



City Council Regular Meeting - 6:00 p.m.

Welcome and Roll Call

Pledge of Allegiance

Approval of Agenda: (Approved by Motion)

Presentations:

- I. New Hires & Retirements
 - Krysten Mabe, Human Resources Supervisor

Public Hearing: Please limit public hearing comments to 3 minutes. Comments must speak only to the item for which the hearing is convened. Records intended for Council consideration must be given to the City Clerk for distribution.

2. Proposed 2026 Budget and 2026-2031 Capital Improvement Plan, Ordinance No. 2025-33
3. Proposed Amendment to the 2025 Budget in the General Fund, General Government Construction Fund, Golf Course Fund, Medical Service Fund, Workers Compensation Fund, Health Care Benefits Fund and Unemployment Fund, Ordinance No. 2025-38
4. Proposed Amendment to Exhibit A of the Compensation Plan for Unaffiliated Employees - 2025 & Continuing, Resolution No. 2025-152
5. Proposed 2026-2028 Collective Bargaining Agreement with the International Association of Firefighters Union Local 1052 - Battalion Chiefs, Resolution No. 2025-153
6. Proposed 2026-2028 Collective Bargaining Agreement with the International Association of Firefighters Union Local 1052 - Rank & File, Resolution No. 2025-154

Public Comments: Please limit public comments to 2 minutes. The public comment period is not an opportunity for dialogue with councilmembers, or for posing questions with the expectation of an immediate answer. Many questions require an opportunity for information-gathering and deliberation. For this reason, Council will accept comments, but will not directly respond to comments, questions or concerns during public comment. Records intended for Council consideration must be given to the City Clerk for distribution.

Consent Calendar: Items on the Consent Calendar have been distributed to the City Council in advance for reading and study, are considered to be routine, and will be enacted by one motion of the Council with no discussion. Councilmembers may transfer individual items to Items of Business for deliberation before voting.

Minutes:

7. Approval of the November 18, 2025 City Council Regular Meeting Minutes
 - Jennifer Rogers, City Clerk

Ordinances - First Reading:

8. Ordinance No. 2025-23, Amending Richland Municipal Code Section 9.22.075 related to Park Hours

- Chris Waite, Parks & Public Facilities Director
- 9. Ordinance No. 2025-26, Related to Waivers of System Development Charges for Affordable Housing
 - Mike Rizzitiello, Development Services Director
- 10. Ordinance No. 2025-37, Providing for the Sale of 2026 Electric Revenue Bonds
 - Brandon Allen, Finance Director

Ordinances - Second Reading & Passage:

None.

Resolutions - Adoption:

- 11. Resolution No. 2025-148, Adopting the City of Richland's 2026 Legislative Priorities
 - Joe Schiessl, Deputy City Manager
- 12. Resolution No. 2025-149, Authorizing a Grant Application to the Blood Center Foundation of the Inland Northwest
 - Randy Aust, Fire Chief
- 13. Resolution No. 2025-150, Approving the 2026 Tri-City Regional Hotel-Motel Commission Budget and Marketing Plan
 - Jon Amundson, City Manager
- 14. Resolution No. 2025-151, Authorizing Use of 2025 Tourism Promotion Area Reserve Account Funds for Supplemental Tourism-Related Projects in 2026
 - Jon Amundson, City Manager

Items - Approval:

None.

Expenditures - Approval:

None.

Items of Business:

- 15. Resolution No. 2025-146, Authorizing an Option Agreement with Atlas Agro, Inc. for 275 Acres of Real Property Located at 2100 Horn Rapids Road
 - Mike Rizzitiello, Development Services Director
- 16. Resolution No. 2025-152, Amending Exhibit A of the Compensation Plan for Unaffiliated Employees - 2025 & Continuing
 - Krysten Mabe, Human Resources Supervisor
- 17. Resolution No. 2025-153, Approving the 2026-2028 Collective Bargaining Agreement with the International Association of Firefighters Union Local 1052 - Battalion Chiefs
 - Krysten Mabe, Human Resources Supervisor
- 18. Resolution No. 2025-154, Approving the 2026-2028 Collective Bargaining Agreement with the International Association of Firefighters Union Local 1052 - Rank & File
 - Krysten Mabe, Human Resources Supervisor
- 19. Ordinance No. 2025-33, Approving the 2026 Budget and the 2026-2031 Capital Improvement Plan (Second Reading)

- Brandon Allen, Finance Director
- 20. Ordinance No. 2025-38, Amending the 2025 Budget in the General Fund, Streets Capital Construction Fund, General Government Construction Fund, Golf Course Fund, Medical Service Fund, Workers Compensation Fund, Health Care Benefits Plan Fund and Unemployment Fund (First Reading)
 - Brandon Allen, Finance Director
- 21. Ordinance No. 2025-39, Amending Richland Municipal Code Section 14.24.060 related to Electric Retail Rates (First Reading)
 - Clint Whitney, Energy Services Director

Reports and Comments:

1. City Manager
2. City Council
3. Mayor

Executive Session:

22. Executive Session Per RCW 42.30.110(1)(g): Review Performance of a Public Employee (60 minutes)
 - City Council

Adjournment

This meeting will be broadcast live on [CityView Channel 192](#) on the City's website and on the [City's YouTube Channel](#).

Richland City Hall is ADA accessible. Any individual who has difficulty attending the meeting in-person may request to provide comments remotely. (Ch. 42.30 RCW) Requests for sign interpreters, audio equipment, and/or other special services must be received 48 hours prior to the meeting by calling the City Clerk's Office at 509-942-7389.



WELCOME TO RICHLAND



WELCOME TO RICHLAND



Michelle Zaragoza

Administrative Assistant

Division: Fire & Emergency Services

Hire Date: 11/10/2025



WELCOME TO RICHLAND



William Karnesky

IT Developer/Integrator (Applications)

Division: Information Technology

Hire Date: 11/17/2025



WELCOME TO RICHLAND



Nate Getten

Equipment Technician I

Division: Equipment Maintenance

Hire Date: 11/17/2025



WELCOME TO RICHLAND



Anthony Stewart

Parks & Recreation Aide

Division: Recreation

Hire Date: 11/24/2025



RETIREES



WELCOME TO RICHLAND



Samuel Grant

Police Officer

Division: Police Services

Retirement Date: 10/22/2025

Years of Service: 22



MINUTES
Richland City Council Regular Meeting
Tuesday, November 18, 2025
Richland City Hall ~ Council Chambers
625 Swift Boulevard

City Council Regular Meeting - 6:00 p.m.

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

Welcome and Roll Call

Mayor Richardson welcomed those in the audience and expressed appreciation for their attendance.

Attendance: Mayor Richardson	Present
Mayor Pro Tem Kent	Present
Councilmember Jones	Present
Councilmember Lukson	Present
Councilmember Maier	Present (remote via Zoom)
Councilmember VanDyke	Present
Councilmember Whitten	Present

Also present were City Manager Amundson, Deputy City Manager Schiessl, Assistant City Manager Florence, City Attorney Kintzley, Fire Chief Huntington, Chief of Police Pilcher, Energy Services Director Whitney, Finance Director Allen, Parks & Public Facilities Director Waite, Public Works Director D'Alessandro, Development Services Director Rizzitiello, and City Clerk Rogers.

COUNCILMEMBER WHITTEN MOVED AND COUNCILMEMBER LUKSON SECONDED THE MOTION TO EXCUSE COUNCILMEMBER MAIER. MOTION CARRIED 6-0.

Pledge of Allegiance

Mayor Pro Tem Kent led the Council and audience in the Pledge of Allegiance.

Approval of Agenda

COUNCILMEMBER JONES MOVED AND COUNCILMEMBER VANDYKE SECONDED THE MOTION TO APPROVE THE AGENDA AS PUBLISHED. MOTION CARRIED 6-0.

