy efficiency upgrades. This component will also include the development of an online “personal electrification on planning” (PEP) tool for customized, step-by-step recommendations to support residents throughout the electrification process.
- Component C: Local Incentive & Outreach Campaign
 - The local campaign will be for a specific period of time (such as a few months) and will include targeted financial incentives, customer support, and intensive outreach and marketing. The goal is to galvanize consumer action and remove barriers to home electrification and energy efficiency, resulting in a quantifiable number of home assessments and/or upgrades for low and middle income

(LMI) and non-LMI households. As noted, this campaign will build on the model of Energize Olympia to provide a wider range of services and incentives for all residents of Thurston County. Energize Olympia was a group purchase of heat pump program where Olympia helped subsidized the costs of purchasing and installing heat pumps.

The majority of funding for the planning phase of the regional initiatives will be used for stakeholder engagement to ensure programs and policies have adequate community and industry input. Attachment 2 includes detailed program plans and budget line items.

Both the HES and EEE regional initiatives will have multiple implementation phases and require additional funding in 2025. This ILA does not mandate the city to reserve funding for future implementation projects or mandate the city to pass the model ordinance. Future funding for the EEE campaign will most likely be paid through Inflation Reduction Act (IRA) formula grant funding.

NEXT STEPS:

Option 1: Approve the motion to authorize the City Manager to sign the necessary agreements.

Option 2: Approve the motion to authorize the City Manager to sign the necessary agreements with edits or changes.

Option 3: Provide direction to City staff on other elements to consider in regards to the ILA. After further diligence on these elements, City Staff would then return to the Lacey City Council to review.

Option 4: Do not approve the motion.

**Interlocal Agreement Between Thurston County and the Cities of Lacey, Olympia, and
Tumwater to Support Implementation of the 2024 Thurston Climate Mitigation
Collaborative Regional Initiatives**

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

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

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

WHEREAS, the Parties understand that human activities, especially combustion of fossil fuels, are leading to increased levels of carbon dioxide and other greenhouse gases in the atmosphere that are altering the climate, resulting in such impacts as reduced snowpack, ocean acidification, sea level rise, increased flooding, summer droughts, loss of habitat, and increased forest fires; and

WHEREAS, these environmental impacts of climate change create economic and public health impacts, and disproportionately impact the most vulnerable and marginalized populations, and the Parties are greatly concerned over all these impacts on the Thurston County region and their respective communities; and

WHEREAS, the Parties have each adopted a resolution with a common emissions baseline and targets to reduce communitywide emissions 45% below 2015 levels by 2030 and 85% below 2015 levels by 2050; and

WHEREAS, the Parties have each adopted a resolution accepting the *Thurston Climate Mitigation Plan (2020)* as a framework to guide future action addressing local sources of greenhouse gas emissions that contribute to global climate change; and

WHEREAS, in 2023, the Parties adopted an Interlocal Agreement for long-term regionally coordinated implementation of the *Thurston Climate Mitigation Plan*, which establishes a set of expectations for how the Parties will work together as the Thurston Climate Mitigation Collaborative (TCMC) to implement regional climate mitigation actions, including the selection and implementation of annual regional initiatives; and

WHEREAS, at the 2023 TCMC Annual Retreat and subsequent Executive Committee meeting on June 26, 2023, the TCMC agreed to advance two regional initiatives for focused regional coordination in 2024: (1)

design a Residential Energy Efficiency and Electrification Campaign and (2) develop a Home Energy Score Model Ordinance; and

WHEREAS, these regional initiatives were selected because they directly align with Strategies B1 and B6 in the Thurston Climate Mitigation Plan (TCMP) and were determined to be substantially improved by regional coordination; and

WHEREAS, the development of these regional initiatives will help Thurston residents leverage current and forthcoming state, federal, and utility incentives for energy efficiency and electrification.

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

I. Purpose and Goals of Agreement

The purpose of this Agreement is to implement two regionally coordinated initiatives, which will advance the implementation of Thurston Climate Mitigation Plan and support residential energy efficiency and electrification upgrades throughout Thurston County. These initiatives include:

- i. **Design a Residential Energy Efficiency and Electrification Campaign (EEE Campaign).** The EEE Campaign will be a multifaceted outreach and incentive program to advance electrification and energy efficiency in existing residential buildings throughout the Thurston region. The campaign will consist of three components: a web-based information hub, an advisory support service, and a local incentive and outreach campaign (Exhibit A).

This Agreement covers Phase I – Design and Planning of the EEE Campaign, including launch of an advisory support service, development of a Phase II - Launch and Implementation Plan, execution of an Interlocal Agreement for the implementation phase, and all other activities and deliverables detailed in Exhibit A.

- ii. **Develop a Home Energy Score Model Ordinance (HES Policy).** The HES Policy will be a regionally consistent policy for assessment and disclosure of residential energy performance ratings. It will provide homebuyers and occupants with an assessment of home energy performance, expected energy costs, and recommendations for cost-effective improvements to reduce energy use and costs (Exhibit B).

This Agreement covers all project activities and deliverables detailed in Exhibit B, including development of a model ordinance, a proposal for a supporting administrative program, and a budget for implementation of the regional policy.

