



## Lacey City Council Worksession Agenda

Refer to the bottom of the agenda for meeting information.

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Tuesday, May 26, 2026

6:00 PM

Council Chambers and Online

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**1. Call to Order**

**2. Roll Call**

**3. 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 they have today. We recommend that community members read the Medicine Creek Treaty of 1854.

**4. Approval of the Agenda**

**5. Public Comment**

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

**6. Agenda Items**

**A. Climate and Sustainability Updates**

Lindsey Fields, Climate and Sustainability Coordinator

**B. Human Services Grant Program**

Michelle Chavez, Human Services Coordinator

**C. Solid Waste Franchise Update**

Shannon Kelley-Fong, Assistant City Manager

Shanelle Pierce, Special Projects Administrator

Jeanette Jurgensen, Bin There Consulting & Epicenter Services

**D. Council Reports**

**7. Adjourn**

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## Meeting Information:

### Attendance (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\\_K3LWLu\\_HShi8jf\\_EXjD1kw](https://us02web.zoom.us/webinar/register/WN_K3LWLu_HShi8jf_EXjD1kw)

Website: <https://cityoflacey.org/government/public-meetings/>

Facebook: <https://www.facebook.com/cityoflacey>

YouTube: [https://www.youtube.com/watch?v=U8\\_aMTroU9w](https://www.youtube.com/watch?v=U8_aMTroU9w)

Phone: (888) 788-0099 or (877) 853-5247 (Webinar ID 826 0411 8999)

### Verbal Public Comment

Each speaker is limited to three minutes. Comments are welcome on matters connected to City business or specific agenda items.

Prior to starting your comments, please provide your:

- a. Name
- b. City of residence or connection to the City
- c. Topic or subject matter of your comments

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\\_K3LWLu\\_HShi8jf\\_EXjD1kw](https://us02web.zoom.us/webinar/register/WN_K3LWLu_HShi8jf_EXjD1kw)

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

### Written Public Comment

Public comments may also be submitted by email to [PublicComment@cityoflacey.org](mailto:PublicComment@cityoflacey.org). 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.



# STAFF REPORT

Council Worksession  
May 26, 2026

**Subject:** 2026 Climate Program Updates

**To:** Lacey City Council

**Prepared by:** Linsey Fields, Climate & Sustainability Coord. <sup>LF</sup> Ryan Andrews, CP Manager <sup>RA</sup>

**Department Director:** Vanessa Dolbee, CED Director <sup>VD</sup>

**Reviewed By:** Not Applicable

**Final Review:** Rick Walk, City Manager <sup>RW</sup>

**Purpose:** Informational

**Recommendation:** Review only.

**Brief:** The City Council will receive a briefing on the City's Climate and Sustainability Programs and current Greenhouse Gas emissions inventories.

**Alternatives:**

1. No change: Continue as is.

**Prior Review:**

None

**Advisory Board Recommendation(s):**

Not Applicable

**Fiscal Impact:**

Budgeted Item: Yes

Amount: \$766,000

Funding Sources: See below.

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**Attachments:**

1. 2023 Dash Inventory

**Policy or Legal Alignment:**

1. [Comprehensive Plan Climate Element](#)
2. [Thurston Climate Mitigation Plan](#)
3. [2026 C&ED Work Plan](#)

## **Background:**

Since adoption of the Thurston Climate Mitigation Plan in 2021, the City has made significant strides to reduce greenhouse gas (GHG) emissions through programs and regional partnerships.

The Thurston Climate Mitigation Plan lays out 72 actions and strategies to meet the adopted goals of reducing GHG emissions by 45% of 2015 levels by 2030 and 85% reduction of GHG emission by 2050 of 2015 levels. In order to meet these ambitious goals, all 72 actions and strategies needed to be implemented.

In 2023, the Thurston Climate Mitigation Collaborative (TCMC) was established. This is a regional partnership that works together to cost share, plan, organize, and staff regionally consistent strategies and actions. The TCMC has been revised over the past three years but has found success in coordinating a regional initiative and working on joint policies together.

During the 2023 annual meeting the TCMC approved two regional initiatives: a Home Energy Score Model Ordinance and an Energy Efficiency and Electrification Campaign (formally known as Energize Thurston). These two regional initiatives started and completed work in 2024. More information about both can be found below.

In 2025, the City adopted a new Comprehensive Plan that outlined goals to be net-zero by 2050. The City set these goals in order to align with new state mandates that required entities plan to net-zero. Other stepping stone goals include reducing our GHG emissions 45% below 2022 levels by 2035 and to reduce our GHG emissions by 75% below 2022 levels by 2040.

## **Dash Inventory:**

Staff has attached the most recent GHG emissions Dash Inventory that was conducted by the TCMC—the 2024 Dash Inventory is set to be completed this summer. A Dash Inventory is a simplified GHG emissions inventory used between full detailed inventories and only looks at our highest two GHG emissions sectors: energy use in buildings and transportation.

The 2023 Dash Inventory found that:

- 2023 DASH emissions are 3.3% higher than 2015 DASH emissions.
- 2023 DASH emissions are 1.7% lower than 2022 DASH emissions.
- Per capita DASH emissions have decreased 7.4% since 2015.

## **Program Updates:**

To address adopted goals, the following describes the programs completed in 2025 and those that are underway in 2026:



## **2025:**

- **Energize Thurston:** In 2025, the TCMC launched Energize Thurston. The City of Lacey contributed ~\$375,000 of its Home Electrification and Appliance Rebate (HEAR) grant money that it received from the Department of Commerce. With this money, the City was able to fund 24 full or partially-subsidized heat pump and water heater installations. There were six households who participated in the self-funded pathway receiving a 10-15% group discount on the purchase and installation of a heat pump.
- **Lacey Matching Rebate Program:** In partnership with Puget Sound Energy (PSE), the City matched electrification rebates for low/moderate income homeowners in Lacey who participated in the PSE rebate. Between the PSE rebate and the City's match, community members could potentially qualify for up to \$8,000 to purchase and install a heat pump that replaced a gas furnace.

## **2026:**

- **Energize Thurston:** The City is working with the TCMC and South Puget Sound Habitat for Humanity (SPSHH) to fund Energize Thurston in 2026. SPSHH was awarded Community Energy Efficiency Program (CEEP) grant funding and awarded a PSE Decarbonization Grant. Between these two funding pools, the City will be able to use approximately \$184,083 to fund waitlisted Energize participants. An additional approximately \$88,000 is needed to fully fund the waitlist.
- **Home Energy Score (HES):** Thurston County and the City of Olympia have passed the HES ordinance with an effective date one year out. By the end of April next year, it will be mandatory for homes sold in Thurston County and Olympia to obtain a home energy score before listing their homes. The City of Tumwater is holding work sessions on the topic and looking to move forward this year with a decision. The City of Lacey chose not to advance the HES in the 2026 work program; consideration of this will be discussed with the 2027 work program.
- **VMT Gap Analysis:** The TCMC voted during the 2025 regional retreat to work collaboratively on a gap analysis of vehicle miles traveled (VMT) reductions and TCMP VMT goals. City staff are working closely with the staff team and our consultants Fehr & Peers to complete this project. Deliverables include regional projects that reduce VMT and regional policies that help bridge the gaps in our VMT planning processes.
- **Portable Heat Pump Program:** The City is working with the Lewis, Mason, Thurston Area Agency on Aging (LMTAAA) and SPSHH to install approximately 48 emergency portable heat pumps and air filtration units in homes with seniors who lack the ability to reach cooling centers during extreme heat events. This is a new program built off of the Comprehensive Plan, Climate Resilience Element goals and policies. Heat extreme weather events are Lacey's number one emergency related to climate change. The City is working with LMTAAA as case managers who have been trained to identify clients who may benefit the most from this program; and SPSHH will install the portable heat pumps and air filtration units in the clients' home.



- Climate Planning Grant:** The City was awarded \$700,000 in climate planning formula dollars through the Climate Commitment Act (CCA) to conduct an update to our Comprehensive Plan and implement climate planning activities. The City used \$350,000 for Climate Element updates. We have been awarded the remaining \$350,000 to complete an Urban Forestry Management Plan update, update the Pedestrian and Bicycle Plan; and conduct a vulnerability assessment for sea level rise as we required in the update to the Shoreline Master Program.
- Lacey E-Bike Lease to Ownership Program:** Lacey applied and was awarded funding through WSDOT and the CCA to pilot a lending library (ownership) pathway for City employees. The City has been awarded enough funding to purchase and lease 30 e-Bikes. The lease is a 6-month term, City employees must meet all program requirements and criteria during their lease term, and at the end employees will take ownership of the e-bike. This program aligns with our Commute Trip Reduction Plan and the primary purpose is to help employees find alternative pathways to commuting to work.

These are the primary programs, plans and tasks for 2026. Other smaller projects include working to design climate education for our community. The City continues to participate in TCMC activities like attending staff meetings, Executive Committee Meetings, Community Advisory Workgroup meetings; and completing other administrative tasks for TCMC.

**Budget:**

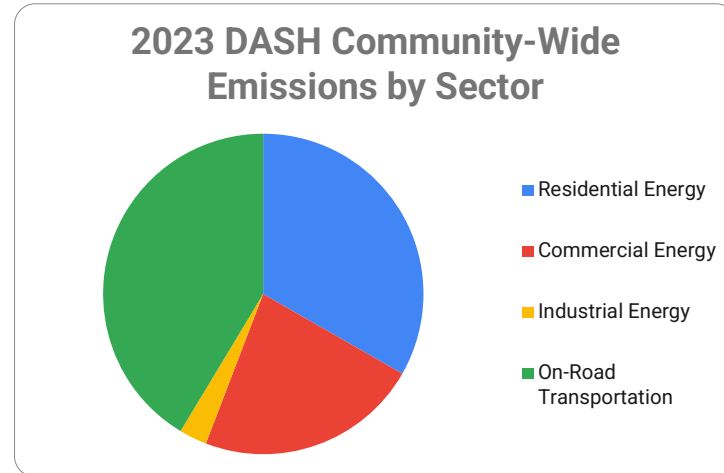
The City of Lacey has received a substantial amount of grant and other dollars to support climate-related programs and planning. The following outlines the funds that support the programs in 2026:

<b>2026 Climate Dollars</b>	
<b>Funding Source</b>	<b>Amount</b>
General Fund (Climate Implementation)	\$ 200,000
WSDOT/CCA E-Bike Grant	\$ 216,000
Community Energy Efficiency Program (awarded to SPSHH)	\$ 60,304
PSE Decarbonization Grant (awarded to SPSHH)	\$ 123,779
Climate Planning Grant	\$ 350,000
<b>Total</b>	<b>\$ 950,083</b>



### Thurston County, WA 2023 Community-Wide Emissions DASH Inventory

Sector	Fuel or Source	2023 Usage	Units	2023
Residential Energy	Electricity	1,435,418,031	kWh	591,064
	Natural Gas	34,844,774	Therms	185,316
	Distillate Fuel O	72,818	MMBtu	5,422
	Propane (HGL)	390,722	MMBtu	24,248
	Wood	1,048,320	MMBtu	10,213
<b>Residential Energy Total</b>				<b>816,263</b>
Commercial Energy	Electricity	1,088,931,902	kWh	448,391
	Natural Gas	19,632,598	Therms	104,413
<b>Commercial Energy Total</b>				<b>552,804</b>
Industrial Energy	Electricity	139,381,867	kWh	40,169
	Natural Gas	5,311,992	Therms	28,193
<b>Industrial Energy Total</b>				<b>68,362</b>
On-Road Transportation	On -Road Gasoli	1,789,347,711	VMT	701,774
	On-Road Diesel	232,514,109	VMT	312,291
<b>On-Road Transportation Total</b>				<b>1,014,065</b>
<b>TOTAL Gross Emissions</b>				<b>2,451,494</b>



