

MINUTES OF THE LACEY CITY COUNCIL WORKSESSION

THURSDAY, AUGUST 12, 2021

4:00 P.M. – 5:47 P.M.

REMOTE ONLY

COUNCIL PRESENT: MAYOR RYDER, DEPUTY MAYOR PRATT, COUNCILMEMBERS
GREENSTEIN, COX, STEADMAN, KUNKEL, MILLER

STAFF PRESENT: S. SPENCE, S. KELLEY-FONG, D. SCHNEIDER, T. WOO, E. FONTAINE

ACTION: APPROVE WORKSESSION AGENDA

MOTION: MOTION MADE, SECONDED AND CARRIED BY COUNCILMEMBERS GREENSTEIN
AND DEPUTY MAYOR PRATT

GOLD STAR MEMORIAL REQUEST FOR SUPPORT

PRESENTER: JERRY WILKINS, BOARD MEMBER, LACEY GOLD STAR MEMORIAL
FOUNDATION

ACTION: INFORMATION ONLY

The Gold Star Memorial Foundation is a 501c(3) nonprofit that seeks to memorialize the dedication and sacrifice of local families whose loved one has paid the ultimate sacrifice for our freedoms.

The future home of Lacey's Gold Star Memorial Monument will be located at 521 Sleater Kinney Road, at the Civic Plaza. This location was donated by the City of Lacey.

Monument designs and structures were presented, as well as review of sponsorship options for those who wish to sponsor a Gold Star Family or Veteran.

Fundraising efforts were reviewed, as well as current project financial status and anticipated expenses. The total costs of bringing this monument to Lacey is estimated at \$100,000. Gold Star Memorial requested direct funds from the City in an effort to support the project.

Staff recommended the City's Art Fund Reserve as the best source of the funds. Council directed staff to draft a recommendation for a full Council Meeting, in the amount of \$30,000. Council also advised there is an open invitation for the Gold Star Memorial to return if additional funds were required closer to project implementation.

PSE GREEN DIRECT UPDATE

PRESENTER: HEATHER MULLIGAN, MANAGER CUSTOMER CLEAN ENERGY
SOLUTIONS, PUGET SOUND ENERGY

ACTION: INFORMATION ONLY

Heather Mulligan, Manager of Customer Clean Energy Solutions with Puget Sound Energy presented an update on the Puget Sound Energy Green Direct Program.

The Puget Sound Energy Green Direct Program allows governments and industrial customers to purchase renewable energy from various specific projects under long-term energy services agreement contracts.

Updates were provided on the following projects:

Skookumchuck Wind

- Lewis County
- Phase 1 of Green Direct – 21 customers, including the City of Lacey
- Began full operation on Nov 7, 2020
- November – April has generated 244,141 MWHs of wind energy

Lund Hill Solar

- Klickitat County
- 150 MW solar facility under construction
- Phase 2 Project allowed for an additional 20 customers to enroll in Green Direct
- Largest Solar project in WA
- Power purchase agreement – start date of March 1, 2021
- Currently projected online date of December 31, 2021

A review of a Rate Case Settlement and Green Direct Credit was reviewed and contained the following highlights:

- December 2020, PSE filed a power cost only rate case (PCORC) with the UTC.
- Green Direct Credit calculation arose as an issue during closed settlement discussions.
- Some parties to the PCORC raised concerns that the methodology used to calculate the Green Direct credit was unfairly shifting costs onto other rate payers, and advocated for a significant reduction in the value of the Green Direct credit.
- A compromise was reached on a temporary methodology with agreement to convene discussion with all stakeholders, including Green Direct customers this summer.
- End result is a reduction in the credit from \$0.044883/kWh to \$0.039618/kWh, or a 11.7% reduction. The impact to total charges is roughly a 6% increase.

Next Steps:

- PSE has held meetings with Green Direct customers in preparation for collaborative discussion with broad set of stakeholders.
- First collaborative discussion shifted to mid-September to allow customers group more time to adequately prepare.
- Objective is to reach consensus among parties on a long-term, durable credit to present to Utilities and Transpiration Commission for approval.

In July 2017, the City executed an energy service agreement for the Green Direct Program. An amended 20-year agreement was approved at the November 19, 2020, Council meeting.

Council expressed concern that the credit did not produce the results as projected and asked for more information and clarity on the impacts of the 20-year projections.

Staff recommended to refer the discussion back to the Utilities Committee, and provide updates as information became available.

CAPITOL LAKE ENVIRONMENTAL IMPACT STATEMENT

PRESENTERS: TESSA GARDNER-BROWN, FLOYD/SNIDER CONSULTANTS
RAY OUTLAW, FLOYD/SNIDER CONSULTANTS
KARMEN MARTIN, ENVIRONMENTAL SCIENCE ASSOCIATES
ANN LARSON, DIRECTOR OF GOVERNMENT RELATIONS, DEPARTMENT OF ENTERPRISE SERVICES
CARRIE MARTIN, PLANNER AND PROJECT MANAGER, DEPARTMENT OF ENTERPRISE SERVICES
ACTION: INFORMATION ONLY

A review of Capitol Lake – Deschutes Estuary, Long-Term Management Project was presented.

Agenda topics included:

- Project Area
- Long-Term Management Alternatives
- Technical Evaluations and Key Findings
- Construction Impacts
- Planning-Level Costs
- Next Steps

The project area extends from Tumwater Falls to the northern point of West Bay. The Deschutes Estuary was used historically by local tribes, particularly Squaxin Island Tribe. The area includes Capitol Lake, and the 260-acre waterbody leased to Department of Enterprise Services from Department of Natural Resources.

The Long-Term Management Goals included the following:

- Improve water quality
- Improve ecological functions
- Manage sediment accumulation and future deposition
- Enhance community use of the resource
- Demonstrate economic and environmental sustainability with the preferred alternative

The presentation reviewed cost estimates from the Draft Environmental Impact Statement, as well an analysis of water quality and public service and utilities.

Water Quality Key Findings:

- Water quality in Capitol Lake is relatively good, compared to Puget Sound lowland lakes.
- Water quality standards are occasionally exceeded, primarily for temperature and dissolved oxygen.
- Perceptions of poor water quality are likely due to aquatic plant growth and use restrictions
- Seasonal and occasional violations of water quality standards would occur under all long-term management alternatives.

The following alternatives were highlighted and discussed:

No Action and Managed Lake Alternatives

- Flooding from extreme river flood events would not be addressed by the Olympia Sea Level Rise Response Plan; additional mitigation measures should be considered.
- Department of Ecology could require LOTT and other dischargers to implement more stringent actions to improve discharges; this would be a significant impact.

Estuary and Hybrid Alternatives

- Saltwater exposure could cause corrosion and reduce infrastructure life; significant impacts could be addressed through mitigation.

Estuary Alternative

- Flood evaluations predicted in Heritage Park would be mitigated by the improvements planned under the Olympia Sea Level Rise Response Plan.

Hybrid Alternative

- Presence of the barrier wall will provide flood protection in Heritage Park area.