II. Roles

- i. **TCMC Staff Team.** The Staff Team consists of staff representatives from each of the Parties. The Staff Team will work collaboratively to design and implement both regional initiatives, as described in the project plans for each initiative (Exhibits A and B). Staff Team members will assist with developing Contractor scopes of work, selecting a suitable Contractor(s) to meet project needs, reviewing draft and final work products, and other tasks as needed to complete the activities detailed in both project plans.
- ii. **Project Manager and Co-Manager.** The Co-Managers are members of the TCMC Staff Team who are responsible for managing all project activities detailed in the project plans for each

initiative (Exhibits A and B). The Project Manager and Co-Manager will coordinate with the TCMC Staff Team on project activities and request Staff Team support as needed.

- iii. **Contractor(s).** One or more consultants (“Contractor”) will be contracted to implement specific project tasks that are best addressed by a third-party partner. These tasks are listed in Exhibit C and include launching the advisory support service, developing outreach materials for the EEE Campaign, and stakeholder engagement for both initiatives.
- iv. **Jurisdiction Parties.** Implementation of all actions included in the TCMP, including regional initiatives, is led by individual Jurisdiction Parties. Each Party will allocate the necessary staff time and funding needed to implement the regional initiatives, as described in the project plans (Exhibits A and B) and budget (Exhibit C).

III. Services Provided by Olympia

- i. Olympia shall serve as the contract manager and conduct all contracting responsibilities with the Contractor. Olympia shall comply with all laws governing municipal contracting for services of the type sought.
- ii. Olympia shall monitor the actions of the Contractor, and if the Contractor fails to comply with an applicable term or condition of their contract, Olympia shall take appropriate actions to ensure the Contractor complies with the fiscal conditions of the contract.
- iii. Olympia shall provide a Staff Team member to serve as Project Co-Manager for the EEE Campaign.

IV. Services Provided by Tumwater

- i. Tumwater shall provide a Staff Team member to serve as Project Co-Manager for the HES Policy.

V. Services Provided by Lacey

- i. Lacey shall provide a Staff Team member to serve as Project Manager for the HES Policy.

VI. Services Provided by Thurston County

- i. Thurston County shall provide a Staff Team member to serve as Project Manager for the EEE Campaign.

VII. Funding and In-Kind Commitment

- i. **Funding.** Each Party shall contribute an equal share of funds sufficient for the execution of Contractor services for project tasks listed in Exhibit C. This equal share may not exceed \$14,875 per Party.

The City of Olympia shall issue invoices at least annually specifying each Party’s share of actual expenses. Invoices must be paid within thirty (30) days.

- ii. **In-kind Commitment.** Each Jurisdiction Party shall allocate in-kind staff time to implement this Agreement. In-kind staff support includes, but is not limited to:
 - a. Staff participation in the Staff Team.
 - b. Support from jurisdictional staff with specific expertise (i.e., communications, housing, planning, permitting, etc.).

VIII. Indemnification and Insurance

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

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

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

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

IX. Relationship of the Parties

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

X. Duration of Agreement

This Agreement terminates on June 30, 2025, unless earlier terminated as provided in Section XII, below.

XI. Amendment of Agreement

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

XII. Termination of Agreement

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

XIII. Interpretation and Venue

This Agreement is governed by the laws of the State of Washington as to interpretation and performance. Venue for enforcement of any provision of this Agreement, or for any lawsuit arising out of or relating to this Agreement, is the Superior Court of Thurston County.

XIV. Entire Agreement

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

XV. Recording

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

XVI. Counterparts

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

XVII. Rights

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

XVIII. Notice

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

THURSTON COUNTY

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

CITY OF OLYMPIA

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

CITY OF LACEY

Attn: Grant Beck, Planning & Development Services Manager
Re: TCMC Regional Initiatives
City of Lacey
420 College Street SE
Lacey, WA 98503

CITY OF TUMWATER

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

XIX. Waiver

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

XX. Severability

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

XXI. Records Retention and Audit

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

[The remainder of this page is left intentionally blank. Signatures follow on next page.]

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

GOVERNMENT AGENCY EXECUTIVE

APPROVED AS TO FORM

CITY OF LACEY 420 College Street SE Lacey, WA 98503 Rick Walk , City Manager Date	CITY OF LACEY 420 College Street SE Lacey, WA 98503 David Schneider , City Attorney Date
CITY OF OLYMPIA 601 4th Ave East Olympia, WA 98501 Steven J. Burney , City Manager Date	CITY OF OLYMPIA 601 4th Ave East Olympia, WA 98501 Mark Barber , City Attorney Date
CITY OF TUMWATER 555 Israel Road SW Tumwater, WA 98501 Debbie Sullivan , Mayor Date	CITY OF TUMWATER 555 Israel Road SW Tumwater, WA 98501 Karen Kirkpatrick , City Attorney Date
THURSTON COUNTY 3000 Pacific Avenue SE Olympia, WA 98501 Robin Campbell , Interim County Manager Date	THURSTON COUNTY 3000 Pacific Avenue SE Olympia, WA 98501 Jon Tunheim , Prosecuting Attorney Date

Exhibit A

Residential Energy Efficiency and Electrification Campaign: Phase I - Design and Planning

Background

Retrofitting existing homes with electric and energy-efficient upgrades is a necessary strategy to meet local, state, and global GHG reduction targets. Residential energy use is currently the largest source of GHG emissions in the Thurston region, and emissions from residential natural gas consumption increased by 21% between 2015 and 2021. While newer buildings may be constructed to meet greener standards, the majority of homes in the Thurston region were built before 1988, with one in five dating back 50 or more years. The Washington 2021 State Energy Strategy identifies the need for early and aggressive action to improve energy efficiency in buildings and recommends widespread conversion of fossil fuel natural gas appliances to electricity. By transitioning homes away from fossil fuels to electricity now, we lower the residential sector's emissions today and in the future.