For pie chart:

Residential Energy	816,263
Commercial Energy	552,804
Industrial Energy	68,362
On-Road Transportation	1,014,065
<b>Total</b>	<b>2,451,494</b>

## 2015 TPRC Community Wide Inventory and 2023 Community-Wide Emissions DASH Inventory Comparison

\*\*Only comparing sectors from the 2015 inventory that are included in the 2023 DASH Inventory

Sector	Fuel or Source	2015 Usage	Units	2023 Usage	Units	2015 Emissions (CO2e MT)	2023 Emissions (CO2e MT)	Percent Change
Residential Energy	Electricity	1,241,099,148	kWh	1,435,418,031	kWh	580,819	591,064	1.8%
	Natural Gas	2,830,912	Therms	34,844,774	Therms	150,566	185,316	23.1%
	Distillate Fuel Oil No.	56,166	MMBtu	72,818	MMBtu	4,182	5,422	29.7%
	Propane (HGL)	341,515	MMBtu	390,722	MMBtu	21,711	24,248	11.7%
	Wood	1,302,058	MMBtu	1,048,320	MMBtu	12,970	10,213	-21.3%
<b>Residential Energy Total</b>						<b>770,248</b>	<b>816,263</b>	<b>6.0%</b>
Commercial Energy	Electricity	963,956,491	kWh	1,088,931,902	kWh	451,120	448,391	-0.6%
	Natural Gas	1,441,767	Therms	19,632,598	Therms	76,683	104,413	36.2%
<b>Commercial Energy Total</b>						<b>527,803</b>	<b>552,804</b>	<b>4.7%</b>
Industrial Energy	Electricity	119,530,793	kWh	139,381,867	kWh	55,939	40,169	-28.2%
	Natural Gas	100,133	Therms	5,311,992	Therms	5,315	28,193	430.4%
<b>Industrial Energy Total</b>						<b>61,254</b>	<b>68,362</b>	<b>11.6%</b>
On-Road Transportation	On -Road Gasoline	1,890,366,013	VMT	1,789,347,711	VMT	762,092	701,774	-7.9%
	On-Road Diesel	166,268,478	VMT	232,514,109	VMT	252,836	312,291	23.5%
<b>On-Road Transportation Total</b>						<b>1,014,928</b>	<b>1,014,065</b>	<b>-0.1%</b>
<b>TOTAL Gross Emissions</b>						<b>2,374,233</b>	<b>2,451,494</b>	<b>3.3%</b>

## 2010-2023 Thurston County Community-Wide Emissions DASH Inventory Comparison

\*\*Only comparing sectors that are included in the 2023 DASH Inventory

Sector	Fuel or Source	2015 Emissions (CO2e MT)	2016 Emissions (CO2e MT)	2017 Emissions (CO2e MT)	2018 Emissions (CO2e MT)	2019 Emissions (CO2e MT)	2020 Emissions (CO2e MT)	2021 Emissions (CO2e MT)	2022 Emissions (CO2e MT)	2023 Emissions (CO2e MT)
Residential Energy	Electricity	580,819	622,727	663,012	618,942	708,244	535,411	554,347	596,913	591,064
	Natural Gas	150,566	158,417	195,544	179,593	179,138	180,897	183,694	196,786	185,316
	Wood	12,970	14,232	14,205	14,469	16,792	13,783	13,783	13,508	10,213
	Propane (HGL)	21,711	26,772	31,886	30,695	39,003	31,267	31,267	27,168	24,248
	Distillate Fuel Oil No.	4,182	3,580	4,693	3,519	4,016	3,363	3,363	5,213	5,422
<b>Residential Energy Total</b>		<b>770,248</b>	<b>825,728</b>	<b>909,340</b>	<b>847,218</b>	<b>947,193</b>	<b>764,721</b>	<b>786,454</b>	<b>839,588</b>	<b>816,263</b>
Commercial Energy	Electricity	451,120	488,981	497,541	480,578	603,921	371,474	391,547	447,646	448,391
	Natural Gas	76,683	77,638	115,241	94,156	99,189	87,648	89,517	105,785	104,413
<b>Commercial Energy Total</b>		<b>527,803</b>	<b>566,619</b>	<b>612,782</b>	<b>574,734</b>	<b>703,110</b>	<b>459,122</b>	<b>481,064</b>	<b>553,431</b>	<b>552,804</b>
Industrial Energy	Electricity	55,939	70,504	61,805	99,159	58,825	45,080	46,440	56,461	40,169
	Natural Gas	5,315	5,222	6,261	26,637	4,754	4,201	4,265	30,723	28,193
<b>Industrial Energy Total</b>		<b>61,254</b>	<b>75,726</b>	<b>68,066</b>	<b>125,796</b>	<b>63,579</b>	<b>49,281</b>	<b>50,705</b>	<b>87,184</b>	<b>68,362</b>
On-Road Transportation	On -Road Gasoline	762,092	797,715	797,652	796,861	809,853	685,947	733,839	710,800	701,774
	On-Road Diesel	252,836	230,478	229,689	239,012	229,782	194,443	208,019	303,360	312,291
<b>On-Road Transportation Total</b>		<b>1,014,928</b>	<b>1,028,193</b>	<b>1,027,341</b>	<b>1,035,873</b>	<b>1,039,635</b>	<b>685,947</b>	<b>941,858</b>	<b>1,014,160</b>	<b>1,014,065</b>
<b>TOTAL Gross Emissions</b>		<b>2,374,233</b>	<b>2,496,266</b>	<b>2,617,529</b>	<b>2,583,621</b>	<b>2,753,517</b>	<b>1,959,071</b>	<b>2,260,081</b>	<b>2,494,363</b>	<b>2,451,494</b>

Change from 2022 to 2023: -1.72%



## STAFF REPORT

Council Worksession  
May 26, 2026

**Subject:** Human Services Grant Program (HSGP) Update  
**To:** Lacey City Council  
**Prepared by:** Michelle Chavez *mjc*  
**Department Director:** Shannon Kelley-Fong, Assistant City Manager *SKF*  
**Reviewed By:** Not Applicable  
**Final Review:** Rick Walk, City Manager *RW*

**Purpose:** Briefing

**Recommendation:** Review only. At a future date, staff recommends proceeding with **Option 3**, which includes: No Admin Cap, Maximum Award \$30,000 for Service Projects and \$50,000 for Capital Projects, No Minimum ask, add points for the number of Lacey residents served, and add points for priority areas.

**Brief:** The City provides and supports a broad range of local human services to the community. One of the core ways the City engages in this work is by providing funding to support the work of non-profits through the HSGP. The City Council allocated \$300,000 for the 2026 HSGP. This staff report outlines potential updates to the HSGP Policy for 2026. Draft updates were informed by City Council, Human Service Commission (HSC), and staff feedback from previous HSGP funding rounds.

### Alternatives:

1. No change: continue as is.
2. Select an Option other than 3
3. Some other option not contemplated in the above.

### Prior Review:

Human Services Commission – 4/3/2025 [Link](#)  
Council Worksession – 4/22/2025 [Link](#)  
Human Services Commission – 6/5/2025 [Link](#)  
Human Services Commission – 6/26/2025 [Link](#)  
Human Services Commission – 7/10/2025 [Link](#)  
Council Regular Meeting – 8/5/2025 [Link](#)  
Human Services Commission – 11/6/2025 [Link](#)  
Human Services Commission – 1/8/2026 [Link](#)  
Human Services Commission – 3/5/2026 [Link](#)  
Human Services Commission – 5/7/2026 [Link](#)

**Advisory Board Recommendation(s):**

Human Services Commission - Recommended Option 3 on May 7, 2026.

**Fiscal Impact:**

Budgeted Item: Yes

Amount: \$ 300,000

Funding Source: 001-0801-552.58-17

Project Code:

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**Attachments:**

- 1. 2026 HSGP Draft Policy
- 2. 2026 HSGP Draft Application
- 3. 2026 HSGP Draft Rubric

**Policy or Legal Alignment:**

- 1. [Ordinance No. 1667](#)

**Background:** General information on the City of Lacey’s (City) Human Services can be accessed here: [Human Services - City of Lacey](#). The City provides and supports a broad range of local human services to the community. One of the core ways the City engages in this work is by providing funding to support the work of non-profits through the HSGP. The City Council allocated \$300,000 for the 2026 HSGP.

In the first program year, the City received \$1,121,195 HSGP funding requests. Requests averaged \$50,000 for capital (1 applicant) and \$71,346 for service projects (15 applicants). For service projects, there was one applicant that requested the majority of the funding (at over \$284,000), 4 requests for over \$100,000, and 7 requests for \$50,000 to \$99,999. Through their review process, the HSC recommended funding applicants at an average of \$27,272, with the highest grant award of \$31,233. As part of the deliberation, the HSC, with the help of a scoring rubric, decided to recommend funding more applicants rather than selecting a few applicants to fund. **Table 1** lists 2024 applicants awarded HSGP grants and their original 2024 requests.



<b>Table 1.</b>			
<b>2024 HSGP Awardees</b>			
<b>Organization</b>	<b>Program / Project</b>	<b>2024 Request</b>	<b>2024 HS Grant Funding Awarded</b>
North Thurston Education Foundation (NTEF)	Student Assistance Grants	\$60,000	\$31,233
Homes First	Homes First Lacey Housing	\$50,000	\$31,233
Boys & Girls Clubs of Thurston County	Scholarships for youth experiencing homelessness	\$25,000	\$25,000
Community Action Council of Lewis, Mason, & Thurston County	Lacey Housing Services	\$284,129.52	\$31,233
Family Support Center of South Sound	Homeless Family Services	\$50,000	\$31,233
Garden-Raised Bounty	GRuB Garden Project	\$6,000	\$6,000
South Puget Sound Habitat for Humanity	Home Repair Program	\$50,000	\$31,233
TOGETHER!	Host Homes	\$25,366	\$25,366
TOGETHER!	Club House Program	\$25,000	\$25,000
Interfaith Works	Sergio's Service Center	\$120,000	\$31,233
Rebuilding Together Thurston County	Critical Home Repair	\$125,000	\$31,233
<b>Total Budget</b>			<b>\$299,997</b>

In February of 2025, the HSC discussed the HSGP Policy to improve the program for the next cycle. After deliberating, the HSC recommended program adjustments to the City Council based on this experience. Their recommended adjustments were:

1. Cap the public service applications at \$35,000
2. Cap the capital project applications at \$50,000
3. Limit agency applications to one per agency

The HSC recommended establishing funding caps to help ensure that the limited HSGP funding could potentially support a greater number of recipients rather than being



concentrated among a small number of applicants. The \$35,000 public service cap was recommended based on prior award history, including the highest previous award amount of \$31,233, and it would allow for a similar number of grant awards. While slightly higher than the previous maximum award, the cap was intended to provide some flexibility in future funding cycles should the number of applications or requested amounts decrease. The cap also encourages applicants to submit more focused and cost-effective funding requests that align with available program resources.