Councilmember Maier joined the meeting at 6:05 p.m.

Presentations

None.

Public Hearings

City Clerk Rogers read the Public Hearing and Public Comments procedures.

1. Adopting Modifications to the City of Richland's Community Development Block Grant Program and the Tri-Cities HOME Consortium's HOME Investment Partnership Program, Resolution No. 2025-144

Mayor Richardson opened and closed the public hearing at 6:05 p.m. No testimony was offered.

2. Adopting the 2026 Annual Action Plan and Authorizing Submission of Grant Forms for the 2026 Community Development Block Grant and HOME Investment Partnership Program Funds, Resolution No. 2025-145

Mayor Richardson opened the public hearing at 6:06 p.m.

Randy Slovic, a Richland resident, expressed concern about transparency related to Tri-Cities HOME Consortium HOME program funding. She noted that the agenda did not disclose that Tri-County Partners Habitat for Humanity, whose executive director also chairs Richland's Planning Commission and Arts Commission, is pursuing federal grant funds from the Consortium, and is likely to be the only eligible recipient of a certain portion of the funding since Tri-County Partners Habitat for Humanity is the only qualified Community Housing Development Organization (CHDO) in the region. Ms. Slovic noted the familial connection between the Tri-County Partners Habitat for Humanity executive director and a member of City Council, and urged the City to disclose such connections to strengthen public trust.

No other testimony was offered. Mayor Richardson closed the public hearing at 6:09 p.m.

Public Comments

The following individuals provided comments:

- Karl Dye, Tri-City Development Council (TRIDEC) President/CEO, provided comments in support of adoption of Resolution No. 2025-147 concerning the City's application to Benton County for Urban Growth Area (UGA) expansion and contraction.
- Aaron White, a Richland resident, voiced concerns regarding his interactions with Public Works Department staff relating to certain city projects. He also expressed concern over the perceived lack of public hearing notice for the Thayer Drive

Streetlight Replacement Project. He encouraged the City to strengthen its process for receiving and responding to public input. Mr. White submitted documents for Council review.

Consent Calendar

City Clerk Rogers read the Consent Calendar.

Minutes

3. Approval of the November 4, 2025 City Council Regular Workshop Meeting Minutes

Ordinances - First Reading

None.

Ordinances - Second Reading & Passage

4. Ordinance No. 2025-34, Vacating a Portion of Snively Road Right-of-Way

Resolutions - Adoption

5. Resolution No. 2025-141, Approving 2026 Lodging Tax Grant Funding Awards
6. Resolution No. 2025-142, Approving Commercial Façade Improvement Program Agreements
7. Resolution No. 2025-143, Establishing Richland City Council Meeting Dates for Calendar Year 2026

Items - Approval

None.

Expenditures – Approval

8. Expenditures from October 1, 2025 to October 31, 2025 for \$42,067,543.53 including Travel Checks Nos. 20884-20918, Accounts Payable Check Nos. 340365-341480, Accounts Payable Wire Nos. 10736-10777, Payroll Wires & ACH Nos. 15044-15109, Payroll Check Nos. 237642-237651, and Payroll Direct Deposits Nos. 252810011075-253030011874.

COUNCILMEMBER LUKSON MOVED AND COUNCILMEMBER VANDYKE SECONDED THE MOTION TO APPROVE THE CONSENT CALENDAR AS PUBLISHED. THOSE IN FAVOR: MAYOR RICHARDSON, MAYOR PRO TEM KENT, AND COUNCILMEMBERS JONES, LUKSON, MAIER, VANDYKE AND WHITTEN.

THOSE OPPOSED: NONE. MOTION CARRIED 7-0.

Items of Business

9. Resolution No. 2025-144, Adopting Modifications to the Citizen Participation Plan for the City of Richland's Community Development Block Grant Program and the Tri-Cities HOME Consortium's HOME Investment Partnership Program

With the aid of a PowerPoint presentation, CDBG/HOME Administrator Lehman provided an overview of the amendments included in the updated Citizen Participation Plan, which was last updated on May 5, 2020. Detailed information can be found in the PowerPoint presentation included in the agenda packet.

COUNCILMEMBER LUKSON MOVED AND COUNCILMEMBER VANDYKE SECONDED THE MOTION TO APPROVE RESOLUTION NO. 2025-144, ADOPTING MODIFICATIONS TO THE CITIZEN PARTICIPATION PLAN FOR THE CITY OF RICHLAND'S COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AND THE TRI-CITIES HOME CONSORTIUM'S HOME INVESTMENT PARTNERSHIP PROGRAM. THOSE IN FAVOR: MAYOR RICHARDSON, MAYOR PRO TEM KENT, AND COUNCILMEMBERS JONES, LUKSON, MAIER, VANDYKE AND WHITTEN. THOSE OPPOSED: NONE. MOTION CARRIED 7-0.

10. Resolution No. 2025-145, Adopting the 2026 Annual Action Plan and Authorizing Submission of Grant Forms for the 2026 Community Development Block Grant and HOME Investment Partnership Program

CDBG/HOME Administrator Lehman summarized the recommended allocations for the 2026 Community Development Block Grant (CDBG) and Tri-Cities HOME Consortium funding. She added that Richland anticipates receiving approximately \$291,463 in CDBG funds for 2026, similar to 2025 levels. The HOME Consortium anticipates receiving \$645,306 in HOME funds for 2026. Detailed information can be found in the PowerPoint presentation included in the agenda packet.

COUNCILMEMBER WHITTEN MOVED AND COUNCILMEMBER VANDYKE SECONDED THE MOTION TO APPROVE RESOLUTION NO. 2025-145, ADOPTING THE 2026 ANNUAL ACTION PLAN AND AUTHORIZING SUBMISSION OF GRANT FORMS FOR THE 2026 COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP PROGRAM. THOSE IN FAVOR: MAYOR RICHARDSON, MAYOR PRO TEM KENT, AND COUNCILMEMBERS JONES, LUKSON, MAIER, VANDYKE AND WHITTEN. THOSE OPPOSED: NONE. MOTION CARRIED 7-0.

11. Resolution No. 2025-147, Authorizing an Application to Benton County for Urban Growth Area Expansion and Contraction

Development Services Director Rizzitiello presented Resolution No. 2025-147 and

requested Council support for an application to Benton County for targeted Urban Growth Area (UGA) expansion and contraction. He explained that annexation in Washington state requires land to be within a designated UGA, a process generally open only every five to seven years.

Benton County issued an unexpected call for UGA adjustments with a short submittal window. The proposal removes approximately 140 acres on Badger Mountain, which is currently designated for single-family use despite being part of Benton County's nature preservation, and adds roughly 213 acres near the Harvest Ridge development to support urban-level growth consistent with Badger Mountain South. Staff coordination with the Kennewick School District resulted in support, given the school district boundary split in that area.

Development Services Director Rizzitiello further noted that the application includes approximately 190 acres along Dallas Road to accommodate a potential recreation and sports complex. If approved, Resolution No. 2025-147 would serve as a recommendation to Benton County, whose Board of Commissioners will consider all UGA applications as part of its Comprehensive Plan update. He stated that taking action now avoids a multi-year delay and aligns with sound growth management policy. He concluded by outlining next steps, including county review, SEPA, and associated processes.

COUNCILMEMBER LUKSON MOVED AND COUNCILMEMBER VANDYKE SECONDED THE MOTION TO APPROVE RESOLUTION NO. 2025-147, AUTHORIZING AN APPLICATION TO BENTON COUNTY FOR URBAN GROWTH AREA EXPANSION AND CONTRACTION. THOSE IN FAVOR: MAYOR RICHARDSON, MAYOR PRO TEM KENT, AND COUNCILMEMBERS JONES, LUKSON, MAIER, VANDYKE AND WHITTEN. THOSE OPPOSED: NONE. MOTION CARRIED 7-0.