The 2022 Inflation Reduction Act (IRA) includes a suite of rebates and incentives to help households implement electrification and efficiency improvements, with a special focus on LMI households. Households will be able to take advantage of upfront rebates and tax credits to reduce the costs of electric appliances, such as heat pumps and heat-pump hot water heaters. According to the Department of Commerce website, "Washington expects to receive IRA funding for home energy improvement rebates in early 2024 and will begin to make these available no earlier than mid-2024."¹ The State Legislature also appropriated additional funding to support these programs.

The IRA has the potential to kickstart widespread residential decarbonization. However, many homeowners are unaware of electric technologies and their benefits, and may not know how to take advantage of the forthcoming rebates. Even those who are aware still face barriers to implementation including high upfront costs, lack of specific localized information, and limited technical support to guide them along the way. The regional utility, Puget Sound Energy (PSE), offers some energy-efficiency rebates and is conducting a 2023 electrification pilot to help up to 10,000 customers throughout the service area transition to electric space conditioning and water heating. However, given the limited reach of this pilot and the high upfront costs of heat pumps, additional local incentives and outreach are needed to make electric technologies accessible to all residents.

ALIGNMENT WITH STATE AND REGIONAL EFFORTS

Washington Energy Navigator

In the 2023 WA state legislative session, House Bill 1391 proposed to create a statewide building energy upgrade navigator program that would assist homeowners with electrification and energy efficiency

¹ <https://www.commerce.wa.gov/growing-the-economy/energy/federal-funding-for-buildings/#:~:text=When%20will%20home%20energy%20rebates,to%20be%20available%20in%202024> (accessed Nov. 17, 2023)

services. The bill has been amended and reintroduced for the 2024 session, and the Department of Commerce has initiated stakeholder engagement to develop the “Washington Energy Navigator.” However, even if HB 1391 is adopted during the 2024 session, the statewide Navigator would launch too late for households to access the IRA rebates/incentives that are coming in mid-2024. Rather than waiting for the state to develop its program, the local governments of the TCMC aim to launch initial components of the EEE Campaign in early 2024 while designing and planning the full campaign launch for January 2025.

Regional “Switch Is On” Pilot

The TCMC is aligning with a broader regional effort that will accelerate the launch of the first component of the EEE campaign. King, Pierce, and Thurston counties, and the county seats of Seattle, Tacoma, and Olympia are pooling funds to launch a “Switch Is On” pilot in January 2024. The Building Decarbonization Coalition’s Switch Is On (SIO) initiative, currently active in California at www.switchison.org, aims to educate, inspire, and make switching to electricity easier for homeowners and renters. The regional SIO pilot will feature an educational website with information and resources about heat pumps and electric appliances, a newsletter and blog, and tools to find incentives and local contractors. The website rollout will be accompanied by a regional outreach campaign including a kickoff event for local leaders, contractor and community events, social media, and paid media.

By pooling funds to launch the SIO pilot, the counties and cities will be able to deliver an educational platform of higher quality and with more outreach support than each could afford individually. In addition, the SIO campaign will provide a regionally consistent approach, so each jurisdiction does not need to reinvent the wheel for outreach and education. The SIO platform will be flexible and allow for the addition of local features, such as an advisory support service and specific local incentives. These additional features could be added to the platform as the TCMC builds out its local EEE Campaign in 2024-2025.

The SIO pilot is advancing along its own timeline in 2024 and is not included in this project plan.

Energize Olympia

The EEE Campaign will build on the success of the City of Olympia’s recent outreach and incentive program. In Summer 2023, the city launched a heat pump group purchase pilot program (Energize Olympia) to increase community awareness of the benefits of heat pump technology and increase local installations of air source heat pumps. The pilot program resulted in the installation of 67 efficient, all-electric heat pumps in the City of Olympia, including 22 fully subsidized installations for LMI households. This EEE Campaign will expand Energize Olympia to provide a wider range of services and incentives for all residents of Thurston County.

EEE Campaign Goals and Structure

The TCMC’s Energy Efficiency and Electrification Campaign (EEE Campaign) will be a multifaceted outreach and incentive program to advance electrification and energy efficiency in existing residential buildings throughout the Thurston region. By working together to design, plan, and implement an EEE campaign in 2024-2025, the TCMC aims to achieve the following goals:

- Build and evaluate a foundational, holistic program to accelerate residential building electrification and energy efficiency in support of Thurston Climate Mitigation Plan (TCMP) goals and targets.
- Deliver a compelling and accessible educational campaign to raise awareness of the climate, health, and economic benefits of building electrification and energy efficiency among broad segments of the Thurston community.
- Support energy equity by prioritizing program benefits to LMI residents, renters, and members of overburdened communities.
- Launch and evaluate the effectiveness of an energy advisory service that provides residents personalized, step-by-step technical guidance and support for home energy upgrades.
- Connect a quantifiable number of residents with information about technologies, incentives, and advisory support services (*specific target numbers TBD based on final program design and budget*).
- Implement a quantifiable number of home electrification and efficiency improvements across the participating jurisdictions during the campaign period (*specific target numbers TBD based on final program design and budget*).
- Maintain program flexibility to respond and adapt to regional, state, and national clean energy programs and investments, with the aim of ensuring ongoing benefits to Thurston residents.