In April of 2025, the City Council reviewed the updated program adjustments and accepted the HSC's recommendation, with one modification: to cap public service applications at \$50,000 rather than \$35,000. The discussions centered on avoiding overly restricting applicant requests, recognizing that some larger applicants may merit more funding in future rounds.

In the subsequent HSGP grant cycle, the number of applications increased from 16 in 2024 to 21 in 2025. Of the public service applications received, 14 applicants requested the maximum allowable amount of \$50,000. As in the prior funding cycle, the HSC used a scoring rubric to help assess applications and develop funding recommendations. While many applicants requested the maximum of \$50,000, the HSC recommended awards at levels significantly below the cap to maximize the number of organizations receiving funding, see **Table 2**. The highest recommended public service awards were \$30,000, with the average award amount approximately \$25,000. Consistent with previous discussions and funding priorities, the HSC prioritized distributing limited available HSGP funding across a broader range of applicants rather than concentrating larger award amounts among fewer recipients, recognizing that many of the applicants were supporting worthwhile programs and services that addressed important community needs. A \$30,000 grant cap would allow for a similar number of awardees as in past cycles.



<b>Table 2.</b>			
<b>2025 HSGP Awardees</b>			
<b>Organization</b>	<b>Program / Project</b>	<b>2025 Requests</b>	<b>2025 HS Grant Funding Awarded</b>
North Thurston Education Foundation (NTEF)	Student Assistance Grants	\$50,000	\$30,000
Interfaith Works	Sergio's Service Center	\$50,000	\$30,000
Boys & Girls Clubs of Thurston County	Scholarships for youth experiencing homelessness	\$25,000	\$25,000
CIELO	Lacey Housing Stability and Advocacy Initiative	\$50,000	\$30,000
Community Action Council of Lewis, Mason, & Thurston County	Lacey Housing Services	\$50,000	\$23,125
Community Youth Services	Haven House	\$50,000	\$23,125
TOGETHER!	Host Homes	\$50,000	\$23,125
All Kids Win FKA Homeless Backpacks	Weekend Food Bags	\$50,000	\$23,125
Rebuilding Together Thurston County	Critical Home Repair	\$50,000	\$23,125
Senior Services for South Sound	Home Share Program	\$50,000	\$23,125
Homes First	Increasing the Pace of Homes First Affordable Housing Development	\$50,000	\$23,125
South Puget Sound Habitat for Humanity	Home Repair Program	\$50,000	\$23,125
<b>Total Budget</b>			<b>\$300,000</b>



In January of 2026, the HSC began reviewing the HSGP Policy to improve the program for the next cycle. **Table 3** shows potential options reviewed by the HSC for modifying the HSGP policy and rubric.

<b>Table 3.</b>					
<b>Potential HSGP Modification Options</b>					
<b>Program Parameter</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3 (Staff Recommendation)</b>	<b>Option 4</b>	<b>Option 5</b>
<b>Policy</b>	<ul style="list-style-type: none"> <li>• Cap Admin at 20%</li> <li>• Max Award \$50,000</li> <li>• Minimum Ask \$10,000</li> </ul>	<ul style="list-style-type: none"> <li>• Cap Admin at 15%</li> <li>• Max Award \$50,000</li> <li>• No Minimum Ask</li> </ul>	<ul style="list-style-type: none"> <li>• Do not set an Admin Cap (0% to 100% admin costs allowed)</li> <li>• Max Award \$30,000 for Service Projects and \$50,000 for Capital Projects</li> <li>• No Minimum Ask</li> </ul>	No Change	Something Else
<b>Rubric</b>	Add Points for number of Lacey residents served  Add Points for Priority Areas	Add Points for number of Lacey residents served  Add Points for Priority Areas	Add Points for number of Lacey residents served.  Add Points for Priority Areas	No Change	Something Else

\* Cap admin: This means determining the highest percent of funding that could be used for administration costs, i.e., staff time, in-direct services costs, etc.

The HSGP Policy was last updated in April of 2025. Based on feedback from the City Council, HSC, and ongoing needs assessment, the following are some policy and program options that were considered for 2026 (red indicates options that are recommended this year):

- Adding a staffing / administrative cap (e.g., 10% to 20%)
- Limiting the eligible programs / projects to service only
- **Changing the cap on grant awards:**
  - **Services awards max of \$30,000**
- Creating a minimum grant amount
- Considerations for organization size or longevity
- **Additional points for number of Lacey residents served**
- **Spread out applicant presentations across two meetings**

Similar to the previous year, the HSC recommended placing a cap on service awards, this



time \$30,000, based on experiences and feedback from past HSGP funding rounds. To date, service funding awards have averaged less than \$30,000, at \$26,087. However, applicants' asks have been much higher, including many at the maximum of \$50,000. The HSC, through conversations, discussed how reducing the cap could help the review process and ensure that limited HSGP funding can support a greater number of recipients rather than being concentrated among a small number of applicants. There was also discussion at the HSC on how to promote equitable access across organizations, e.g., by size and longevity. A smaller cap could help reduce the likelihood that larger or more established organizations receive a disproportionate share of available resources, creating more opportunities for smaller or newer groups to participate. In addition, establishing a funding cap can help the HSC evaluate applications more consistently and make funding decisions more efficiently within the available budget.

To simply a complex and nuanced topic, the underlying policy question related to the funding cap appears to be whether HSGP program should have a:

- 1) **Lower funding cap:** to potentially help support the distribution of funding across a larger number of programs to support a broader range of community needs, and potentially streamline the review process by allowing more applicants the potential to get funding; or
- 2) **Higher funding cap:** to allow for maximum flexibility, but also potentially increase the chances that applicants get fewer dollars than requested, and that funding may be distributed among fewer organizations by providing larger awards, which potentially may have a greater impact within those selected program areas.

This is not an easy policy question to answer, and both the City Council and HSC have discussed it extensively over the past several funding cycles. Throughout recent funding cycles, the HSC's recommendations have generally reflected a preference for funding more programs and organizations, recognizing the breadth of community needs and the value of supporting multiple providers rather than concentrating funding among potentially fewer organizations.

The HSC also discussed the possibility of establishing a cap on the use of grant funds for administrative expenses. However, after deliberation, the HSC recommended continuing to monitor administrative funding allocations more closely during the current funding cycle before pursuing any formal limitations in the future. In those discussions, the HSC recognized that administrative support is essential for organizations to deliver services effectively and manage grant-funded programs. The HSC also acknowledged that HSGP funds are among the least restrictive funding sources available to many applicants, and that administrative funding can play an important role in supporting organizational capacity and overall program implementation.

In addition to all of the above, based on preliminary information for the ongoing Human Services Needs Assessment, which will inform a forthcoming Human Services Strategic



Plan, the HSC recommended that the following additions should be included for this cycle:

- Add priority for homelessness prevention projects / programs
- Add priority for youth services, including child care
- Add priority for behavioral health services

The goal of examining these program parameters is to make the review process more accessible and streamlined. In 2025, there were 11 scenarios evaluated before final funding decisions were made. HSC needed two meetings to make the final funding recommendations.

**Proposed 2026 HSGP Timeline** – Table 4 provides a proposed timeline for 2026. These details are subject to change.

<b>Table 4.</b>		
<b>Proposed 2026 Human Services Grant Program Timeline</b> (Dates subject to change)		
<b>Activity</b>	<b>2026 Dates</b>	<b>Needs Assessment</b>
HSC Review Program Materials, Policy, Scoresheet (Rubric) Options	January	Focus Groups, Writing Strategic Plan, Present for Approval
HSC Review Draft Policy and Rubric	March	
City Council Reviews Draft Policy and Rubric – Motion to Adopt	May 26	
Program Opens for Applications	June	
Applicant Presentations / Review and Score Applications	July (2 dates)	
HSC Award Recommendations and City Council Final Approval	August	
Program Year Begins (September 1, 2026 to August 31, 2027)	September	

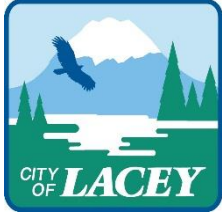
**HSGP Draft Policy** – The HSGP Policy was last updated in April of 2025. Based on feedback from the City Council, HSC, and existing research for the needs assessment, the following are recommended changes for 2026:

- update priority goal areas (based on current research):
  - Add priority for homelessness prevention projects / programs
  - Add priority for youth services, including child care
  - Add priority for behavioral health services
- update amount of cap on grant awards:
  - Service awards max of \$30,000

**HSGP Draft Application** – update the application to include any recommended changes

**HSGP Draft Rubric** – update rubric to include any recommended changes





# Human Services Grant Program Policy

## Goals

The City provides and supports a broad range of local human services to community members. These services are targeted to help individuals access community resources. One of the core ways the City engages in this work is by providing funding to support the work of non-profits.

## Categories

HSGP funds are dedicated to providing essential social services for low-income and special needs populations. Services ~~must focus on basic needs and serve Lacey community members. Basic needs are defined as: focused on affordable housing, preventing homelessness, youth programs and services, and behavioral health services will be given priority.~~

**Affordable Housing / Homelessness Prevention:** expanding and upgrading affordable housing programs, emergency rental assistance, housing education, creating and maintaining supportive housing services ~~that prevent homelessness.~~

**Survival Youth:** ~~access to food, water, shelter, sleep, clothing, programs and projects that serve Lacey youth including day care.~~

**Security Behavioral Health:** ~~job training and placement, mental and physical health care, drug and alcohol recovery, support in times of personal and family crisis, transportation.~~

## Information

- 1) The City at its discretion awards funding. Selected applicants may not receive full funding.
- 2) Maximum award of (\$350,000) for service programs.
- 3) Maximum award (\$50,000) for capital (brick and mortar) projects.
- 4) One proposal allowed per agency per application cycle.

- 5) Proposals do not require a dollar-for-dollar funding match for City funds awarded. However, proposals with funding matches may be allocated additional points during evaluation.
- 6) The Human Services Commission will review proposals and make recommendations for final approval by the Lacey City Council.
- 7) Presentations may be requested of applicants.
- 8) A signed, written agreement with the City will be required before funds are awarded.
  - a. Contract will include an approved scope of work, term, and reimbursement guidelines, and any other requirements as deemed necessary by the City.
  - b. Proof of insurance is required as laid out in the grant program agreement.
- 9) Applicants will need to provide the following documents as part of their applications:
  - a. Program or Project Budget (using the City's form)
  - b. Current list of Board Members
  - c. IRS Tax-Exempt Determination as a 501(c)3
  - d. Copy of organization's I-990 tax filing or year-end financial statement
  - e. A copy of the agency's current annual operating budget (income and expenses)
- 10) Organizations selected to receive human services funding must be able to:
  - a. Provide proof of general liability insurance coverage of at least \$1,000,000 and meet other City insurance requirements
  - b. Provide reports and invoices with back up documentation.
  - c. Provide 501c3 determination letter or equivalent.
  - d. Sign documents electronically through City approved systems.
  - e. Commit to an annual site visit by City of Lacey staff.
  - f. Submit an annual report.
  - g. Retain records for seven years.
- 11) Organizations that apply must be authorized by their governing body or executive director (or equivalent) to apply and receive program funds.
- 12) Probation for Incomplete Projects
  - a. If an agency is unable to complete the project within the term of the agreement, or program year, and does not use any portion of the allocated

grant funds, the agency will be ineligible to participate in the HSGP the following year.