12. Ordinance No. 2025-36, Imposing Additional Sales and Use Tax of One-Tenth of One Percent within the Boundaries of the Richland Transportation Benefit District for Pavement Preservation Effective April 1, 2026, Repealing the \$20 Vehicle License Fee Effective April 1, 2026, and Repealing Ordinance No. 2025-25

Finance Director Allen provided brief background information on the second reading of the proposed ordinance. He explained that the ordinance implements Council's earlier direction to replace the Transportation Benefit District (TBD) vehicle license fee with a one-tenth of one-percent sales tax dedicated to pavement preservation.

While Council approved the shift in October, the Department of Revenue and the Department of Licensing operate on differing notification timelines. Conflicting implementation deadlines could be avoided by moving the effective date to April 1, 2026. Finance Director Allen stated that both state agencies have confirmed the revised schedule, and that the April 1, 2026 implementation date will ensure a coordinated transition.

Following the presentation, councilmembers offered comments on the proposed ordinance, along with the implementation process and effective timeline.

COUNCILMEMBER LUKSON MOVED AND COUNCILMEMBER VANDYKE SECONDED THE MOTION TO APPROVE ORDINANCE NO. 2025-36, IMPOSING AN ADDITIONAL SALES AND USE TAX OF ONE-TENTH OF ONE PERCENT WITHIN THE BOUNDARIES OF THE RICHLAND TRANSPORTATION BENEFIT DISTRICT FOR PAVEMENT PRESERVATION, EFFECTIVE APRIL 1, 2026, REPEALING THE \$20 VEHICLE LICENSE FEE EFFECTIVE APRIL 1, 2026, AND REPEALING ORDINANCE NO. 2025-25. THOSE IN FAVOR: MAYOR RICHARDSON, MAYOR PRO TEM KENT, AND COUNCILMEMBERS JONES, LUKSON, MAIER, VANDYKE AND WHITTEN. THOSE OPPOSED: NONE. MOTION CARRIED 7-0.

Reports and Comments

City Manager

City Manager Amundson wished everyone a happy Thanksgiving and noted that the next council meeting will be held on December 2, 2025.

City Council

Councilmember Whitten provided reasoning behind his support for the adoption of Ordinance No. 2025-36.

Councilmember Jones also extended Thanksgiving wishes and thanked Development Services Director Rizzitiello for consistently presenting complex material in clear, easily understood terms that help both Council and the public understand planning issues.

Councilmember VanDyke thanked residents and staff who participated in the Downtown Loop community meeting held on November 13, 2025 at the Richland Library. He then recognized Public Works Director D'Alessandro for his extensive participation and support. He also expressed appreciation to the Dickey Foundation and Dickey's Barbeque for their grant award and support of Richland's Fire & Emergency Services Department.

Councilmember Maier reported that he did not attend the Downtown Loop community meeting due to a conflict in his schedule. He also thanked his fellow councilmembers for their patience with his delayed remote participation as he worked through technical issues. He concluded by adding that his time in St. Louis underscored his appreciation for living in Richland.

Councilmember Lukson shared additional comments regarding Ordinance No. 2025-36. While reluctant to raise sales tax rates, he noted that for most residents, the change will represent a net tax reduction. He noted that cities across the Tri-Cities are burdened with increasing funding responsibilities due to gaps in state support. He encouraged residents

to continue engaging with state legislators to advocate for adequate funding of core governmental functions.

Mayor Pro Tem Kent extended Thanksgiving well-wishes and encouraged residents to take time to reflect on gratitude and connection with family, friends, and those in need.

Mayor

Mayor Richardson echoed appreciation for the Dickey Foundation grant, noting it as an example of successful public-private partnerships that strengthen public safety resources. She then thanked staff for their work in securing grants that support first responders.

Adjournment

Mayor Richardson adjourned the meeting at 6:45 p.m.

APPROVED:

ATTEST:

Theresa Richardson, Mayor

Jennifer Rogers, City Clerk

DATE APPROVED:

DATE PUBLISHED:



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Ordinances - First Reading

Strategic Priority 1 - High Performance Government

Strategic Priority 4 - Quality of Life

Subject

Ordinance No. 2025-23, Amending Richland Municipal Code Section 9.22.075 related to Park Hours

Department/Office

Parks & Public Facilities

Ordinance/Resolution Number

2025-23

Document Type

Ordinance

Recommended Motion

Give first reading to Ordinance No. 2025-23, amending Richland Municipal Code Section 9.22.075 related to park hours.

Summary

This ordinance amends Richland Municipal Code Section 9.22.075 to revise city park hours, changing the current 11:00 p.m. closing time to 10:00 p.m. and setting standard hours of operation from 5:00 a.m. to 10:00 p.m. Implementing an earlier closing time is intended to curb late-night impacts within parks and strengthen neighborhood livability and public safety.

The amendment responds to incidents of undesirable activity in certain parks, including vandalism, noise, litter, and other inappropriate use after dark. Establishing a consistent 10:00 p.m. closure supports more effective enforcement and helps ensure that park spaces remain safe, clean, and welcoming for daytime and early evening users.

The ordinance maintains exceptions to the 10:00 p.m. closure, such as authorized events and individuals commuting on paved walking trails.

The Parks & Recreation Commission reviewed the proposed amendment at its July 9, 2025 special meeting and recommended approval. The change supports City Council's strategic priorities of quality of life and high-performance government by promoting safe, well-maintained parks and efficient use of city resources.

Staff recommends approval of Ordinance No. 2025-23 for first reading.

Fiscal Impact

The cost for replacing the park signs with the new hours is \$11,078. Existing park maintenance funds will be used to procure the signs.

Attachments

- I. Ordinance No. 2025-23

ORDINANCE NO. 2025-23

**AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON,
AMENDING RICHLAND MUNICIPAL CODE SECTION 9.22.075
RELATED TO PARK HOURS.**

WHEREAS, the City has need, from time to time, to amend the Richland Municipal Code (RMC) to promote safety, neighborhood livability, and the responsible use of park facilities; and

WHEREAS, the City's park system provides residents and visitors with opportunities for recreation, community gathering, and enjoyment of open space; and

WHEREAS, under RMC 9.22.075, city parks currently close to the public at 11:00 p.m. with certain permitted exceptions; and

WHEREAS, city parks have experienced increasing instances of vandalism, noise, and other inappropriate park use late at night, and earlier park closures are expected to reduce these impacts and enhance public safety; and

WHEREAS, at a special meeting on July 9, 2025, the Parks & Recreation Commission favorably reviewed a staff recommendation to change the hour of park closure from 11:00 p.m. to 10:00 p.m. to better align with operational practices and community expectations; and

WHEREAS, City Council's strategic priorities of quality of life and high-performance government are served by making this change in park hours.

NOW, THEREFORE, BE IT ORDAINED by the City of Richland as follows:

Section 1. Richland Municipal Code Section 9.22.075, entitled Park hours, as first enacted by Ordinance No. 58-94, and last amended by Ordinance No. 2022-23, is hereby amended as follows:

9.22.075 Park hours.

City property, which consists of dedicated or designated public parks, shall be available for use and activities during the hours of 5:00 a.m. to ~~11:00~~ 10:00 p.m. unless a more restrictive time period is posted. It shall be unlawful for any person to be present in or use these public facilities from ~~11:00~~ 10:00 p.m. to 5:00 a.m. or during any posted restricted time period. Any person violating any provision of this section shall be guilty of a misdemeanor, unless such use falls within permitted exceptions as provided herein:

- A. Activities for which a permit is issued by the Parks and Recreation Department of the City.
- B. Fishing during the hours the park is closed so long as the person fishing has the appropriate state licensing.
- C. Putting boats into and taking boats out of the river.