To meet these goals, the TCMC aims to advance a residential EEE campaign consisting of three main components:

Component A: Web-Based Information Hub (Anticipated Launch: January 2024)

A foundational component of the EEE Campaign is a website that educates users about electric and energy-efficient technologies, provides access to IRA rebates and incentives, and connects users with location-based information about vetted contractors and local incentives. As described above, Thurston County and Olympia are contributing to launch a pilot “Switch Is On” (SIO) web platform, which will fulfill this foundational component of the local EEE Campaign. The pilot SIO website will serve all of Thurston, Pierce, and King counties. It will be branded with the logos of the funding partners, and Thurston County will disseminate marketing materials to the other TCMC jurisdictions to share with their residents. As such, all residents of Thurston County communities will be able to access the resource.

TCMC partners will participate in a regional (tri-county) outreach campaign in 2024 to raise community awareness about the benefits of electrification and energy efficiency and steer users to the central information hub. Over time, as the TCMC develops Components 2 and 3 of the EEE Campaign, these components will be integrated into the foundational SIO platform. SIO will collect and report metrics on the SIO pilot campaign to evaluate the impact of the pilot. Metrics may include website usage, social media engagement, event attendance, incentive and contractor searches by zip code, quotes received from contractors, and rebates received for completed projects.

Over the course of the SIO pilot (January – December 2024), the partner jurisdictions will continue to coordinate with statewide stakeholders to adapt the platform as needed in response to development of the statewide Washington Energy Navigator.

Component B: Advisory Support Service (Anticipated Launch: April 2024)

The TCMC recognizes that an information hub alone is not sufficient to change consumer behavior. The TCMC aims to augment the information hub with a personalized support service to make the information more relevant and actionable for individual residents. Thus, the second component of the EEE Campaign is an advisory support service that consists of one-on-one personalized support (email, phone, and/or video calls) to answer technical questions and help residents plan and complete home electrification and energy efficiency upgrades. This component will also include the development of an online “personal electrification planning” (PEP) tool for customized, step-by-step recommendations to support residents throughout the electrification process. The PEP tool will allow users to create personalized, actionable home electrification guides, based on their personal interests, priorities, and upgrade needs. This component will be integrated into the foundational SIO web platform. The service provider will collect and report data from the advisory support service and/or PEP tool to understand residents’ use of these services, quantify energy upgrade actions, and evaluate its impact.

Component C: Local Incentive & Outreach Campaign (Anticipated Launch: January 2025)

With the foundational website and advisory support service both aiming to launch in early 2024, the core of this 2024 (Phase I) Project Plan focuses on designing and planning the Local Incentive & Outreach Campaign. The Campaign Launch and Implementation will take place in 2025 under Phase II of this regional initiative.

The local campaign will be for a specific period of time (such as a few months) and will include targeted financial incentives, customer support, and intensive outreach and marketing. The goal is to galvanize consumer action and remove barriers to home electrification and energy efficiency, resulting in a quantifiable number of home assessments and/or upgrades for LMI and non-LMI households. As noted, this campaign will build on the model of Energize Olympia to provide a wider range of services and incentives for all residents of Thurston County

During this 2024 Design and Planning Phase, the TCMC will conduct background research and stakeholder engagement to inform development of the specific incentives, outreach strategy, and other implementation support that will be provided. The team will identify the types of services and technologies that will be covered (e.g., energy assessments, heat pumps, weatherization upgrades), determine incentive amounts for LMI and/or non-LMI participants, and develop a funding strategy for the incentives. The team will also consider existing rebates and incentives, including forthcoming state and federal incentives, to ensure the program leverages additional funding to the greatest extent possible.²

Once the campaign is designed, the TCMC will move into planning for the launch of the campaign as detailed in the timeline below. The launch and implementation will take place during Phase II in 2025.

Anticipated Funding Sources

Thurston County and the cities of Olympia and Lacey are eligible for formula allocations through the federal Energy Efficiency & Block Grant (EECBG) program (\$81,040, \$112,030, and \$150,000, respectively). The EECBG is a flexible funding source that is intended to catalyze long-term, impactful,

² Many programs to administer IRA rebates and incentives are still under development. Further information regarding the final program design and requirements will be needed to fully leverage the anticipated funding.

and self-sustaining programs that improve energy efficiency, reduce energy use, and reduce fossil fuel emissions. Thurston County and Olympia have agreed to apply their EECBG grant funding toward the development and launch of the EEE Campaign; Lacey will apply a budget amount equivalent to its EECBG allocation towards the EEE Campaign as well. EECBG grants are expected to be awarded in mid-2024 with a two-year period of performance. The City of Tumwater, as well as other Thurston County municipalities, do not meet the population threshold to be eligible for EECBG formula funding. The City of Tumwater applied for competitive EECBG funding in 2023 but the funding request was not awarded. TCMC partners are thus seeking other funding sources to scale the program and support participants throughout the smaller cities and unincorporated Thurston County.

The budget for Phase I – Design and Planning will be split among the four jurisdictions and paid out of each jurisdiction’s internal budget. See attached 2024 Regional Initiatives Budget for details on the Phase I budget. The 2025 budget for Phase II – Launch and Implementation will be developed during the 2024 planning phase. The Phase II budget will be paid out of EECBG funds and augmented by any supplementary funding identified during the planning phase. The TCMC Staff Team are looking into potential sources of supplementary funding, which may include jurisdictional budgets, Community Development Block Grant (CDBG) funding (only Olympia and Thurston County currently receive CDBG allotments), EECBG State distribution, and/or Local Government Energy Programs from the federal DOE.