- b. Accommodations may be made to the above for extenuating circumstance

## Eligibility

### Requirements:

- 1) Proposals must be submitted by non-profits.
- 2) Applicants do not need to be physically located in Lacey to apply. However, applicants must demonstrate how programs and projects would positively benefit community members in Lacey.
- 3) All programs and projects must meet city regulations, ordinances, and non-discrimination policies.
- 4) **Capital projects:** Maximum award for capital (brick and mortar) projects is \$50,000. Capital projects must be located in Lacey.
- 5) **Service projects:** Maximum award for service projects is \$350,000.
- 6) Applicants may receive partial funding.
- 7) Applications must be completed and submitted before the deadline.
- 8) One application per agency

### The following are not eligible for the HSGP:

- 1) Applications from individuals, for-profit groups, or political groups.
- 2) Projects that are for routine maintenance purposes or any maintenance of previously funded projects.
- 3) Capital (brick and mortar) projects outside of Lacey city limits.
- 4) Projects that seek to promote any public or private group, business or commercial enterprise, political, or religious group.
- 5) Organizations or projects that do not meet the City's non-discrimination policies.

## Contact

For further details, contact Michelle Chavez, Human Services Coordinator, at 360-486-8746 or email [HumanServices@cityoflacey.org](mailto:HumanServices@cityoflacey.org)

DRAFT



# 2026 Human Services Grant Application

Overview - DRAFT not confirmed

The Lacey City Council approved the 2026 Human Services Grant priorities. Grant funding will be prioritized on programs or projects that focus on:

**Affordable Housing / Homelessness Prevention:** expanding and upgrading affordable housing programs, emergency rental assistance, housing education, creating and maintaining supportive housing services that prevent homelessness.

**Youth Services:** Youth focused programs or projects including child care.

**Behavioral Health:** mental health care, drug and alcohol recovery, support in times of personal and family crisis.

## Grant Requirements (in brief see full policy):

Applicants must be non-profits.

Applicants do not need to be physically located in Lacey to apply. However, applicants must demonstrate how programs and projects would positively benefit community members in Lacey.

Maximum award for capital (brick and mortar) projects is \$50,000. Capital projects must be located in Lacey. Maximum award for service projects is \$30,000. NOTE: Applicants may receive partial funding.

One application per agency

Program Year Runs September 1, 2026 to August 31, 2027.

## Timelines (Not Confirmed):

Applicant Workshop: June 1, 2026 9:30am to 11:00am

Applications open: June 1 to June 26, 2026. Applications are due June 26, 2026 by 4pm (PST)

Applicant Presentations: July 9th and July 16th at 5:30pm at City Hall and via Zoom

NOTE: This online application does not have an auto-save feature. A PDF version of the application is available to help draft your submission, if needed

Please fill out this form completely. Applications are due June 26, 2026 by 4pm (PST). Late Applications will not be accepted.

Contact: [HumanServices@CityofLacey.org](mailto:HumanServices@CityofLacey.org) or call 360-486-8746

# Section 1. General Information

## 1.1 Agency Name \*

## 1.2 Program or Project Name \*

Only one program or project will be accepted by each agency.

## 1.3 Is this a capital project or service project? \*

Identify program or project type in the drop-down menu below.

## 1.4 Is this a new or existing program or project? \*

## 1.5 Program or Project Area \*

Select all that apply.

## 1.6 Have you received funding from the City of Lacey for this project or program in the last three years? If yes, what were the outcomes? \*

If yes, what were the outcomes?

## 1.7 Future Community Members Served \*

Please provide the anticipated number of Lacey community members that will be served by this program or project within the contract year, if funding is awarded. This answer should only be a number.

Scored Question (15 points total)

## 1.8 Program or Project Description \*

Briefly describe your program or project (2-3 sentences).

## 1.9 Priority Focus

Does the program or project meet the priority focus (Affordable Housing / Preventing Homelessness, Youth Programs/Projects, Behavioral Health)? If yes, please provide a description of how it meets the priority focus.

Scored Question (15 points total)

## 1.10 Program Requirements \*

Organizations selected to receive human services funding must be able to:

- Provide proof of general liability insurance coverage of at least \$1,000,000
- Provide reports and invoices with back up documentation.
- Provide your 501c3 determination letter or equivalent.
- Sign documents electronically through City approved systems.
- Commit to an annual site visit by City of Lacey staff.
- Submit an annual report.
- Retain records for seven years

**Authorization to Apply \***

To the best of my knowledge, all information in this application is true and correct. The applicant's governing body or Executive Director (or equivalent) has authorized this application to be submitted. My organization is able to provide all program requirements noted above and if funded, will comply with all contractual obligations.

**Date Approved \***

## Section 2. Organizational Overview

**2.1 Organization Legal Name \***

**2.2 Mailing Address \***

**2.3 Physical Street Address \***

**2.4 Main Business Phone \***

**2.5 Contract Signatory (Name and Title) \***

**2.6 Signatory Email Address for Approval \***

**2.7 Organization Primary Contact (Name and Title) \***

**2.8 Primary Contact Phone \***

**2.9 Primary Contact Email \***

**2.10 Years in business (current dba or previous) \***

Provide names and number of years the agency has been in business under current or previous names including additional assumed business names.

**2.11 Federal Tax ID \***

### 2.12 Partnerships and Service Coordination \*

Describe how your organization collaborates and coordinates with local entities, organizations, stakeholders, or community members.

Scored Question (5 points total)

### 2.13 Client Centered Programming \*

Describe how your agency incorporates a client-centered voice to ensure program quality and effective services.

Scored Question (15 points total)

### 2.14 Diversity, Equity, Inclusion and Belonging \*

Describe how your agency applies diversity, equity, inclusion and belonging principles in your work.

Scored Question (15 points total)

## Section 3. Program or Project Overview

### 3.1 Program or Project Design \*

Please describe how the program or project will be delivered.

Scored Question (5 points total)

### 3.2 Program or Project Outcomes \*

Describe the program's specific and measurable outcomes.

Scored Question (10 points total)

### 3.3 Program or Project Eligibility \*

Who will receive services under this grant and how will you determine service eligibility?

2026 Funding Priorities are affordable housing / preventing homelessness, youth services and projects, behavioral health.

Scored Question (5 points total)

### 3.4 Project Location \*

### 3.5 Project Address \*

## Section 4. Budget Overview

#### 4.1 Budget Narrative \*

Please describe how the Lacey Human Services Grant funds will be used to fund your program or project.

Scored Question (10 points total)

#### 4.2 Audit Findings \*

Have you had an audit finding in the last two years? If yes, please explain.

#### 4.3 Program or Project Sustainability \*

If your program or project is not fully funded by the requested amount, would you still be able to provide services or complete the project? Describe the impacts you anticipate if receiving less than full funding.

Scored Question (5 points total)

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**DRAFT 2026 Human Services Grant Program Application Scoring Rubric**

Reviewer Name \_\_\_\_\_

Total Score \_\_\_\_\_

Section 1 - General Information	How to Rank Answers: You may use any number in the range. 0 means it does not answer the question. Mid-range means it somewhat explains the question and the top score means it clearly answers the question.	Total Possible Points	Points Awarded
<p>1.7 Please provide the anticipated number of Lacey community members that will be served by this program or project within the contract year 2026 (add program year dates), if funding is awarded.</p>	<p>Does the answer fully explain the number of participants This should be a number only and the higher number served should receive a higher range score.</p>	<p>5-15</p>	
<p>1.9 Does the program or project meet the priority focus (basic needs that serve Lacey community members)?</p> <p>Basic needs include: housing, survival, and security.</p> <p><b>Affordable Housing / Homelessness Prevention:</b> expanding and upgrading affordable housing programs, emergency rental assistance, housing education, creating and maintaining supportive housing services that prevent homelessness.</p> <p><b>Youth Services:</b> Youth-focused programs or projects, including child care.</p> <p><b>Behavioral Health:</b> mental health care, drug and alcohol recovery, support in times of personal and family crisis.</p> <p>If yes, please provide a description of how it meets the priority focus.</p>	<p>Does the program or project meet the priority areas (basic needs that serve Lacey community members). Basic needs include: housing, survival, and security)? Affordable Housing / Homelessness Prevention, Youth Services or Behavioral Health?</p> <p>Does the application clearly explain how it meets the priority focus?</p> <p>Programs or projects that address more than one priority should be given a higher range score.</p>	<p>15</p>	

<b>Section 2 - Organizational Overview</b>	<b>How to Rank Answers: - You may use any number in the range. 0 means it does not answer the question. Mid-range means it somewhat explains the question and the top score means it clearly answers the question.</b>	<b>Total Possible Points</b>	<b>Points Awarded</b>
2.12 Describe how your organization collaborates and coordinates with local entities, organizations, stakeholders, or community members.	Does the organization describe collaboration or coordination with others?	5	
2.13 Describe how you incorporate a client-centered voice to ensure program quality and effective services.	Does the program or project include people receiving services from the community in creating the program or project?	15	
2.14 Describe how your agency applies diversity, equity, inclusion and belonging principles in your work.	Does the organization have established DEIB principles and practices?	15	

DRAFT

Section 3 – Program or Project Overview	How to Rank Answers: – You may use any number in the range. 0 means it does not answer the question. Mid-range means it somewhat explains the question and the top score means it clearly answers the question.	Total Possible Points	Points Awarded
3.1 Please describe how the program or project will be delivered.	Does the applicant clearly describe the program or project and how it will be delivered?	10 <del>5</del>	
3.2 Describe the program or project's specific and measurable outcomes.	Does the applicant clearly describe the program or project's specific and measurable outcomes?	10	
<p>3.3 Who will receive services under this grant and how will you determine service eligibility?</p> <p><i>2024 Funding Priorities are essential social services for low-income and special needs populations. Services must focus on basic needs and serve Lacey community members. Basic needs include housing, survival, and security.</i></p> <p>Affordable Housing / Homelessness Prevention, Youth Services or Behavioral Health</p>	How will the program or project determine who is eligible for services? Are the benefactors of the program or project primarily low income and Lacey community members?	10 <del>5</del>	

<b>Section 4 - Budget Overview</b>	<b>How to Rank Answers: - You may use any number in the range. 0 means it does not answer the question. Mid-range means it somewhat explains the question and the top score means it clearly answers the question.</b>	<b>Total Possible Points</b>	<b>Points Awarded</b>
4.1 Please describe how the Lacey Human Services Grant funds will be used to fund your program or project. <i>What percentage of your program or project will be spent on admin?</i>	Does the applicant clearly describe how they will use the HSGP funds?	10	
4.3 Project Sustainability - <i>If your program or project does not receive funding, will you still be able to provide services or complete the project?</i>	Does the applicant have outside funding?	5	
Attachments	Are all the required attachments included in the application?	Y/N	NONE
<b>Total</b>		<b>100</b>	



# STAFF REPORT

Council Worksession  
May 26, 2026

**Subject:** Solid Waste Franchise Update  
**To:** Lacey City Council  
**Prepared by:** Shanelle Pierce, Special Projects Administrator  
**Department Director:** Shannon Kelley-Fong, Assistant City Manager  
**Reviewed By:** Not Applicable  
**Final Review:** Rick Walk, City Manager

*SKF*  
*SKF*  
*RW*

**Purpose:** Briefing

**Recommendation:** Review only.

**Brief:** On August 19, 2025, the Lacey City Council directed staff to research the feasibility of imposing franchise fees on solid waste collection. Under Washington Utilities and Transportation Commission (UTC) regulation, the City is not eligible for solid waste fees beyond utility tax. To establish a solid waste franchise fee, the City would need to negotiate with Pacific Disposal to transfer rights to the City through a UTC transition franchise agreement. In a franchise agreement, the City can negotiate services and/or a nominal franchise fee with the hauler. To pursue this path, the first step is for the City to contact Pacific Disposal to discuss options. City staff are currently scheduled to update the City Council on May 26, 2026; then hold one or more meetings with Pacific Disposal in June or July; and present the findings to the City Council between July and August.