D. Camping in areas which have been set aside per Chapter 8.10 RMC.

E. Individuals utilizing paved walking trails for walking, jogging, and nonmotorized cycling activities.

Section 2. This Ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

Section 3. Should any section or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, that decision shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part so declared to be invalid.

Section 4. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including but not limited to the correction of scrivener's errors/clerical errors, section numbering, references, or similar mistakes of form.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the ____ day of _____, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

First Reading: _____

Second Reading: _____

Date Published: _____



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Ordinances - First Reading

Strategic Priority 3 - Focused Development

Strategic Priority 4 - Quality of Life

Subject

Ordinance No. 2025-26, Related to Waivers of System Development Charges for Affordable Housing

Department/Office

Development Services

Ordinance/Resolution Number

2025-26

Document Type

Ordinance

Recommended Motion

Give first reading to Ordinance No. 2025-26, establishing a program to authorize waivers of system development charges for affordable housing projects consistent with RCW 35.92.380 and RCW 35.92.385.

Summary

During the 2023 legislative session, the Washington State Legislature adopted House Bill 1326, which created RCW 35.92.385. This statute authorizes municipal utilities to waive utility connection charges for properties owned or developed by a nonprofit organization, public development authority, or housing authority that provides affordable housing. The proposed ordinance would allow the City to offer such waivers when it receives a grant or other funding intended to offset utility costs.

The Washington State Department of Commerce also established the Connecting Housing to Infrastructure Grant Program (CHIP), which provides grant funding to local governments to reduce or eliminate infrastructure costs associated with affordable housing development. Eligible uses of CHIP grant funds include:

- Water and sewer line upsizing to support increased density development.
- Water and sewer line extensions for new infill development.
- Water, sewer and stormwater connections for affordable housing development.
- Water, sewer and stormwater connections where a minimum of 25% of the units are set aside as affordable for low or moderate-income households.
- Regional stormwater systems or improvements to support housing development.
- System development charges waived for affordable housing projects.

Proposed Ordinance No. 2025-26 will allow the City to participate in CHIP and similar funding programs. This concept was previously discussed during the attainable housing presentation provided to City Council during the August 2025 workshop.

Staff recommends approval of Ordinance No. 2025-26 for first reading.

Fiscal Impact

None.

Attachments

- I. Ordinance No. 2025-26

ORDINANCE NO. 2025-26

AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON, RELATING TO WAIVERS OF SYSTEM DEVELOPMENT CHARGES FOR AFFORDABLE HOUSING PROJECTS WHEN SUCH CHARGES WILL BE REIMBURSED BY OTHER NON- UTILITY FUNDING SOURCES.

WHEREAS, pursuant to RCW 35.92.380, municipalities may partially or fully waive or delay collection of system development charges, also referred to as tap-in charges, connection or hookup fees, for qualified affordable housing projects; and

WHEREAS, Housing Goal No. 2 in the Richland Comprehensive Plan establishes the City's commitment to encouraging affordable housing production for all economic segments of the City's population; and

WHEREAS, numerous factors have combined to severely limit the production of housing; and

WHEREAS, in 2021, the Washington State Legislature authorized creation of the Connecting Housing to Infrastructure Program (CHIP) to reimburse local governments for waived system development charges under RCW 35.92.380; and

WHEREAS, exemption of system development charges will incentivize the development of affordable housing by enabling affordable housing projects to become more economically viable, furthering the production of housing for households with low income; and

WHEREAS, exemption of connection charges is categorically exempt from review under the State Environmental Policy Act (SEPA).

NOW, THEREFORE, BE IT ORDAINED by the City of Richland as follows:

Section 1. The Development Services Director or designee is authorized to determine the edibility of project applications for waiver of system development charges that would otherwise be imposed by Richland Municipal Code (RMC) Titles 14 (Electric), 16 (Stormwater), 17 (Sewer) and 18 (Water) for affordable housing projects in the City of Richland, provided that sufficient state or federal grant funds have been secured to fully reimburse the City for the charges so waived.

Section 2. For purposes of this Ordinance, "affordable housing" has the same meaning as defined in RCW 36.70A.030, which provides that "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed 30 percent of the monthly income of a household whose income is: (a) for rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or (b) for owner-occupied housing, 80 percent of the median household

income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

Section 3. The Development Services Director or designee may adopt such rules and policies as may be necessary in order to implement the system development charge waiver program established pursuant to this Ordinance. Applicable grant program guidance may also be relied upon to implement the intent of RCW 35.92.380 and RCW 35.92.385.

Section 4. The Development Services Director shall forward all project applications determined to be eligible for waiver of system development charges to Richland City Council for final approval.

Section 5. The system development waiver authority created through adoption of this Ordinance is supplemental to existing waiver authority found in Chapter 17.56 RMC (Sewer) and Chapter 18.24 RMC (Water).

Section 6. This Ordinance shall take effect on the day following its publication in the official newspaper of the City of Richland.

Section 7. Should any section or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, that decision shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part so declared to be invalid.

Section 8. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including but not limited to the correction of scrivener's errors/clerical errors, section numbering, references, or similar mistakes of form.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the ____ day of _____, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

First Reading: _____

Second Reading: _____

Date Published: _____



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Ordinances - First Reading

Strategic Priority 2 - Financial Sustainability

Subject

Ordinance No. 2025-37, Providing for the Sale of 2026 Electric Revenue Bonds

Department/Office	Ordinance/Resolution Number	Document Type
Finance	2025-37	Ordinance

Recommended Motion

Give first reading to Ordinance No. 2025-37, providing for the sale of 2026 electric revenue bonds.

Summary

Over the course of 2025, the Utility Advisory Committee (UAC) has discussed with Richland Energy Services staff the electric utility's financial policy and current financial position. These discussions included the utility's budget, capital program and funding, including anticipated bond issuance as outlined in the 2026-2030 Capital Improvement Plan (CIP). Based on these discussions and a presentation from PFM Financial Advisors on November 12, 2025, the UAC concluded that revenue bonds should be issued in the first quarter of 2026.

In addition to rate financing and developer contributions, approximately \$7.5 million in new bond proceeds are needed to support the 2026-2027 capital plan. The electric revenue bonds would be issued for a term not longer than 30 years to mirror the expected life of the electric infrastructure being financed, and taking into account market conditions and investor interest. Approximately \$14.5M of 2015 electric utility revenue bonds would be called and refunded for an estimated net present value savings of \$1.2M.

Ordinance No. 2025-37 authorizes the City's Finance Director to approve the final terms of the sale and issuance of the bonds within the parameters approved by Council, which allows pricing of the bonds to be timed to best meet market conditions.

Staff recommends approval of Ordinance No. 2025-37 for first reading.

Fiscal Impact

The annual principal and interest payments on the proposed bonds will be funded from operating revenues of the Electric Utility Fund and included in the 2026 Budget. The estimated annual principal and interest payments for the new bonds are estimated at \$470,000. The estimated refunding of the 2015 electric utility bonds will result in an annual net present value savings of \$80,400. The 2025 Budget for revenue bond principal is \$2.5M with revenue bond interest of \$3.1M.

Attachments

1. Ordinance No. 2025-37
2. PFM Presentation - Electric Utility Revenue Funding and Improvements Bonds

CITY OF RICHLAND

ORDINANCE NO. 2025-37

AN ORDINANCE relating to the electric utility of the City; specifying, adopting and ordering the carrying out of a system or plan of additions and betterments to and extensions of the electric utility; providing for the issuance of one or more series of electric revenue bonds in the aggregate principal amount of not to exceed \$25,000,000 to provide funds: (1) to pay all or a portion of the cost of certain capital improvements included in the plan of additions; (2) to refund all or a portion of the City's outstanding Electric Revenue Bonds, 2015; (3) to make a deposit to satisfy the reserve requirement for the bonds, if necessary, and (4) to pay the costs of issuance and sale of such bonds and the administrative costs of the refunding; fixing or setting parameters with respect to certain terms and covenants of the bonds; appointing the City's designated representative to approve the Bond Sale Terms of the sale of the bonds; and providing for other related matters.