Note: The Switch Is On pilot will be funded separately from this Phase I project. Thurston County and the City of Olympia each plan to contribute \$25,000 toward the total pilot budget of \$225,000, with additional contributions from King County, Pierce County, Seattle, and Tacoma.

Roles of the Staff Team and Partner Jurisdictions

Project Management

The project manager and co-manager are responsible for managing all Phase I project activities detailed below. The co-managers will request support from the other TCMC Staff Team members as needed.

- Project Manager: Rebecca Harvey, Thurston County Climate Mitigation Senior Program Manager
- Project Co-Manager: Dominic Jones, City of Olympia Building Decarbonization Program Manager

Contracting

The City of Olympia will be responsible for procuring and managing third-party contractors to provide professional services during Phase I, which may include developing requests for proposals and/or qualifications, developing scopes of work and contracts, managing deliverables, and other related tasks. The City of Olympia will issue invoices to each jurisdiction for their share of expenses.

Contracting and cost-sharing responsibilities will be specified in the forthcoming interlocal agreement (ILA) for 2024 regional initiatives.

For Phase II - Launch and Implementation of the EEE Campaign, project team roles and responsibilities, (including potential external partners) will be defined during design and development of the Phase II Plan (see Step 3, Task 3.3 below) and will be included in the Phase II ILA.

Project Activities, Timeline, and Deliverables

Phase I - Design and Planning of the Residential Energy Efficiency & Electrification Campaign

This timeline includes activities of the TCMC Staff Team to implement Component B (the advisory support service) and to design and plan Component C (the local incentive and outreach campaign).

Component A, the regional Switch Is On Pilot, is advancing along its own timeline in 2024 and is not included in this project plan.

Phase II – Launch and Implementation of the EEE Campaign will take place in 2025 under a new Phase II project plan.

Component B: Advisory Support Service

Step 1: Launch Advisory Support Service (January – September 2024)

During this project step, the partners will procure a technical support provider and launch an advisory support service that will be integrated into the foundational Switch Is On (SIO) web platform. The advisory support will include “low-touch” support via email, plus “high-touch” support via phone and video calls to a maximum number of users per year (see details in 2024 Regional Initiatives Budget). It will also include an online personalized electrification planning (PEP) tool that will be integrated into the foundational SIO website. The TCMC will evaluate the impact of the service after the first year to determine whether to continue it into Phase II.

Tasks:

1.1. Background Research

- Research Advisory Support Service providers
- Assess possibility of integrating service and personal electrification planning (PEP) tool into the SIO web platform

1.2. Contract with Advisory Support Service

1.3. Launch PEP Tool

- The precise method for integrating the online PEP tool into the SIO website will be determined in consultation with the service provider and the Building Decarbonization Coalition. For example, access to the PEP tool may be offered as a local incentive for Thurston County residents when they enter their zip code.

1.4. Launch Advisory Support Service

- This technical assistance service will also be integrated into the SIO platform for Thurston County residents to access as described above. Service will consist of unlimited “low-touch” support via email and “high-touch” support (phone and video calls) for a maximum of 200 calls in 2024.

1.5. Evaluate Advisory Support Service

- Evaluate the first 4-5 months of advisory support service by tracking numbers of low-touch and high-touch interactions, and other key metrics to be determined.
- Evaluate the first 4-5 months of PEP tool implementation via data and reporting on usage, actions, interests, completed upgrades, savings, emissions reductions, etc.

Step 1 Deliverables:

- Contract with Advisory Support Service provider
- Launch of Advisory Support Service and PEP Tool
- Memo evaluating Advisory Support Service for potential inclusion in Phase II interlocal agreement

Component C: Local Incentive & Outreach Campaign

Step 2: Background Research and Stakeholder Engagement (January – June 2024)

During this project step, the partners will execute the Phase I interlocal agreement, conduct background research on the energy market and existing incentive programs, identify potential campaign partners, and conduct a community forum to present the EEE Campaign concept and garner feedback.

Tasks:

- 2.1 Execute interlocal agreement (ILA) for 2024 regional initiatives.
 - ILA will cover the planning phase of both “policy” and “campaign” components of the 2024 regional initiative.
- 2.2 Market Assessment
 - Examine local energy metrics, including USDOE and NREL data analysis tools as needed, to inform campaign development.
- 2.3 Program and Incentive Research
 - Research current and past incentive programs for home energy efficiency and electrification.
 - Federal and State Home Energy Rebates (Inflation Reduction Act)
 - Puget Sound Energy Home Electrification Assessments
 - Puget Sound Energy Home Efficiency Rebate Programs
 - Energize Olympia Heat Pump Group Purchase Program
 - Thurston EDC Home Energy Program
 - Other incentive programs to be identified
- 2.4 Partner Identification and Engagement
 - Identify key local partners to engage in campaign implementation, which may include but not be limited to:
 - Home Energy Score providers
 - Energy efficiency and electrification providers/contractors
 - Community based organizations
 - Community volunteers
 - Affordable housing service providers
 - Meet with potential campaign partners to inform campaign design and discuss partner roles in campaign implementation.

2.5 Resident Engagement³

- Host a community forum to present the EEE Campaign concept and solicit input from Thurston County residents.