**Alternatives:**

1. More information will be provided at a future Council Meeting.

**Prior Review:**

Council Regular Meeting – 8/19/2025 [Link](#)

**Advisory Board Recommendation(s):**

Not Applicable

**Fiscal Impact:**

Budgeted Item: No

**Amount:** \$ Funding Source

**Project Code:**

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**Attachments:**

1. Centralia’s Solid Waste Franchise Agreement 2025-2030

**Policy or Legal Alignment:**

1. [RCW 35A.14.900](#)

**Background:**

The Washington Utilities and Transportation Commission (UTC) divided the state into solid waste franchise areas and awarded contracts to private haulers. Harold LeMay Enterprises, D.B.A. Pacific Disposal currently provide services in Lacey and the surrounding areas. The UTC regulates garbage, recycling, and yard waste collection services and rates.

Cities can take over rights within their jurisdictions from the UTC at any time. To do so, cities must negotiate a UTC transition franchise agreement with the current hauler to compensate for capital investments. Under this franchise agreement, a city can take over the rights but continues to use the local UTC services and rates.

On August 19, 2025, the Lacey City Council directed staff to research the feasibility of imposing franchise fees on solid waste collection. A new franchise fee would be in addition to the existing utility tax.

**Potential Next Steps:**

To establish a solid waste franchise fee, the City would need to negotiate with Pacific Disposal to transfer rights to the City through a UTC transition franchise agreement. To pursue this path, the first step is for the City to contact Pacific Disposal to discuss options. City staff are scheduled to update the City Council on May 26, 2026; hold one or more meetings with Pacific Disposal in June or July; and then present the findings to the City Council between July and August. Refer to **Table A** for the schedule.

Table A	
Estimated Timelines	
May 26, 2026	City Council Briefing
June / July 2026	Schedule and Hold Meeting(s) with LeMay
July / August 2026	Bring additional information back the City Council

**Solid Waste Collection Options:**

There are various options for providing solid waste and recycling collection services in a city. A city may choose to continue allowing the UTC to regulate services. However, any other option will require starting with a UTC transition franchise agreement, typically 7 to 10 years in length. Once the UTC transition franchise agreement has expired, a city may continue a franchise agreement with the local UTC hauler, contract with any private hauler, provide its own municipal collections, or negotiate an Interlocal Agreement (ILA) with another municipality to provide services. Options for consideration are listed in **Table B**.



Table B			
Option	Current	Next 7-10 Years	After 10 Years
1. Continue As-is	UTC Regulation UTC Rates	UTC Regulation UTC Rates	UTC Regulation UTC Rates
2. Franchise Agreement	UTC Regulation UTC Rates	<b>City Regulation</b> UTC Rates	<b>City Regulation</b> UTC Rates
3. Franchise Agreement, Then Contract	UTC Regulation UTC Rates	<b>City Regulation</b> UTC Rates	<b>City Regulation</b> <b>City Rates</b>

**Other Cities:**

There are currently 92 cities in Washington with solid waste regulated under the UTC, 5 with franchise agreements, 157 with contracts with private haulers, and 27 providing municipal collection.

Of Lacey's 13 peer cities, 2 provide municipal collection, and 11 have solid waste collection contracts with private haulers, as shown in **Table C**. Lacey is the only city in the population range in Washington state with solid waste regulated under the UTC.

Table C		
Comparison of Cities' Solid Waste Collection Arrangements		
City	Population	Collection Arrangement
Yakima	98,200	Municipal
Kirkland	93,570	Contract
Pasco	80,180	Contract
Redmond	75,270	Contract
Shoreline	60,320	Contract
Lacey	58,180	UTC
Olympia	57,970	Municipal
Burien	52,490	Contract
Bothell	48,940	Contract
Issaquah	40,950	Contract
Wenatchee	35,650	Contract
University Place	35,420	Contract
Walla Walla	34,020	Contract
Des Moines	33,160	Contract

The benefits to the five cities under the franchise agreement vary widely, as shown in **Table D** below. Centralia's franchise agreement is included in this packet as **Attachment 1**.



Table D		
All Five Cities with Solid Waste Franchise Agreements		
City	Hauler	City Benefits
<a href="#">Castle Rock</a>	Waste Control	City services provided at no cost
<a href="#">Centralia</a>	LeMay	<ul style="list-style-type: none"> <li>City services provided at no cost</li> <li>5.5% franchise fee</li> <li>10% discount for low-income senior citizen and low-income totally disabled customers</li> <li>Automatic cancelation of UTC certificate for annexed areas</li> </ul>
<a href="#">Forks</a>	West Waste	(Information not available)
<a href="#">Morton</a>	LeMay	<ul style="list-style-type: none"> <li>City services provided at no cost</li> <li>Automatic cancelation of UTC certificate for annexed areas</li> <li>Hauler paid City for equipment</li> </ul>
<a href="#">Rainier</a>	LeMay	<ul style="list-style-type: none"> <li>City services provided at no cost</li> <li>Dumpsters for annual clean up</li> </ul>

**Franchise and Contract Administrative Fees:**

Under UTC regulation, the City is not eligible for solid waste fees beyond utility tax. In a franchise agreement, the City can negotiate services and/or a nominal franchise fee with the hauler. However, in a contract, the City can set any administrative fee it desires.

**Table E** provides an estimated annual revenue for Lacey from solid waste franchise fee that is based on estimated revenues calculated from historical solid waste utility tax revenue. These estimates are not guaranteed as any franchise fee would require an agreement with Pacific Disposal.

Table E		
Solid Waste Franchise Fees – Projected Revenues		
Rate	Est. Revenue	Difference
0% (Current)	\$0	\$0
0.5%	\$40,417	\$40,417
1.0%	\$80,833	\$80,833
1.5%	\$121,250	\$121,250
2.0%	\$161,667	\$161,667
2.5%	\$202,083	\$202,083
3.0%	\$242,500	\$242,500
3.5%	\$282,917	\$282,917
4.0%	\$323,333	\$323,333
4.5%	\$363,750	\$363,750
5.0%	\$404,167	\$404,167
5.5%	\$444,583	\$444,583
6.0%	\$485,000	\$485,000



**Service Rate Increases:**

Below lists monthly rates charged by Pacific Disposal under UTC regulation for single-family and multi-family/commercial solid waste collection services. Recycling service contains two components: the cost of the service and a credit for the value of materials known as a commodity credit. While the recycling service component has increased modestly over time, the recycling commodity credit varies widely depending upon global markets, which are affected by China’s National Sword, COVID-19 pandemic, supply versus demand variations, increase in mixed-material packaging and contamination, lower virgin material prices, and other factors.

The monthly rates in **Table F** and **G** do not include taxes or fees. Consumer Price Index (CPI) figures are based upon Series ID CWURS49DSA0, all items in Seattle-Tacoma-Bellevue, urban wage earners and clerical workers, and are not seasonally adjusted.

Table F					
Monthly Single-Family Rates					
Year	35-Gal Garbage	Recycling: Cost of Service	Recycling: Commodity Credit	Yard Waste	Total
2019	\$13.55	\$6.67	\$2.73	\$7.60	\$25.09
2020	\$13.59	\$6.69	\$1.95	\$7.62	\$25.95
2021	\$13.65	\$6.72	\$2.04	\$7.66	\$25.99
2022	\$14.20	\$7.35	-\$0.52	\$8.45	\$30.52
2023	\$14.20	\$7.35	\$0.87	\$8.45	\$29.13
2024	\$14.52	\$7.69	\$2.93	\$8.45	\$27.73
2025	\$14.52	\$7.69	\$2.93	\$10.40	\$29.68
2026	\$15.23	\$7.72	\$1.58	\$12.55	\$33.92
<b>Overall Rate Increase</b>	<b>12%</b>	<b>16%</b>	<b>42%</b>	<b>65%</b>	<b>35%</b>
<b>Average Annual Rate Increase</b>	<b>1.8%</b>	<b>2.2%</b>	<b>6.0%</b>	<b>9.3%</b>	<b>5.0%</b>
<b>Total Average Annual Consumer Price Index (CPI) Increase</b>					<b>4.7%</b>



<b>Table G</b>				
<b>Monthly Multi-Family Rates</b>				
<b>Year</b>	<b>35-Gal Garbage</b>	<b>4-Yard Garbage</b>	<b>MF Recycling Service (Per Unit)</b>	<b>MF Recycling Commodity Credit (Per Unit)</b>
2019	\$13.79	\$222.75	\$4.12	\$1.15
2020	\$13.83	\$223.34	\$4.13	\$0.77
2021	\$13.89	\$224.37	\$4.15	\$0.73
2022	\$14.45	\$233.35	\$4.54	-\$0.14
2023	\$14.39	\$232.32	\$4.54	\$0.49
2024	\$15.43	\$249.48	\$4.75	\$1.42
2026	\$15.43	\$249.48	\$4.77	\$0.71
<b>Overall Rate Increase</b>	<b>12%</b>	<b>12%</b>	<b>16%</b>	<b>-38%</b>
<b>Average Annual Rate Increase</b>	<b>1.7%</b>	<b>1.7%</b>	<b>2.3%</b>	<b>-5.5%</b>
<b>Total Average Annual Consumer Price Index (CPI) Increase</b>				<b>4.7%</b>



**SOLID WASTE  
FRANCHISE AGREEMENT  
BETWEEN  
THE CITY OF CENTRALIA, WA  
AND  
HAROLD LEMAY ENTERPRISES, INCORPORATED**

**SPECIFICATIONS  
AND  
CONTRACT**

**EFFECTIVE  
September 1, 2025 to August 31, 2030**

## SOLID WASTE FRANCHISE AGREEMENT

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**EXCLUSIVE FRANCHISE LICENSE FOR THE COLLECTION OF SOLID WASTE**

Exclusive Franchise License (“Franchise”) for the collection of all residential solid waste, residential recyclable materials, commercial solid waste, and commercial recyclable materials granted by the CITY OF CENTRALIA (“City”) solely to HAROLD LEMAY ENTERPRISES, INCORPORATED (“LeMay”).