Passed: December __, 2025

This document prepared by

*STRADLING YOCCA CARLSON & RAUTH LLP
Seattle, Washington
(206) 829-3000*

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS.....	1
Section 1.01 Definitions.....	1
ARTICLE 2 FINDINGS AND DETERMINATIONS; PLAN OF ADDITIONS.....	9
Section 2.01 Findings and Determinations	9
Section 2.02 Adoption of Plan of Additions	11
ARTICLE 3 AUTHORIZATION AND ISSUANCE OF BONDS.....	11
Section 3.01 Purpose and Authorization of Bonds.....	11
Section 3.02 Designated Representative; Description of the Bonds	11
Section 3.03 Parity Certificate	11
Section 3.04 Form and Execution of Bonds.....	11
Section 3.05 Bond Registrar; Registration and Transfer of Bonds.	12
ARTICLE 4 PAYMENT OF BONDS; REDEMPTION PROVISIONS	13
Section 4.01 Payment of Bonds; Failure to Pay.....	13
Section 4.02 Redemption and Purchase of Bonds.....	14
Section 4.01 Notice of Redemption; Rescission of Notice.	15
ARTICLE 5 SECURITY FOR THE BONDS	15
Section 5.01 Security for the Bonds.....	15
Section 5.02 Priority Expenditure of Gross Revenue; Flow of Funds	15
Section 5.03 The Bond Fund.....	16
Section 5.04 Required Payments Into the Bond Fund; Investment of Money in the Bond Fund.....	17
ARTICLE 6 USE OF BOND PROCEEDS; REFUNDING PLAN	18
Section 6.01 Disposition and Use of Bond Proceeds.	18
Section 6.02 Parameters for Approving the Refunding; Minimum Savings.	19
ARTICLE 7 BOND COVENANTS; FUTURE PARITY BONDS	19
Section 7.01 Bond Covenants	19
Section 7.02 Rebate Account.....	20
Section 7.03 Rate Stabilization Account.....	20
Section 7.04 Contract Resource Obligations.....	21
Section 7.05 Future Parity Bonds; Subordinate Bonds	22
ARTICLE 8 FEDERAL TAX AND DISCLOSURE MATTERS	22
Section 8.01 Federal Tax Matters	22
Section 8.02 Official Statement; Continuing Disclosure.	23
ARTICLE 9 AMENDMENTS; DEFAULTS AND REMEDIES	23
Section 9.01 Amendatory Ordinances.....	23
Section 9.02 Defaults and Remedies.....	25
ARTICLE 10 MISCELLANEOUS	28
Section 10.01 Refunding or Defeasance of the Bonds.....	28
Section 10.02 Sale and Delivery of the Bonds.....	29
Section 10.03 General Authorization and Ratification	30
Section 10.04 Severability	30

Section 10.05	Effective Date of Ordinance.....	31
---------------	----------------------------------	----

Exhibit A – Parameters for Bond Sale Terms

Exhibit B – Parity Bond Test

Exhibit C – Plan of Additions; Description of the Projects

Exhibit D – Form of Continuing Disclosure Agreement

ORDINANCE NO. 2025-37

AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON, RELATING TO THE ELECTRIC UTILITY OF THE CITY; SPECIFYING, ADOPTING AND ORDERING THE CARRYING OUT OF A SYSTEM OR PLAN OF ADDITIONS AND BETTERMENTS TO AND EXTENSIONS OF THE ELECTRIC UTILITY; PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF ELECTRIC REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$25,000,000 TO PROVIDE FUNDS: (1) TO PAY ALL OR A PORTION OF THE COST OF CERTAIN CAPITAL IMPROVEMENTS INCLUDED IN THE PLAN OF ADDITIONS; (2) TO REFUND ALL OR A PORTION OF THE CITY'S OUTSTANDING ELECTRIC REVENUE BONDS, 2015; (3) TO MAKE A DEPOSIT TO SATISFY THE RESERVE REQUIREMENT FOR THE BONDS, IF NECESSARY, AND (4) TO PAY THE COSTS OF ISSUANCE AND SALE OF SUCH BONDS AND THE ADMINISTRATIVE COSTS OF THE REFUNDING; FIXING OR SETTING PARAMETERS WITH RESPECT TO CERTAIN TERMS AND COVENANTS OF THE BONDS; APPOINTING THE CITY'S DESIGNATED REPRESENTATIVE TO APPROVE THE BOND SALE TERMS OF THE SALE OF THE BONDS; AND PROVIDING FOR OTHER RELATED MATTERS.

BE IT ORDAINED by the City of Richland as follows:

ARTICLE 1 DEFINITIONS

Section 1.01 Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) “*2015 Bonds*” means the Electric Revenue Bonds, 2015, in the original aggregate principal amount of \$19,435,000, authorized to be issued by Ordinance No. 49-15.

(b) “*2018 Bonds*” means the Electric Revenue Improvement and Refunding Bonds, 2018, in the original aggregate principal amount of \$19,800,000, authorized to be issued by Ordinance No. 08-18.

(c) “*2019A Bonds*” means the Electric Revenue Improvement and Refunding Bonds, 2019A, in the original aggregate principal amount of \$12,525,000, authorized to be issued by Ordinance No. 54-19.

(d) “*2019T Bonds*” means the Electric Revenue Bonds, 2019T (Taxable-Green Bonds), in the original aggregate principal amount of \$3,145,000, authorized to be issued by Ordinance No. 54-19.

(e) “*2021 Bonds*” means the Electric Revenue Improvement Bonds, 2021, in the original aggregate principal amount of \$6,415,000, authorized to be issued by Ordinance No. 30-21.

(f) “*2023 Bonds*” means the Electric Utility Revenue Improvement and Refunding Bonds, 2023, in the original agreement principal amount of \$19,415,000, authorized to be issued by Ordinance No. 2023-06.

(g) “*Acquired Obligations*” means those Government Obligations, as specified in the Refunding Trust Agreement, purchased to accomplish the refunding of the Refunded Bonds as authorized by this ordinance.

(h) “*Adjusted Net Revenue*” means Net Revenue, plus withdrawals from the Rate Stabilization Account and less deposits into the Rate Stabilization Account.

(i) “*Annual Debt Service*” means, for any one or more series of Parity Bonds, the total of principal and interest payable during a Fiscal Year (excluding the principal maturity of Term Bonds but including any mandatory redemption due in that year), less all capitalized interest payable that year from such bonds. Annual Debt Service for each Fiscal Year shall be reduced by subtracting the amount scheduled to be received by the City as a Tax Credit Subsidy Bond Payment in each such Fiscal Year in respect of any Parity Bonds issued as Tax Credit Subsidy Bonds.

(j) “*Authorized Denomination*” means, unless otherwise specified in the Bond Purchase Agreement or a related agreement, \$5,000 or any integral multiple thereof within a Series and maturity.

(k) “*Average Annual Debt Service*” means, in reference to any one or more series of Parity Bonds, the sum of the Annual Debt Service due in each year, divided by the number of years that such bonds are scheduled to remain Outstanding.

(l) “*Beneficial Owner*” means, with respect to any Parity Bond at any time Outstanding, the owner of any beneficial interest in that Parity Bond.

(m) “*Bond Counsel*” means the firm of Stradling Yocca Carlson & Rauth LLP, its successor, or any other attorney or firm of attorneys selected by the City with a nationally recognized standing as bond counsel in the field of municipal finance.

(n) “*Bond Fund*” means the Electric Revenue Refunding Bond Account, 1985, created by Ordinance No. 17-85 and maintained for the purpose of paying and securing the payment of the principal of and interest on the Parity Bonds.