Step 2 Deliverables:

- Executed ILA for 2024 regional initiatives
- Memo summarizing market assessment, program and incentive research, partner engagement, and community forum

Step 3: Develop Campaign Plan (June – August 2024)

During this project step, the partners will work together to resolve key questions related to the campaign design, structure, and costs. The work completed during the design and planning step will inform Phase II - Launch and Implementation of the EEE Campaign.

Tasks:

3.1 Design specific elements of EEE Campaign

- Identify types of services, technologies, and technical assistance to be provided (for example: home energy assessments or audits, heat pumps, heat pump water heaters, weatherization, etc.).
- Confirm involvement of campaign partners, and what agreements or contracts are needed to secure their involvement.
- Determine participant eligibility and incentive amounts (consider incentives and/or subsidies and other support for both LMI and non-LMI participants).
- Develop marketing and outreach strategy.
- Propose funding strategy for incentives, marketing, outreach, and technical support (consider both LMI and non-LMI participants).

3.2 Develop Campaign Launch and Implementation Plan which builds on the work conducted during the design and planning phase and includes:

- Summary of stakeholder engagement.
- Specific incentives/subsidies and other assistance/support to be provided.
- Responses to “Questions to Resolve During Program Design” (*Appendix A*)
- Updated timeline for campaign launch and implementation phases, including key milestones.
- Project team roles and responsibilities, including potential external partners.
- Campaign budget, staffing, and other resource needs.
- Funding strategy.

3.3 Draft Phase II ILA for the launch and implementation of the EEE campaign.

³ The Home Energy Score (HES) policy regional initiative will include contracting with a stakeholder engagement service provider for a series of policy development focus groups, which will take place in March-June 2024. Staff will include this EEE Campaign community forum in the same provider’s scope of work.

- ILA will include scope of work and budget for all Phase II activities to implement the EEE campaign, including Component 1 (website), Component 2 (advisory support service), and Component 3 (local outreach and incentive campaign).

Step 3 Deliverables:

- Final Phase II Launch and Implementation Plan
- Draft ILA for implementation phase

Step 4: Prepare to Launch Campaign (September – December 2024)

During this project step, the partners will complete any final tasks needed to prepare for and launch the local campaign. This preliminary list of activities is provided for reference only. A detailed campaign launch and implementation plan will be completed as a deliverable of the design and planning phase. A new interlocal agreement (ILA) and additional funding (e.g., EECBG) will be needed before Phase II can begin.

Tasks:

- 4.1 Execute Phase II ILA
- 4.2 Finalize campaign launch and implementation schedule.
- 4.3 Contract with installation partners and other providers (as needed based on the final program design).
- 4.4 Develop communications plan and materials.
 - Outreach materials will leverage existing Energize Olympia resources and be integrated with the foundational Switch Is On campaign and website.
- 4.5 Convene and train campaign partners and/or volunteers.

Step 4 Deliverables:

- Executed ILA for implementation phase
- Contract(s) with installation partners
- Communications Plan and Materials
- Partner and volunteer kickoff event/training (may be moved into Phase II depending on timing and staff resources)

Appendix A:

Questions to Resolve During Program Design

- What incentives will be provided?
- Who will be eligible for subsidized installations? How will subsidized installations and incentives be funded?
- Which program costs will be shared across the jurisdictions, and which will be jurisdiction-specific?
- How will costs for residents of urban growth areas be distributed?
- What types of retrofits will be supported and/or prioritized?
- How many and what type(s) of installer/providers will we work with? Selected installers/providers may include, but not be limited to:
 - Technical assistance provider
 - Home Energy Score provider(s)
 - Community based organization(s) or other provider(s) for fully subsidized installations
 - Heat Pump installer
 - Other weatherization providers, etc.
- What types of program partners are needed?
- What types of agreements or contracts are needed to involve program partners?
- Will there be a role for volunteers (e.g., Energize Ambassadors)? If so:
 - What is their role?
 - Will they receive stipends?
 - How will stipends be funded?
- What is our approach to customer support and management?

Exhibit B

Home Energy Score Model Ordinance

Background

More than 50% of the homes in Thurston County were built before 1990, with nearly 20% built at least 50 years ago (U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates). The large proportion of older homes in the region suggest that many would benefit from energy-and-cost-saving retrofits. Additionally, more than two-thirds of the housing units that will exist in 2050 already exist today, so retrofitting existing homes to improve energy efficiency is a key strategy to meet regional climate mitigation goals (TRPC, 2020).

One of the barriers to improving the energy efficiency of existing housing units is a lack of homeowner awareness and information on the energy performance of their properties. Without this information, it is challenging for consumers to prioritize energy efficiency in home purchasing and improvement decisions. To address this challenge, several cities and states have developed residential home energy labeling policies and programs. HES ordinances have been adopted in several cities around the US including Portland, OR; Minneapolis, MN; and Austin, TX. These cities provide valuable foundations for implementing effective home energy audits and how to design policies that encourage participation.

Home energy assessment and disclosure programs provide homebuyers and occupants with an assessment of home energy performance, expected energy costs, and recommendations for cost-effective improvements to reduce energy use and costs. Home energy assessment reports can be used to help prioritize home renovations and compare the expected energy costs of multiple homes. By making energy costs transparent to consumers, home energy labeling programs also provide a mechanism for the real estate market to value both energy performance and home energy improvements that reduce the total cost of home ownership.