This Franchise is granted and entered into in reference to, and shall be interpreted in accordance with the following recitals:

**WHEREAS**, the City has enacted Chapters 6.08, 6.12, and 6.14 of the Centralia Municipal Code (“CMC”) to regulate the collection and disposal of solid waste; and

**WHEREAS**, the City Manager has been authorized to execute a franchise to an appropriate organization to collect, handle, transport, and/or dispose of solid waste and recyclable materials within the corporate limits of the City; and

**WHEREAS**, the City desires to issue this Franchise to LeMay to collect, handle, transport, and/or dispose of solid waste and recyclable materials within the corporate limits of the City in accordance with the regulatory oversight, including rate setting authority, of the Washington Utilities and Transportation Commission (“WUTC”); and

**WHEREAS**, in granting this Franchise, the relationship between the City and LeMay is twofold: as a facilitator and as a customer; and

**WHEREAS**, as a facilitator, the City grants to LeMay this Franchise to collect solid waste. In this relationship, LeMay is an independent contractor and not an agent of the City and no liability shall attach to the City by reason of entering into this Franchise, except as otherwise provided; and

**WHEREAS**, as a customer, the City stands in the position of any other customer of LeMay, except as otherwise provided in this Franchise; and

**WHEREAS**, the Lewis County Comprehensive Solid Waste Management Plan most recently adopted by the City Council and the Washington Solid Waste Management Act (Chapter 70A.205 RCW as presently constituted or as may be subsequently amended) are adopted by reference into this Franchise; and

**WHEREAS**, the City Council directed staff to negotiate a new franchise agreement with LeMay.

**NOW THEREFORE**, the City Council of the City of Centralia grants this Franchise to LeMay for the collection of residential solid waste, residential recyclable materials, commercial solid waste, and commercial recyclable materials on the following terms and conditions:

**1. Definitions**

**1.1** “City” shall mean the City of Centralia, Washington.

- 1.2** "City Manager" shall mean the City Manager for the City of Centralia or their designee.
- 1.3** "City-Owned Facilities" shall mean City Hall, Timberland Regional Library, City Equipment Rental Shop, Street Department, City Light Department, Parks Department, Water Department, Wastewater Department, Railroad Depot, and any other facilities owned by the City now or in the future.
- 1.4** "CMC" shall mean the Municipal Code of the City of Centralia.
- 1.5** "Commercial" shall mean any non-residential customer who is occupied with or engaged in commerce or work intended for commerce within the corporate limits of the City.
- 1.6** "Designated Disposal Site" shall mean the disposal facility or site to which the City, in accordance with the Solid Waste Comprehensive Plan, directs LeMay to transport solid waste collected under this agreement.
- 1.7** "General Manager" shall mean the local General Manager of LeMay or their designee.
- 1.8** "Hazardous Waste" shall mean any hazardous, toxic, or dangerous waste, substance, or material, or containment, pollutant, or chemical, known or unknown, defined or undefined such as existing or future local, state, or federal law, statute, code or ordinance, rule, regulation, guideline, decree, or order relating to human health or the environment or environmental conditions, including but not limited to any substance that is:
- 1.8.1** Defined as hazardous by 40 C.F.R. Part 261.3 and regulated as hazardous waste by the United States Environmental Protection Agency under Subtitle C of the Resource Conservation and Recovery Act of 1976, 42 U.S.C. 6901 et seq., ("RCRA") as amended by the Hazardous and Solid Waste Amendments of 1984; the Toxic Substances Control Act, 15 U.S.C. 2601 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. 11001 et seq.; or any other federal statute or regulation governing the treatment, storage, handling, or disposal of waste imposing special handling or disposal requirements similar to those of Subtitle C of the RCRA; or
- 1.8.2** Defined as dangerous or extremely hazardous waste by WAC 173-303-040 and regulated as dangerous or extremely hazardous waste by the Washington State Department of Ecology under the State Hazardous Waste Management Act, Chapter 70A.300 RCW, or any other Washington State statute or regulation governing the treatment, storage, handling, or disposal of wastes and imposing special handling requirements similar to those required by Chapter 70A.300 RCW.
- 1.9** "LeMay" shall mean the firm under Franchise to the City for the collection, handling, transportation, and disposal of solid waste and recyclables within the corporate limits of the City.

- 1.10 "Low Income" shall mean the same as defined on the City of Centralia Low Income Senior Citizen or Low Income Totally Disabled application as the same now exists or is hereafter amended.
- 1.11 "Low-Income Senior Citizen Customer" shall mean an individual 62 years of age or older that qualifies under the City of Centralia Low Income Senior Citizen application as low income.
- 1.12 "Low-Income Totally Disabled Customer" shall mean an individual qualifying under the City of Centralia Low Income Totally Disabled application.
- 1.13 "Mixed-Use Development" shall mean a combination of multi-family residential units and businesses located within the same structure.
- 1.14 "Multiple-Family Residential" shall mean all multi-family residential and mixed-use development with two or more dwelling units within the corporate limits of the City.
- 1.15 "OCC" shall mean old, corrugated cardboard.
- 1.16 "Recyclable Materials" shall have the same meaning as that provided in the WUTC's regulations, Chapter 480-70 WAC, as they now exist or are hereafter amended.
- 1.17 "Single-Family Residential" shall mean all single-family residential dwellings within the corporate limits of the City.
- 1.18 "Solid Waste" shall have the same meaning as that provided in the WUTC's regulations, Chapter 480-70 WAC, as they now exist or are hereafter amended. "Solid Waste" shall not include "Hazardous Waste".
- 1.19 "Solid Waste Collection Services" shall mean collection of residential solid waste, residential recyclable materials, commercial solid waste, and commercial recyclable materials provided for in this Franchise.
- 1.20 "Public Works Director" shall mean the City of Centralia Public Works Director or their designee.
- 1.21 "WAC" shall mean the Washington Administrative Code.
- 1.22 "WUTC" shall mean the Washington Utilities and Transportation Commission.

**2. Scope of Service**

- 2.1 This Franchise authorizes LeMay to operate within the corporate limits of the City and to provide Solid Waste Collection Services pursuant to the WUTC regulations and the authority set forth in the Certificate of Convenience and Necessity No. G-98. In doing so, LeMay shall provide Solid Waste Collection Services in accordance with all the terms and conditions of this Franchise and in full compliance with the Centralia Municipal Code, and all subsequent amendments thereto, and all other applicable laws

and ordinances of the City, Lewis County, and state and federal governments. LeMay will provide the following services as required by the CMC within the corporate limits of the City:

**2.1.1** LeMay shall provide curbside collection of Solid Waste and Recyclable Materials to all Single-Family Residential customers within the corporate limits of the City.

**2.1.2** LeMay shall provide collection of Solid Waste for all Multiple-Family Residential and Mixed-Use Developments with two or more dwelling units within the corporate limits of the City. LeMay shall provide collection for Recyclable Materials if requested by the property owners and/or property managers.

**2.1.3** LeMay shall provide collection of Solid Waste for all Commercial uses, including institutional uses, and all other uses not addressed by Section 2.1.1 through 2.1.2 of the Franchise within the corporate limits of the City. Exceptions may be granted to those contractors that collect and haul their own Solid Waste with their own equipment and dispose it at the Lewis County facility. LeMay shall provide collection for Recyclable Materials if requested by property owners and/or managers.

**2.1.4** If the City decides to include commercial waste and recycling services as part of a franchise during the term of this Franchise, City shall provide LeMay with the first opportunity to provide such services.

### **3. Annexations**

- 3.1** If, during the term of this Franchise, territory is annexed into the corporate limits of the City from an area of unincorporated Lewis County that is authorized for service by LeMay under a certificate of convenience and necessity issued by the WUTC, the certificate authority shall be cancelled and this Franchise shall be effective to comply with the City's obligations under RCW 35A.14.900 if and to the extent that LeMay is permitted to continue to provide Solid Waste Collection Service within the annexed territory in accordance with the terms and conditions of this Franchise.
- 3.2** If LeMay is presently providing service to the annexed territory under a franchise or permit granted to LeMay to operate in the territory, the franchise or permit will be cancelled pursuant to applicable law and this Franchise shall thereafter be in full force and effect in the annexed territory.
- 3.3** If a hauler other than LeMay has been granted a franchise, contract, or permit to collect waste in the annexed territory, the terms and conditions of this Franchise shall not be extended to the annexed territory until the provisions of RCW 35A.14.900 are fulfilled, at which time the terms and conditions of this Franchise shall be extended to the annexed territory and be in full force and effect.

**4. Collection of Solid Waste and Recyclable Materials**

- 4.1** LeMay shall provide the Solid Waste Collection Services under this Franchise in accordance with WUTC regulations. Rates and service levels shall be as defined in LeMay's then-current tariff filed with and approved by the WUTC, and performance standards shall be as required under the WUTC's then-current regulations for solid waste collection companies.
- 4.1.1** Collection of Solid Waste from Single-Family Residential and Multiple-Family Residential dwellings shall be made on a regular basis between the hours of seven (7) a.m. and five (5) p.m.
- 4.1.2** Regular curbside collection of Recyclable Materials from Single-Family Residential and Multiple-Family Residential dwellings shall be made on a regular basis between the hours of seven (7) a.m. and five (5) p.m.
- 4.1.3** Regular collections from businesses, commercial enterprises, institutions, and other non-residential uses shall be made as often as required.
- 4.1.4** When inclement weather prevents collection, LeMay shall collect all missed set-outs, including any additional Solid Waste or Recyclable Materials that do not fit in designated containers, as conditions reasonably permit. Solid Waste service customers with missed set-outs will be scheduled for special collection the following week on the next scheduled service day for customers on the alternate collection schedule. Recycling service customers will be scheduled for regular collection on the customer's next scheduled service day. A credit for the missed service will be issued pursuant to WUTC regulations.
- 4.2** LeMay employees shall follow regular paths for pedestrians and vehicles while on private property and when returning to the street or alley after replacing the empty containers. Employees shall replace containers and covers and close all gates opened by them. Except due to LeMay's negligence or willful misconduct, LeMay shall not be responsible for damage to any pavement, curbing, driving surface or right of way which results from the weight of LeMay's vehicles providing service.
- 4.3** LeMay employees shall not trespass, loiter, or cross property to reach adjoining premises without securing prior approval of the property owner.
- 4.4** LeMay shall require all employees to be courteous at all times and to complete collection activities as quietly as possible.
- 4.5** LeMay shall exercise reasonable care in the loading and transportation of all Solid Waste and Recyclable Materials so that none of the material is spilled. LeMay shall be responsible for the removal of all such material spilled by its employees or equipment during Solid Waste Collection Services. If LeMay fails to remove the same within twenty-four (24) hours after verbal notice is given by the City, the City may cause spilled materials to be removed and charge the costs thereof to LeMay.

- 4.6 LeMay shall provide special collections when Solid Waste and Recyclable Materials have not been collected during the regularly-scheduled trip if such failure to collect the materials is solely attributable to LeMay. Special pickups for missed set-outs shall be made by LeMay when ordered by the City at no additional cost to the customer or the City.
- 4.7 LeMay shall not be responsible for collecting Solid Waste or Recyclable Materials that are not properly placed at curbside for collection on the designated collection day or if the Solid Waste or Recyclable Materials contain what LeMay reasonably believes to be Hazardous Waste.
- 4.8 LeMay shall acquire title to the Solid Waste and Recyclable Materials when they are loaded into LeMay vehicles. Title to and liability for any Hazardous Waste shall remain with the producer of such waste.
- 4.9 LeMay shall offer collection services for additional Solid Waste that cannot be contained in the customer's designated Solid Waste container.
- 4.10 The City reserves the right to construct any improvement or to permit any such construction in any street in such manner as may be necessary, which may have the short-term effect of preventing LeMay from traveling its normal collection routes. In such circumstances, LeMay shall, by alternate routes and methods, continue to collect Solid Waste in compliance with the regular schedule. Such alternate route collection shall be accomplished expediently by LeMay and at no additional cost to the customer or the City, provided the City has given adequate notification to LeMay.
- 4.11 LeMay shall be obligated to protect all public and private utilities whether occupying street or public or private property. If such utilities are damaged by reason of LeMay's negligent operations under this Franchise, LeMay shall repair or replace the same. If LeMay fails to do so promptly, the City shall cause repairs or replacements to be made and the cost of doing so shall be billed to LeMay.
- 4.12 Commodities collected as Recyclable Materials shall become the property of LeMay for resale.

