



City Council

Approval of Resolution Authorizing the City Manager to Execute a Settlement Agreement in the lawsuit of City of Olympia v. Puget Sound Energy, Canray, LLC, and the Estate of Vernon L. Lindskog

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Title

Approval of Resolution Authorizing the City Manager to Execute a Settlement Agreement in the lawsuit of *City of Olympia v. Puget Sound Energy, Canray, LLC, and the Estate of Vernon L. Lindskog*

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve the resolution authorizing the City Manager to execute a settlement agreement in the *City of Olympia v. Puget Sound Energy, Canray, LLC, and the Estate of Vernon L. Lindskog* lawsuit.

Report

Issue:

Whether to settle a lawsuit for compensation in the sum of \$1,700,000 in exchange for dismissal of all claims by and between the parties.

Staff Contact:

Darren Nienaber, Deputy City Attorney, 360.753.8338

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

Between 2008 and 2014, the City conducted various remediation investigation and activities at its City Hall site, including removing and disposing of soil containing hazardous substances and conducting groundwater monitoring. The City also conducted sampling efforts in the vicinity of the property to help identify potential sources of those hazardous substances found on the future City Hall site.

In 2011, the City brought a legal action against Puget Sound Energy, Canray, LLC, Ronald Lindskog, and the Estate of Vernon L. Lindskog, seeking to recover costs incurred by the City for conducting a hazardous substances investigation and environmental remediation of its property currently occupied by the Olympia City Hall, as well as a declaratory judgment as to future remediation costs. The City asserts that the pollution came from 720 and 712 Legion Way SE and said property was owned by the defendants.

The City entered into settlement discussions in a formal mediation process and came to a tentative settlement agreement, subject to the ultimate approval of the Olympia City Council. The proposed settlement amount is \$1,700,000. In exchange, the City would waive further claims against the defendants for pollution from their Legion Way property to the Olympia City Hall site. The release does not affect the City's claims of pollution from the Legion Way site to other properties. Nor does the release affect claims of pollution to City Hall from sources outside of the 720 and 712 Legion Way site.

Neighborhood/Community Interests (if known):

N/A

Options:

1. Approve the resolution authorizing the City Manager to execute a Settlement Agreement in the above-referenced lawsuit in return for compensation to the City in the sum of \$1,700,000.
2. Continue with the lawsuit and assume the risks and uncertainty of the litigation, including escalating costs of prosecuting the City's claims.

Financial Impact:

The City will receive \$1,700,000 in payment of the City's claims.

Attachments:

Resolution

Settlement Agreement