Alignment with State Policy

In the 2023 WA state legislative session, House Bill 1433⁴ proposed to create a statewide framework for Home Energy Score Disclosure programs. While HB 1433 does not mandate energy assessments, it would establish a standard framework for home energy assessment reports and licensing requirements for energy assessors. This statewide framework would enable local governments to promote, incentivize, and/or require home energy assessments and disclosures more easily. Staff expect that HB 1433 (or similar) will be reintroduced for the 2024 session. If adopted by the state legislature, a statewide home energy assessment framework would significantly reduce the costs and staff time needed for local policy development and implementation.

⁴ House bill 1433 second substitute can be found here [1433-S2.pdf \(wa.gov\)](#).

HES Model Ordinance Goals

The TCMC Home Energy Score Disclosure Model Ordinance and Supporting Program (HES Policy) will include a proposed regional policy for residential energy assessments and disclosures, a proposal for a supporting administrative program to implement the regional policy, and estimated implementation costs. By working together to design and propose a regional policy for consideration by the TCMC Jurisdiction Parties, the TCMC aims to achieve the following goals:

- Develop a regionally consistent policy for assessment and disclosure of residential energy performance ratings. Note: This initiative only includes the development of a model ordinance. The Jurisdiction Parties (Lacey, Olympia, Tumwater, and Thurston County) will individually consider adoption of the proposed policy in early 2025.
- Provide a framework for Thurston residents to learn about their home energy performance, expected energy costs, and cost-effective improvements to reduce energy consumption and the cost of home ownership/occupancy.
- Connect homeowners/occupants to existing and forthcoming resources, guidance, and incentives to simplify energy efficiency retrofits.
- Support energy equity and housing affordability by providing subsidized home energy assessments and additional resources for low- and moderate-income homeowners and renters.
- Increase implementation of home energy efficiency and electrification upgrades and retrofits.
- Develop a monitoring and reporting system to track implementation of home energy assessments and energy efficiency upgrades.
- Provide a mechanism for the real estate market to value both home energy performance and home energy improvements that reduce the cost of homeownership/occupancy.

Stakeholder Engagement Approach

Key considerations for the design of a home energy score policy include the type of energy assessment data and assessment/ranking tool, timing of disclosure, compliance and enforcement options, exemptions, enforcement policies and any provisions for low-income subsidies.

To design the model ordinance, the TCMC Staff Team will start by reviewing existing home energy assessment and disclosure policies, best practices and resources for home energy assessments, and existing housing market data for Thurston County. Based on this research, the Staff Team will develop preliminary recommendations for key code concepts and then host focus groups to collect stakeholder feedback on the proposed concepts.

After receiving the initial stakeholder feedback, the Staff Team will draft the model ordinance for further review and feedback from key stakeholders, community members, and the jurisdiction partners. Based on this feedback, the staff team will refine the proposed model ordinance, outline a supporting program to implement the proposed policy, and estimate implementation costs.

Stakeholder Outreach Goals:

- Inform community members and partners of the HES model ordinance policy and supporting program plan.
- Engage stakeholders in meaningful discussion on how the HES policy can be designed to support climate goals, energy equity, and housing affordability; identify potential barriers or challenges for community members and/or affected industries; and design strategies to overcome any challenges.
- Provide a mechanism for community partners and members to provide feedback and identify potential barriers to successful implementation of the HES model ordinance policy and program.

Stakeholder Focus Groups

Examples of stakeholder groups to include in focus groups include, but are not limited to, the following:

- Realtors
- Mortgage brokers
- Building and construction industry representatives
- Faith-based organizations
- Home and energy inspectors
- First-time home buyers
- Puget Sound Energy (PSE)
- Low-income housing and weatherization service providers

[Roles of Staff Team and Partner Jurisdictions](#)

Project Management

The project manager and co-manager are responsible for managing all policy activities detailed below. The co-managers will request support from the other TCMC Staff Team members as needed.

- Project Manager: Linsey Fields, City of Lacey Climate and Sustainability Coordinator
- Project Co-Manager: Alyssa Jones-Wood, City of Tumwater Sustainability Coordinator

Contracting

The City of Olympia will be responsible for procuring and managing third-party contractors to provide professional services for both 2024 Regional Initiatives (Home Energy Score Model Ordinance and Energy Efficiency and Electrification Campaign) which may include developing requests for proposals and/or qualifications, developing scopes of work and contracts, managing deliverables, and other related tasks. The City of Olympia will issue invoices to each jurisdiction for their share of expenses.

Contracting and cost-sharing responsibilities will be specified in the forthcoming interlocal agreement (ILA) for 2024 regional initiatives.

[Project Activities, Timeline, and Deliverables](#)

Step 1: Policy Research (January-March 2024)

Exhibit B: Home Energy Score Model Ordinance Project Plan

- 1.1. Execute interlocal agreement (ILA) for 2024 TCMC regional initiatives.
 - ILA will cover the planning phase of both “policy” and “campaign” components of the 2024 regional initiative.
- 1.2. Market Assessment
 - Examine local housing market listing and sale trends, local home energy assessor/auditor workforce capacity, and typical costs for local home energy assessments.
 - Market research may include an analysis of existing reports and data and/or engagement with local service providers, home energy assessors, realtors, state energy programs, etc.
- 1.3. Policy Research
 - Review current and past home energy assessment policies, incentives, and programs. Identify best practices and lessons learned from previous programs implemented in Thurston County and other jurisdictions.
 - As needed, interview staff from jurisdictions with similar policies and programs to identify best practices and key considerations for policy design and implementation.
- 1.4. Policy Goals and Code Concepts
 - Based on the results of the market assessment and policy research, refine Policy Goals and draft proposed Code Concepts for stakeholder review and feedback.