5. **Personnel**

- 5.1 LeMay shall assign a qualified person or persons to be in charge of its operations in the city.
- 5.2 All workers employed by LeMay shall be competent and skilled in the performance of the work to which they are assigned.
- 5.3 LeMay shall require its employees to be courteous at all times, to not use loud or obscene language, and to do their work as quietly as possible.

5.4 If the City notifies LeMay in writing that any person employed to perform work under this Franchise is, in its opinion, incompetent, discourteous, or otherwise unsatisfactory, such person shall be removed from performing services under this Franchise and shall not again be assigned to perform work under this Franchise except with the prior written consent of the City, which consent shall not be unreasonable withheld; provided that, this paragraph shall be interpreted and enforced in such a manner as will respect and give effect to agreements on such subject between LeMay and any union representing all or any of its employees.

6. **Disposal**

6.1 In accordance with the Solid Waste Comprehensive Plan, the City shall direct LeMay to transport all Solid Waste collected under this Franchise to a Designated Disposal Site in Lewis County. The City shall inform LeMay in writing of the Designated Disposal Site; provided, however, that if (a) the Designated Disposal Site is unavailable to receive or accept the Solid Waste, (b) the Designated Disposal Site refuses to accept the Solid Waste for any reason, or (c) the City directs LeMay to deliver the Solid Waste to an alternate disposal or storage site, LeMay may petition the WUTC for any additional costs incurred.

7. **Collection Vehicles**

7.1 LeMay shall provide an adequate number of vehicles approved by the City for regular collection services. The vehicles shall be kept in good repair and appearance and in a sanitary condition at all times. Each vehicle shall have the name and phone number of LeMay clearly visible on each side. All vehicles and containers used for hauling Solid Waste shall be enclosed so as to reasonably prevent spillage or leakage of waste carried. The City will notify LeMay if any vehicles or containers are observed to be leaking. Any vehicle found not to comply with the above provisions shall be taken out of service and brought to standard by LeMay before being placed back into service.

8. **Establishing Service**

8.1 In response to new service requests, LeMay shall provide initial service for collection of Solid Waste and Recyclable Materials within the following times:

Residential customer	Seven (7) calendar days
Commercial/construction customers	Five (5) calendar days

9. **Notification to Rate Payers**

9.1 LeMay shall provide customers with notice of, and necessary information about, the new services and collection options approved in this Franchise. LeMay shall also provide customers with necessary information about the complaint procedure, rates, regulations, days of collection, and other pertinent information in a timely fashion so as to avoid unnecessary inquiries to the City.

**10. Containers**

- 10.1 LeMay shall provide all appropriate containers for Single-Family Residential, Multi-Family Residential, and Commercial Solid Waste collection.
- 10.2 LeMay shall provide all appropriate containers for Single-Family Residential, Multi-Family Residential, and Commercial Recyclable Material collection.
- 10.3 All containers furnished by LeMay shall be provided in a clean and functional condition. All containers provided by LeMay shall remain the property of LeMay. LeMay shall collect the containers when service is discontinued. LeMay shall replace containers that become damaged, lost, or stolen in accordance with WUTC rules.
- 10.4 Pursuant to the WUTC rules, the City and all customers acknowledge that they have care, custody, and control of the containers while at each customer's location or at a city facility, as applicable, and accept responsibility for all loss or damage to the containers (except for normal wear and tear or for loss or damage resulting from LeMay's handling of the equipment) and for its contents. Neither the City nor customers may overload (by weight or volume), move, alter or install any devices on the containers and shall not manually or mechanically compact any materials inside the equipment.

**11. Recyclable Materials Collected**

- 11.1 LeMay shall collect Recyclable Materials consistent with recommendations of the Lewis County Solid Waste Advisory Committee.
- 11.2 If the City finds, because of changed market conditions or technology, that a material in the Solid Waste stream can be recycled in a cost-efficient manner, LeMay shall collect that material for recycling. The City and LeMay shall engage in a continuing and active promotional campaign to encourage the separation of the Recyclable Materials from Solid Waste.

**12. Public Education and Information**

- 12.1 The City shall have final approval over the content and design of all public education/promotion materials. No information shall be mailed to residents/businesses by LeMay without City review and approval.
- 12.2 Each calendar year, public education and information to be provided by LeMay shall include at a minimum, the following:

An annual calendar shall be provided to all residential customers that specifies: (a) regular collection days for Solid Waste and Recyclable Materials; (b) holidays recognized by LeMay, the dump site, or transfer station that will alter days of collection; and (c) special collection days resulting from such holidays. In addition, any change from regular collection schedule due to holidays shall be published by LeMay at least once in the Daily Chronicle.

12.3 LeMay will provide a customer billing list to the City for the City's use in dispensing, recycling, waste reduction, and special event education. The format of the report shall be as specified by the City.

**13. Notices**

13.1 LeMay shall personally serve or mail (postage prepaid and return receipt requested) all notices required or contemplated by this Franchise to the city officials as noted below, and the City shall personally serve or mail (postage prepaid and return receipt requested) all notices required or contemplated by this Franchise to LeMay:

City Clerk  
City of Centralia  
118 West Maple Street  
Centralia, WA 98531

District Manager  
LeMay Enterprises, Inc.  
1713 N. Pearl Street  
Centralia, WA 98531

With a copy to:  
Waste Connections  
Attn: Legal Dept.  
3 Waterway Square Place  
Suite 110  
The Woodlands, TX 77380

**14. Landfill and Transfer Station Disposal Fees**

14.1 LeMay shall pay all charges that may be imposed in order to dispose of Solid Waste and Recyclable Materials at Lewis County transfer station sites.

**15. Compliance With Regulations**

15.1 LeMay shall comply with all applicable federal, state, county, and city laws and regulations pertaining to the collection, handling, transportation, disposal, and monitoring of Solid Waste and Recyclable Materials. LeMay shall continuously maintain a Certificate of Public Convenience and Necessity issued by the WUTC.

**16. Cancellation or Revocation**

16.1 As provided in CMC 6.14.060, the City Manager or appropriate city officials and employees are authorized to take all lawful actions available to enforce this Franchise.

**17. Bankruptcy or Abandonment**

17.1 If LeMay is adjudged bankrupt, either voluntarily or involuntarily, this Franchise, at the option of the City, may be terminated effective on the day and at the time the bankruptcy petition is filed.

17.2 The City shall be notified by LeMay at the commencement of voluntary bankruptcy proceedings.

17.3 If LeMay is adjudged bankrupt, ceases to provide Solid Waste Collection Services contemplated by this Franchise for a period of one week or more, or in any other manner abandons this Franchise, the City may take the necessary steps to reestablish Solid Waste Collection Services.

**18. Breach of Contract, Costs and Fees**

18.1 If, for any reason other than the occurrence of an excused performance event, either party fails to comply with this Franchise or any obligation assumed by it, the other party notifies the breaching party in writing of such failure, and such party fails to correct such breach within thirty (30) days after the written notice, the non-breaching party then may, without impairing any other of its rights hereunder, cancel, terminate, forfeit, and render this Franchise null and void. Any and all costs and damages incurred arising out of the failure to perform other than as a result of an excused performance event, including reasonable attorneys' fees, shall be paid by the party in breach of this Franchise.

18.2 An excused performance event is described as follows:

Except for the payment of amounts owed hereunder, neither party hereto shall be liable for its failure to perform or delay in its performance hereunder due to contingencies beyond its reasonable control including, but not limited to, strikes, riots, compliance with laws or governmental orders, epidemics, pandemics, inability to access a container, fires, inclement weather and acts of God, and such failure shall not constitute a breach under this Franchise agreement.

**19. Change in Law/Regulations**

19.1 This Franchise is subject to all present and future laws, regulations, and orders of all regulatory bodies and courts. Should either of the parties hereto at any time during the term of this Franchise, by court order or other lawful requirement pursuant to any laws, regulations, or orders, be required to perform any act that substantially impairs or materially changes the party's ability to perform under this Franchise, then such party shall notify the other party of such order or requirement and the law, regulation, or order on which such order or requirement is based, and the parties shall negotiate in good faith to modify this Franchise as may be necessary to comply with such new law, regulation, or order.

19.2 Nothing in this Franchise shall prohibit either party from obtaining or seeking to obtain modification or repeal of such law, regulation, or order to restrict either party's right to legally contest the validity of such law, regulation, or order, and such party shall not be considered in breach of this Franchise during such time.

**20. Disagreements**

**20.1** This section is applicable to disputes arising out of the administration of this Franchise, except cancellation or revocation. In the event there are disagreements between the City and LeMay arising out of the administration of this Franchise, the parties shall first attempt to resolve them in accordance with this section. As a first recourse, the Public Works Director of the City shall work with the local Operations Manager of LeMay to resolve the dispute. If either of these individuals are not available or if this recourse is not effective, as a second recourse, the City Manager of the City shall work with an executive of LeMay to resolve the dispute.

**21. Record Keeping and Reporting**

**21.1** LeMay shall provide an annual report to the City by January 31<sup>st</sup> of each year providing the following information for the previous year for each of the following categories: Single-Family Residential, Multiple-Family Residential, and Commercial uses within the City.

- Tons disposed: Amount of Solid Waste collected.
- Tons recycled: Amount of Recyclable Materials collected, by material type.
- Number of dwellings/businesses/employees served.
- Recycling participation data:
  - Number of participants within the City.
  - Average pounds per participant within the City
  - Participation rate of Single-Family Residential uses, Multiple-Family Residential uses, and Commercial uses, and total number of such uses receiving Solid Waste collection service within the corporate limits of the City.

**21.2** All annual reports submitted shall become the property of the City. The information within the reports may be used for public purposes except that which is classified as confidential.

**21.3** LeMay shall maintain an office provided with telephones and attendants as may be necessary to receive and process requests for service, complaints, or instruction from the City. The office shall be in operation between the hours of 8:00 A.M. and 4:30 P.M., Monday through Friday. LeMay shall provide telephone response with a recording or answering service when the office is not in operation. The telephone recording shall allow callers to leave voice messages.

**21.4** LeMay shall not advertise using the word "Centralia" or imply ownership by the City.

21.5 LeMay shall keep books and records on all business transactions pertaining to business conducted within the City. Such books and records shall be so kept as to be readily identifiable with only that part of LeMay's business conducted within the City. Such books and records shall be open for examination at all reasonable times by the City and its duly authorized agents.

**22. Rates, Charges, and Billing**

22.1 Account records of LeMay shall use the system prescribed by the WUTC known as "Uniform System of Accounts for Class A Solid Waste and Refuse Collection Companies" or similar type approved by the WUTC.

22.2 LeMay's billing statement shall clearly identify the company name, address, phone number, and office hours.

22.3 Further, LeMay is required to submit a copy of all rate filings and determinations by the WUTC to the City with respect to this agreement.

22.4 LeMay shall make every reasonable effort to maintain convenient locations within the City where bills may be paid in person by its customers.