(o) “*Bond Insurer*” means, with respect to any issue of Parity Bonds, a provider of bond insurance guaranteeing the payment of principal of and interest on such Parity Bonds.

(p) “*Bond Purchase Agreement*” means a written offer to purchase the Bonds, or a Series of Bonds, pursuant to certain Bond Sale Terms, which offer is accepted by the Designated Representative on behalf of the City in accordance with this ordinance. In the case of a competitive sale, the Purchaser’s bid for a Series, together with the official notice of sale and a Pricing Certificate confirming the Bond Sale Terms, shall comprise the Bond Purchase Agreement.

(q) “*Bond Register*” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each Bond.

(r) “*Bond Registrar*” means the Fiscal Agent, or any alternate bond registrar selected by the City’s Finance Director to maintain the Bond Register and carry out the other duties of the Bond Registrar set forth in this ordinance.

(s) “*Bond Sale Terms*” means the terms and conditions for the sale of a Series of Bonds including, but not limited to the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds. The parameters for certain Bond Sale Terms are set forth in Exhibit A.

(t) “*Bonds*” means the electric utility revenue bonds of the City issued pursuant to and for the purposes provided in this ordinance in one or more Series and with such additional series and other designation as the Designated Representative may deem appropriate.

(u) “*Book-Entry Form*” means a fully registered form in which physical bond certificates are registered only in the name of the Securities Depository (or its nominee), as Registered Owner, with the physical bond certificates held by and “immobilized” in the custody of the Securities Depository or its designee, where the system for recording and identifying the transfer of the ownership interests of the Beneficial Owners in those Bonds is neither maintained by nor the responsibility of the City or the Bond Registrar.

(v) “*City*” means the City of Richland, Washington, a municipal corporation duly organized and legally existing charter city of the first class under the laws of the State.

(w) “*City Contribution*” means legally available money of the City, in addition to proceeds of the Bonds, that is to be used to carry out the Refunding Plan, as determined by the Designated Representative.

(x) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(y) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(z) “*Common Reserve Bonds*” means, collectively, those Parity Bonds that are designated by the City as common reserve bonds, the payment of which is secured by amounts on deposit in the Common Reserve Subaccounts, without distinction, priority or preference among the amounts drawn from any particular Common Reserve Subaccount. The Outstanding 2015 Bonds, 2018 Bonds, 2019A Bonds, 2019T Bonds, 2021 Bonds, and 2023 Bonds are designated as Common Reserve Bonds. Unless otherwise designated in the Pricing Certificate approving the Bond Sale Terms for a Series of the Bonds authorized by this ordinance, the Bonds authorized by this ordinance are designated as Common Reserve Bonds.

(aa) “*Common Reserve Subaccount*” means a Reserve Subaccount that is established in connection with a series of Common Reserve Bonds. The Common Reserve Subaccounts, collectively, constitute a pooled reserve ratably securing all Common Reserve Bonds.

(bb) “*Continuing Disclosure Agreement*” means the written undertaking to provide continuing disclosure entered into pursuant to Section 8.02 of this ordinance, in substantially the form set forth in Exhibit D.

(cc) “*Contract Resource Obligation*” means an obligation of the City to make payments to another person or entity for electric energy supply, transmission or other commodity or service relating to the Electric Utility, which obligation is designated as a Contract Resource Obligation for purposes of Section 7.04 of this ordinance.

(dd) “*Coverage Requirement*” means that, in any Fiscal Year, Adjusted Net Revenue must at least equal 1.25 times the Annual Debt Service due in that Fiscal Year on all Parity Bonds then Outstanding.

(ee) “*DTC*” means The Depository Trust Company, New York, New York, or its nominee.

(ff) “*Designated Representative*” means the officer of the City appointed in Section 3.02 of this ordinance to serve as the City’s designated representative in accordance with RCW 39.46.040(2).

(gg) “*Electric Fund*” means that special fund created by Ordinance No. 53-17 of the City (RMC § 3.24.240) for the deposit of all revenues collected by the City from sale of electric energy or for services rendered by the Electric Utility, and for the payment of the costs and expenses to purchase electric energy, for salaries, materials, supplies, equipment, and repairs relating to sale of electric energy.

(hh) “*Electric Utility*” means the municipal electric system of the City as the same may from time to time be added to, bettered, improved and extended.

(ii) “*Finance Director*” means the person who holds the office or has the official responsibilities of Finance Director of the City or successor office.

(jj) “*First Parity Covenant Date*” means the date in which all of the 2015 Bonds are fully redeemed or defeased.

(kk) “*Fiscal Agent*” means the fiscal agent of the State, as the same may be designated by the State from time to time.

(ll) “*Fiscal Year*” means a year beginning January 1 and ending December 31, or such twelve-month period as may be selected by the City as its fiscal year.

(mm) “*Future Parity Bonds*” means, for purposes of this ordinance, any and all revenue bonds of the City issued after the Issue Date of the Bonds, the payment of the principal of and interest on which constitutes a lien and charge upon the Net Revenue of the Electric Utility on a parity with the lien and charge of the Outstanding Parity Bonds and the Bonds.

(nn) “*Government Obligations*” has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

(oo) “*Gross Revenue of the Electric Utility*” or “*Gross Revenue*” means all of the earnings and revenues of any kind or nature received by the City from the operation and maintenance of the Electric Utility. Gross Revenue excludes: (1) revenues from assessments collected in any local improvement district or utility local improvement district; (2) amounts collected in respect of City-imposed utility taxes; (3) proceeds of grants from the federal, state or local governments; (4) gifts to the Electric Utility for capital purposes; (5) proceeds from the sale of City or Electric Utility property; (6) proceeds of City or Electric Utility obligations; (7) earnings or proceeds from any investments in any trust, defeasance or escrow fund created to

defeasement or refund Electric Utility obligations until commingled with other earnings and revenues of the Electric Utility; and (8) Tax Credit Subsidy Payments.

(pp) “*Issue Date*” means, with respect to any Series of Bonds, the date of initial issuance and delivery of such Series to the Purchaser in exchange for the purchase price of such Series.

(qq) “*Letter of Representations*” means the Blanket Issuer Letter of Representations between the City and DTC, dated May 24, 2023, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

(rr) “*MSRB*” means the Municipal Securities Rulemaking Board.

(ss) “*Maximum Annual Debt Service*” means, with respect to any one or more series of Parity Bonds, the maximum amount of Annual Debt Service which shall become due in any Fiscal Year.

(tt) “*Net Revenue of the Electric Utility*” or “*Net Revenue*” means Gross Revenue of the Electric Utility less Operation and Maintenance Expenses.

(uu) “*Official Statement*” means an offering document or other disclosure document required to be provided to purchasers and potential purchasers in connection with the initial offering of the Bonds in conformance with Rule 15c2-12 or other applicable regulation of the SEC.

(vv) “*Operation and Maintenance Expenses*” means all reasonable expenses incurred by the City in causing the Electric Utility to be operated and maintained in good repair, working order and condition and properly treated as maintenance and operation expenses under generally accepted accounting principles applicable to similar municipal utilities, including: payments due under Contract Resource Obligations (to the extent that the requirements in Section 7.04 are met); all payments made to another person or agency for acquisition of electric energy; any deposits, premiums, assessments or other payments for insurance, if any, on the Electric Utility; amounts paid in respect of Electric Utility employee pensions and post-employment benefits (if any); and overhead and administration expenses allocated to the Electric Utility. Operation and Maintenance Expenses excludes: non-cash accounting items (e.g., depreciation, amounts treated as expenses under accounting guidelines with respect to unfunded contributions to pension or other post-employment benefit plans, non-exchange financial guarantees, environmental liabilities, and similar items); payments on contracts for the acquisition of electric energy or capability under which no energy has been furnished to the City (other than payments under Contract Resource Obligations); and any amounts paid in respect of City imposed utility taxes or payments in lieu of taxes.