Step 1 Deliverables

- Memo summarizing the results of Step 1 (market assessment, policy research, and initial draft of policy goals and code concepts).

Step 2: Stakeholder Engagement (March-June 2024)

- 2.1. Stakeholder Engagement Part 1: Conduct focus groups to collect stakeholder feedback on proposed policy goals and code concepts.
 - Identify key local stakeholders to engage in policy development focus groups.
 - Execute service provider agreement for stakeholder engagements. Coordinate with EEE Regional Initiative stakeholder engagement.
 - Conduct focus groups and produce meeting summaries.
- 2.2. TCMC Engagement
 - Briefing and discussion with Climate Advisory Workgroup on proposed Policy Goals and Code Concepts.
 - Briefing and discussion with Executive Committee on proposed Policy Goals and Code Concepts.

Step 2 Deliverables

- Summary of focus group feedback.

Step 3: Draft Model Ordinance and Proposal for Supporting Program (July-September 2024)

- 3.1. Draft Model Ordinance

Exhibit B: Home Energy Score Model Ordinance Project Plan

- Develop a joint staff recommendation for a model ordinance based on the results of the market assessment and policy research, identified best practices, and stakeholder feedback.

3.2. Design Supporting Program and Preliminary Budget

- Identify key criteria and strategies to develop and implement a supporting program to administer a regionally coordinated home energy score disclosure policy.
- Estimate staffing needs and costs for program development and ongoing implementation.
- One-time program development needs and costs may include:
 - Developing a central website with policy information and resources.
 - Developing policy factsheets and guidance for administrative determinations.
 - Energy-assessor recruitment and training.
 - Realtor and lender outreach and training.
- Ongoing program implementation needs and costs may include:
 - Quality Assurance
 - Compliance
 - Enforcement
 - Subsidies for low- and moderate-income households
 - Ongoing stakeholder outreach, workforce recruitment and development, website maintenance, customer support, etc.

3.3. Partners request budget to develop a regional home energy score supporting program in 2025.

Step 3 Deliverables

- Draft model ordinance.
- Proposed supporting program design and implementation budget.

Step 4: Refine Model Ordinance and Proposal for Supporting Program (October-December 2024)

- 4.1. Stakeholder Engagement Part 2: Publish draft ordinance for stakeholder and community review and feedback.
- 4.2. Brief jurisdiction Advisory Boards, Committees, Commissions, etc.
- 4.3. Brief TCMC Climate Advisory Workgroup and Executive Committee.
- 4.4. Revise model ordinance, program proposal, and budget, as needed, to address stakeholder and jurisdiction comments.

Step 4 Deliverables

- Final model ordinance for consideration by all jurisdiction partners.
- Supporting program design and implementation budget.

Step 5: Jurisdictions Consider Ordinance Adoption (target: January – February 2025)

Appendix A:

Questions to Resolve During Policy Design

- Which home energy performance and assessment data and reports will be required?
- How will non-compliance penalties be assessed and enforced?
- What is the penalty for non-compliance?
- How will the home energy disclosure be integrated into the Multiple Listing Service (MLS)?
- Will any home or sale types be excluded from the disclosure requirement?
- How will policy effectiveness be measured and reported?
- How will subsidies and/or other support be provided for low-moderate income households?
How will income qualification be determined?
- What rulemaking and/or program development will need to occur after ordinance adoption?
- Which policy and/or program elements will be implemented by individual jurisdictions vs. regionally coordinated?
- How can the policy and/or supporting program be designed to leverage existing rebates, incentives, financing, and other implementation support?

Exhibit C

Budget for 2024 Regional Initiatives (January – December 2024)

This proposed budget covers both 2024 TCMC regional initiatives:

- **Residential Energy Efficiency and Electrification Campaign: Phase I - Design and Planning**
- **Home Energy Score Model Ordinance**

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

Project Step and Task	Description	Total
Campaign Component		
Step 1: Launch Advisory Support Service		
1.3 Personal electrification planning (PEP) tool	One year of localized web platform to support residents (homeowners and renters) throughout the electrification process. This PEP tool will be integrated into the foundational SIO website for access by Thurston County residents, based on user zip code.	\$7,000
1.4 Advisory Service	1-on-1 advisory service for residents to include both: - Unlimited low-touch support via email - High-touch support via phone and video calls for a maximum of 200 calls	\$12,500
Step 2: Background Research and Stakeholder Engagement		
2.4 Stakeholder Engagement	Contract services to facilitate stakeholder engagements <i>(in coordination with Policy Component)*</i>	\$10,000
Step 4: Prepare to Launch Campaign		
4.4 Develop communications plan and materials	Contract services to brand and develop outreach materials aligning with Energize Olympia and/or Switch Is On campaign.	\$5,000
Policy Component		
2.1 Stakeholder Engagement	Contract services to facilitate stakeholder engagements <i>(in coordination with Campaign Component)*</i>	\$25,000
Subtotal		\$59,500
Per Partner		\$14,875

* Stakeholder engagement activities for the two regional initiatives will be combined into one contract with a stakeholder engagement service provider.