22.5 LeMay shall offer Low-Income Senior Citizen and Low-Income Totally Disabled Customers discounts for customers who qualify for such utility accounts:

- Ten percent (10%) off standard tariff rate, or
- Twenty (20) gallon mini-cart (only for those individuals that qualify for a discounted rate for city utility services) at the rates set forth in Schedule A (this rate shall be equitably adjusted in the same manner as the WUTC tariff rates are adjusted for the closest service level).

22.6 LeMay shall give the City forty-five (45) days' notice of any proposed rate adjustment before the WUTC.

22.7 LeMay may increase rates charged to customers for any increases in local, state, or federal taxes to LeMay's operations or the services provided hereunder (other than income or real property taxes) pursuant to WUTC rules and regulations.

**23. Audits and Reports**

23.1 Accounting records of LeMay shall utilize the system prescribed by the Washington Utilities and transportation Commission (WUTC) known as "Uniform System of Accounts for Class A Solid Waste and Refuse Collection Companies" or similar type approved by the WUTC.

23.2 Further, LeMay is required to submit a copy of all rate filings and determinations by the WUTC to the City with respect to this Franchise.

**24. Transfer of Franchise Responsibility**

24.1 This Franchise or any interest therein or part thereof, shall not be assigned, nor shall any part thereof be subcontracted, without the prior written consent of the City, which shall not be unreasonably withheld.

**25. Amendments to Franchise**

25.1 The requirements and conditions set forth in this Franchise may be modified upon a written amendment executed by both parties.

**26. Term of Franchise**

26.1 The term of this Franchise shall be effective as of the 1<sup>st</sup> day of September 2025, subject to its approval by the Centralia City Council, and shall terminate on the 31st day of August 2030. Upon expiration of the initial term, this Franchise shall automatically renew for an additional two (2) year period under the same terms and conditions, unless either party provides the other party with one hundred eighty (180) days' written notice of its intent to terminate this Franchise.

**27. Bonding**

27.1 Before this Franchise shall take effect, there shall be filed with the City Clerk, and kept in full force and effect during the term of this Franchise, a bond approved as to form by the City Attorney and as to surety by the City in the sum of One Hundred Thousand Dollars (\$100,000) conditioned upon the full and faithful performance by LeMay of the terms and conditions of this Franchise, including payment of any required license fees. Such bond shall be issued on annually renewable terms.

**28. Insurance and Liability**

28.1 LeMay shall at all times indemnify, save, defend, keep, and hold harmless the City, its officers, agents, employees, and volunteers from all damages, costs, or expenses in law or equity that may at any time arise or be setup because of damages to property or personal injury received by reason of or in the course of performing work to the extent arising from the negligence or willful misconduct of LeMay, any of LeMay's employees, or any subcontractors of LeMay; provided, however, this indemnification on behalf of the City shall not apply to the extent that any damage, cost, or expense is based on the negligent conduct of the City or its employees. LeMay shall pay all costs, expenses, and reasonable attorney's fees which may be incurred or paid by the City in enforcing this section.

28.2 LeMay shall procure, and maintain for the duration of this Franchise, insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the performance of work by LeMay or its agents, representatives, employees, or sub-contractors.

28.3 LeMay shall provide a Certificate of Insurance evidencing:

- Automobile Liability Insurance with limits no less than \$5,000,000 combined single limit per accident for bodily injury and property damage; and
  - Commercial General Liability insurance written on an occurrence basis with limits no less than \$2,000,000 combined single limit per occurrence and \$4,000,000 aggregate for personal injury, bodily injury, and property damage. Coverage shall include but not be limited to: blanket contractual; products-completed operations; broad form property damage; explosion, collapse, and underground (XCU) if applicable; and employer's liability.
- 28.4 Any payment of deductible or self-insured retention shall be the sole responsibility of LeMay. LeMay may apply the limits of its umbrella or excess insurance coverage to meet the minimum insurance requirements stated herein.
- 28.5 The City shall be named as an additional insured on the Commercial General Liability insurance policy as respect to work performed by or on behalf of LeMay, and a copy of the endorsement naming the City as additional insured shall be attached to the Certificate of Insurance.
- 28.6 LeMay's insurance shall be the primary insurance. The City shall be given thirty (30) days' written notice prior to any cancellation, suspension, or material change in coverage.

**29. Business License**

- 29.1 LeMay shall make application to the City Clerk for a business license and shall pay such fees that may be due for the issuance of such license.

**30. Permits**

- 30.1 LeMay shall obtain and pay for any permits required by the City or any other governmental authority which may be required in the performance of this Franchise.

**31. Franchise Fee**

- 31.1 Beginning September 1, 2025, LeMay shall pay a franchise fee in the amount of five and one-half percent (5.5%) of gross receipts received each month from all accounts within the corporate limits of the City, including both commercial and residential accounts.
- 31.2 LeMay shall remit the franchise fee no later than the last day of each month following the month for which the franchise fee was calculated.
- 31.3 If, during the term of this Franchise, territory is annexed into the corporate limits of the City from an area of unincorporated Lewis County that is authorized for service by LeMay under a certificate of convenience and necessity issued by the WUTC, and LeMay provides Solid Waste Collections Service within such annexed territory in accordance with this Franchise, LeMay and the City shall renegotiate the franchise fee.

**31.4** All annual revenue amounts shall be based on the most recent Annual Report filed with the WUTC.

**31.5** LeMay, at no additional cost to the City, shall collect, transport, and dispose of Solid Waste and Recyclable Materials resulting from normal city operations from all City-Owned Facilities as follows:

Location	[Number] and Size of Garbage Container	Pickup Schedule	Recycle
Centralia Business District	[30] 35 gallon cans	Twice/Week	
Centralia Train Depot	[1] 1 cubic yard	Once/Week	
Centralia Train Depot	[3] 35 gallon cans	Twice/Week	
City Hall	[1] 2 cubic yard	Twice/Week	Paper & Co-mingled
City Light	[1] 2 cubic yard	Once/Week	Co-mingled
Customer Service Center	[1] 95-gal can	Once/Week	
Water Dept. Fords Prairie Well	[1] 35 gallon can	Once/Week	
Timberland Library	[3] 95-gallon cans	Once/Week	Paper & Co-mingled
Mellen Street	[1] 1 cu yard	Once/Week	
Wastewater Property: End of Goodrich Road	[2] 6 cu yard	As needed	
Parks	[1] 20 cu yard (summer) [1] 6 cy yard (winter).	Once/Week Once/Week	
Street Shop	[1] up to 20 cubic yard*	Three/Week	Co-mingled
Wastewater Treatment Facility	[1] cu yard	Once/Week	
Wastewater Treatment Facility	[2] 1 cu yard (grit)*	Three/Week	
Wastewater Treatment Facility	[2] 1 cu yard (rags)*	Once/Week	
Wastewater Treatment Facility	[1] backup container*	None	
Water Dept.: North End	[2] 95-gallon cans	Once/Week	
Water Dept.: Port Well	[1] 35 gallon can	Once/Week	
Community Clean Up	[4] 40-yard drop boxes	Four/Year	

\*The City will pay for the cost of disposal fees.


The City may add to, delete, or change the container requirement and frequency of collection with thirty (30) days' notice, in which case the parties will negotiate in good faith the collection requirement.

**32. Complaints**

- 32.1** The City shall direct all complaints to LeMay. All complaints shall be investigated by LeMay within forty-eight (48) business hours after notice to LeMay.
- 32.2** LeMay shall maintain a written record of all complaints indicating the disposition of each.

**ACCEPTANCE PROVISIONS**

The parties acknowledge they have read and understand this Franchise Agreement, they agree to its provisions, and that it will be effective on the date specified above.

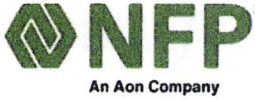
CITY OF CENTRALIA	HAROLD LEMAY ENTERPRISES, INC.
By: <u></u> (Signature)	By: <u>Dan Schooler</u> <small>Dan Schooler (Aug 20, 2025 16:38:24 PDT)</small> (Signature)
<u>Michael D. Thomas, City Manager</u> (Typed or Printed Name, Title)	<u>Dan Schooler RVP</u> (Typed or Printed Name, Title)
<u>August 20, 2025</u> (Date)	<u>August 20, 2025</u> (Date)

**SCHEDULE A**

**20-Gallon Mini Cart Services and Rates for  
Low-Income Senior Citizen and Totally Disabled Customers**

Picked up once per month: \$9.50 per month

Picked up every other week: \$11.00 per month



## BOND CONTINUATION CERTIFICATE

May 28, 2025

DISTRICT NO.: 2188

**ISSUING CARRIER: Travelers Casualty and Surety Company of America**

**PRINCIPAL:** Harold LeMay Enterprises, Incorporated  
Attn: District Manager  
1713 North Pearl Street  
Centralia, WA 98531

**It is agreed that the bond mentioned below hereby continues in force for the new term mentioned below, subject to all the covenants and conditions of the original bond referred to below.**


**This continuation is issued upon the express condition that the liability under said bond and all continuations thereof shall not be cumulative and shall in no event exceed the total sum referenced below.**

**BOND TYPE:** Performance Bond  
**BOND DESCRIPTION:** Solid Waste Franchise Agreement  
**OBLIGEE:** City of Centralia  
**BOND AMOUNT:** \$100,000.00  
**BOND NUMBER:** 105 948 833

**NEW TERM**

**EFFECTIVE DATE:** 6/26/2025  
**EXPIRATION DATE:** 6/26/2026

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**

**BY:** 

**Donna Borja, Attorney-In-Fact**



3620 American River Drive, Suite 125 / Sacramento, CA 95864 / (916) 971-8844 / NFP.com

*For informational purposes only. This document does not amend, extend, or alter coverage. Please refer to any actual policy(s) for specific terms, conditions, limitations, and exclusions. P&C Insurance Services provided through NFP Property & Casualty Services, Inc.. Doing business in California as NFP Property & Casualty Insurance Services, Inc. (License # OF15715). LA&H Insurance Services provided through NFP Corporate Services (NY), LLC. Doing business in California as NFP Corporate Insurance Services, LLC (License # OF44161). Both entities are subsidiaries of NFP Corp. (NFP).*



**Travelers Casualty and Surety Company of America  
Travelers Casualty and Surety Company  
St. Paul Fire and Marine Insurance Company**

**POWER OF ATTORNEY**

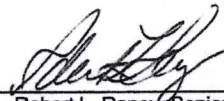
**KNOW ALL MEN BY THESE PRESENTS:** That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Donna Borja** of **SACRAMENTO, California**, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

**IN WITNESS WHEREOF**, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st** day of **April**, 2021.



State of Connecticut

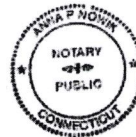
City of Hartford ss.

By:   
Robert L. Raney, Senior Vice President

On this the **21st** day of **April**, 2021, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

**IN WITNESS WHEREOF**, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, 2026



  
Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

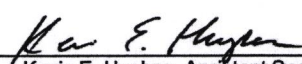
**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **28th** day of **May**, 2025 .



  
Kevin E. Hughes, Assistant Secretary

**To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.  
Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.**

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

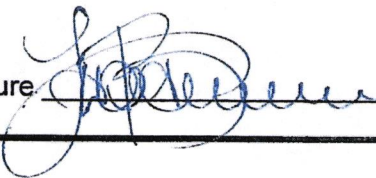
State of California  
County of Sacramento

On May 28 2025 before me, Lisa Betancur, Notary Public  
(insert name and title of the officer)

personally appeared Donna Borja  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)