(ww) “*Outstanding*” when used with reference to any bonds or other obligations means, as of any particular date, the aggregate of all such bonds or other obligations properly authenticated and delivered, except for: (1) those cancelled at or prior to such date or delivered to or held by the Fiscal Agent at or prior to such date for cancellation; (2) those legally defeased or deemed paid in accordance with this ordinance (or a comparable section of another ordinance authorizing the refunding or defeasance of other bonds or obligations); (3) those in lieu of or in exchange or substitution for which other bonds or obligations shall have been authenticated and delivered pursuant to their authorizing ordinances, unless such other bonds or obligations are

held by a bona fide holder in due course; and (4) those which have matured or have been duly called for redemption and have not been presented for payment, and the City has sufficient money on hand to pay and redeem the same on such maturity or call dates.

(xx) “*Outstanding Parity Bonds*” means the 2015 Bonds, the 2018 Bonds, the 2019A Bonds, the 2019T Bonds, the 2021 Bonds, the 2023 Bonds, and any other Parity Bonds that are Outstanding as of the Issue Date.

(yy) “*Owner*” means, without distinction, the Registered Owner and the Beneficial Owner.

(zz) “*Parity Bond Test*” means: (a) with reference to the issuance of Future Parity Bonds, the conditions for issuing Future Parity Bonds set forth in Exhibit B to this Ordinance, which is incorporated herein by this reference; and (b) with reference to the designation of the Bonds as Parity Bonds, those conditions for the issuance of “future parity bonds” as defined and set forth in the ordinances authorizing the Outstanding Parity Bonds.

(aaa) “*Parity Bonds*” means the Outstanding Parity Bonds, the Bonds, and any Future Parity Bonds.

(bbb) “*Permitted Investments*” means any investment that is a legal investment for the money of the City at the time of such investment.

(ccc) “*Plan of Additions*” means the system or plan of additions and betterments to and extensions of the Electric Utility specified, adopted and ordered to be carried out by Section 2.02 of this ordinance.

(ddd) “*Pricing Certificate*” means a certificate executed by the Designated Representative as of the pricing date confirming the Bond Sale Terms for the sale of a Series of the Bonds to the Purchaser in a competitive sale, in accordance with the parameters set forth in this ordinance.

(eee) “*Principal and Interest Account*” means the subaccount of that name created in the Bond Fund by Ordinance No. 17-85 for the payment of the principal of and interest on the Parity Bonds.

(fff) “*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a direct placement, underwriter in a negotiated sale or awarded as the successful bidder in a competitive sale of a Series of the Bonds.

(ggg) “*RCW*” means the Revised Code of Washington.

(hhh) “*Rate Stabilization Account*” means the Electric Rate Stabilization Account authorized to be created and established pursuant to Ordinance No. 26-03.

(iii) “*Rating Agency*” means any nationally recognized rating agency then maintaining a rating on the Bonds at the request of the City.

(jjj) “*Record Date*” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption.

(kkk) “*Redemption Date*” means such date or dates as may be selected for the call, payment and redemption of the Refunded Bonds, as set forth in the Refunding Plan approved by the Designated Representative.

(lll) “*Refunded Bond Ordinance*” means Ordinance No. 49-15 of the City.

(mmm) “*Refunded Bonds*” means all or a portion of the Refunding Candidates selected by the Designated Representative to be refunded pursuant to the authorization set forth in this ordinance.

(nnn) “*Refunding Candidates*” means any or all of the following presently outstanding \$16,495,000 aggregate principal amount of 2015 Bonds maturing on November 1 in the years and amounts as follows:

Maturity Year	Principal Amount	Interest Rate
2026	\$ 500,000	5.00%
2027	525,000	5.00
2028	550,000	5.00
2029	580,000	5.00
2030	605,000	5.00
2031	640,000	5.00
2032	670,000	5.00
2033	705,000	5.00
2034	740,000	5.00
2035	775,000	5.00
2038 ⁽¹⁾	2,565,000	5.00
2041 ⁽¹⁾	2,970,000	5.00
2045 ⁽¹⁾⁽²⁾	2,000,000	4.00
2045 ⁽¹⁾⁽²⁾	2,670,000	5.00

(1) Term Bond

(2) Bifurcated Term Bond

(ooo) “*Refunding Plan*” means a plan for the refunding of the Refunded Bonds, substantially as follows with such further details to be set forth in a Refunding Trust Agreement approved by the Designated Representative:

(1) On the Issue Date, the deposit with the Refunding Trustee of a City Contribution, if any, together with the proceeds of the sale of the Bonds allocated to the Refunding Plan in an amount sufficient to acquire the Acquired Obligations (if any) and establish a beginning cash balance;

(2) The application by the Refunding Trustee of the amounts so deposited to the purchase of the Acquired Obligations and the establishment of a beginning cash balance;

(3) On the Redemption Date, the application of the maturing principal of and interest on such Acquired Obligations, together with any other cash balance held by it on such Redemption Date, to the call, payment, and redemption of the Refunded Bonds at a price equal to 100% of the principal amount to be redeemed plus accrued interest to that date; and

(4) At the direction of the City’s Designated Representative, the application of remaining funds deposited with the Refunding Trustee for such purpose to the payment of all or a portion of the costs of issuing the Bonds and

the costs of carrying out the foregoing elements of the Refunding Plan (if payment of such costs is specified in the Refunding Trust Agreement).

(ppp) “*Refunding Portion*” means that portion of the Bonds (or a Series of the Bonds) allocated to carrying out the refunding of the Refunded Bonds and paying the administrative costs of carrying out the refunding and a ratable share of the costs of issuance of the Bonds.

(qqq) “*Refunding Trust Agreement*” means a refunding trust agreement between the City and the Refunding Trustee, providing for the carrying out of the Refunding Plan.

(rrr) “*Refunding Trustee*” means the trustee, or any successor or alternate trustee, designated by the Designated Representative to serve as refunding trustee to carry out the Refunding Plan.

(sss) “*Registered Owner*” means, with respect to a Bond or any Parity Bond at any time Outstanding, the person in whose name that Bond or Parity Bond is registered on the Bond Register. For so long as the Bonds are in Book-Entry Form, Registered Owner shall mean the Securities Depository.

(ttt) “*Registration Ordinance*” means the Registration Ordinance for the City’s bonds and other obligations set forth in Ordinance No. 1-87 of the City.

(uuu) “*Reserve Account*” means the account of that name created in the Bond Fund by Ordinance No. 17-85 for the purpose of securing the payment of the principal of and interest on the Parity Bonds.

(vvv) “*Reserve Insurer*” means any provider of a Reserve Security acquired in connection with one or more Series of the Bonds or Future Parity Bonds.

(www) “*Reserve Requirement*” means:

(1) (A) With respect to the Common Reserve Bonds collectively, as of any date of calculation, the lesser of (i) Maximum Annual Debt Service on all Common Reserve Bonds then Outstanding, or (ii) 125% of Average Annual Debt Service on all Common Reserve Bonds then Outstanding, but at no time shall the Reserve Requirement exceed the Tax Maximum; and (B) with respect to a Series of the Bonds or any Future Parity Bonds that are designated as Common Reserve Bonds, the incremental additional amount necessary to fund the amount specified in clause (A), taking into account the amounts on deposit in the Common Reserve Subaccounts as of the Issue Date; and

(2) With respect to any Series of the Bonds or any Future Parity Bonds that are not Common Reserve Bonds, an amount (which may be equal to zero) established in the Bond Sale Terms approved pursuant to the ordinance authorizing the issuance of such Series, provided that the Reserve Requirement for such Series may not exceed the Tax Maximum.

(xxx) “*Reserve Security*” means a surety bond or policy of insurance, obtained in lieu of cash and policy limit or stated amount equal to part or all of the Reserve Requirement.

(yyy) “*Reserve Subaccount*” means a subaccount created within the Reserve Account to secure payment of debt service on a series of Parity Bonds. Each Reserve Subaccount shall include in its name a reference to the series of Parity Bonds with respect to which it was created.

(zzz) “*Rule 15c2-12*” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

(aaaa) “*SEC*” means the United States Securities and Exchange Commission.

(bbbb) “*Securities Depository*” means DTC, any successor thereto, any substitute securities depository selected by the City, or the nominee of any of the foregoing. Any Securities Depository must be qualified under applicable laws and regulations to provide the services proposed to be provided by it.

(cccc) “*Series of Bonds*” or “*Series*” means a series of Bonds issued pursuant to this ordinance.

(dddd) “*State*” means the State of Washington.

(eeee) “*Subordinate Bonds*” means any electric revenue bonds or obligations payable from the Electric Fund having a charge and lien on the Net Revenue subordinate to the charge and lien on the Net Revenue of the Parity Bonds.

(ffff) “*Tax Credit Subsidy Bond*” means any bond that is designated by the City as a Tax Credit Subsidy Bond, pursuant to Section 54AA of the Code or any substantially similar taxable tax credit bond program, and which is further designated by the City as a “qualified bond” with respect to which the City is eligible to receive a tax credit payable by the United States Treasury to the City under Section 6431 or a substantially similar provision of the Code.

(gggg) “*Tax Credit Subsidy Bond Payments*” means those amounts which the City is entitled to receive from the United States Treasury in respect of any bonds issued as Tax Credit Subsidy Bonds.

(hhhh) “*Tax-Exempt Bond*” means any Parity Bond, the interest on which is intended, as of the Issue Date, to be excludable from gross income for federal income tax purposes.

(iiii) “*Tax Maximum*” means the maximum dollar amount permitted by the Code to be allocated to a debt service reserve account from bond proceeds of tax-exempt Bonds or Tax Credit Subsidy Bonds without requiring a balance to be invested at a restricted yield.

(jjjj) “*Taxable Bond*” means any Parity Bond, the interest on which is not intended, as of the Issue Date, to be excludable from gross income for federal income tax purposes.

(kkkk) “*Term Bond*” means each Bond designated as a Term Bond and subject to mandatory redemption in the years and amounts set forth in the Bond Purchase Agreement, and those Parity Bonds designated as such in the ordinances or bond purchase agreements authorizing their issuance or sale and which are subject to mandatory redemption prior to maturity or for which either mandatory sinking fund payments or mandatory prior redemption requirements are provided.

(llll) “*Undertaking*” means a Continuing Disclosure Agreement.

ARTICLE 2

FINDINGS AND DETERMINATIONS; PLAN OF ADDITIONS

Section 2.01 Findings and Determinations. The City takes note of the following facts and makes the following findings and determinations:

(a) *Electric Utility; Previously Issued Parity Bonds.* The City now owns and operates the Electric Utility. Pursuant to Ordinance No. 17-85, the City issued and sold its Electric Revenue Refunding Bonds, 1985 (the “1985 Bonds”) all of which have been paid and retired. In Ordinance No. 17-85, the City reserved the right to issue additional electric revenue bonds having a lien and charge on the Net Revenue of the Electric Utility on a parity with the lien and charge upon such Net Revenue of the 1985 Bonds for the payment of principal thereof and interest thereon, if that certain Parity Bond Test (established in Ordinance No. 17-85 and as subsequently set forth in ordinances authorizing the issuance of additional Parity Bonds) is satisfied.

(b) *Plan of Additions.* The City is in need of funds with which to finance the Plan of Additions, the estimated aggregate cost of which is more than \$12,135,000, and the City does not have available sufficient funds to pay the costs. The Council finds that the life of the improvements comprising the Plan of Additions is greater than the life of the bonds.

(c) *Sufficiency of Gross Revenue.* The City Council finds and determines that, if the conditions set forth in this ordinance for the issuance of the Bonds are satisfied, the Gross Revenue of the Electric Utility will be sufficient, in the judgment of the City Council, to meet all Operation and Maintenance Expenses; to make all necessary repairs, replacements and renewals; and to permit the setting aside from Gross Revenue into the Bond Fund of such amounts as may be required to pay the principal of and interest on the Outstanding Parity Bonds and the Bonds as the same become due. The City Council declares that in fixing the amounts to be paid into the Bond Fund it has exercised due regard for the cost of maintenance and operation of the Electric Utility and the debt service requirements of the Outstanding Parity Bonds, and that it has not obligated the City to set aside and pay into the Bond Fund a greater amount of the Gross Revenue of the Electric Utility than in its judgment will be available for such purpose.

(d) *Refunding.* Chapter 39.53 RCW and other laws of the State authorize the City to adopt and carry out a Refunding Plan. Pursuant to Ordinance No. 49-15, the City previously issued the 2015 Bonds for the purpose of (i) pay all or a portion of the costs of carrying out a plan of additions; (ii) refund a portion of the City’s outstanding Electric Revenue Capital Improvement and Refunding Bonds, 2007; (iii) provide for the debt service reserve; and (iv) pay the costs of issuance and sale of the 2015 Bonds. In Ordinance No. 49-15, the City reserved the right to redeem the 2015 Bonds maturing on or after November 1, 2026 prior to their stated maturity at any time on or after November 1, 2025. In order to realize a debt service savings to the City and its ratepayers, the City Council wishes to refund all or a portion of the Refunding Candidates. The Refunding Candidates that are to be refunded shall be selected by the Designated Representative such that a savings equal to or exceeding the savings requirements set forth in Exhibit A will be effected by the difference between the principal and interest cost over the life of the portion of the Bonds allocated to such refunding and the principal and interest cost over the life of the Refunded Bonds to be refunded by such allocated portion of the Bonds.

(e) *Satisfaction of Parity Bond Test.* As a condition of the issuance of the Bonds authorized herein, the City Council directs the Designated Representative to determine that all conditions set forth in the Parity Bond Test (as those conditions are set forth in the ordinances authorizing the Outstanding Parity Bonds) have been met and satisfied before the Bonds may be issued and delivered to the Purchaser.

(f) *Issuance of Bonds.* Based on the foregoing, the City Council finds that it is in the best interest of the City to issue and sell the Bonds in one or more Series to the respective Purchasers of each Series in a competitive or negotiated sale, pursuant to the terms set forth in the Bond Purchase Contract as approved by the City's Designated Representative consistent with this ordinance.

Section 2.02 Adoption of Plan of Additions. The City specifies, adopts and orders the carrying out of the projects described in Exhibit C as a system or plan of additions and betterments to and extensions of the Electric Utility. The Plan of Additions shall be carried out in accordance with the plans and specifications therefor prepared by the City's engineers and consulting engineers. The City Council may modify the details of the Plan of Additions where in its judgment it appears advisable, if such modifications do not substantially alter the purpose of such system or plan. The cost of the Plan of Additions, including the cost of issuance and sale of the Bonds, shall be paid from the proceeds of the Bonds and from other money available to the Electric Utility.

ARTICLE 3 AUTHORIZATION AND ISSUANCE OF BONDS

Section 3.01 Purpose and Authorization of Bonds. For the purpose of providing funds with which: (a) to pay a portion of the cost of the Plan of Additions; (b) to carry out the Refunding Plan; (c) to satisfy the Reserve Requirement (if necessary); and (d) to pay the costs of issuance of the Bonds, including the administrative costs of the refunding, the City shall issue and sell its electric revenue bonds in one or more Series on a tax-exempt or taxable basis in an aggregate principal amount not to exceed \$25,000,000.

Section 3.02 Designated Representative; Description of the Bonds. The Finance Director is appointed as the Designated Representative of the City and is authorized and directed to conduct the sale of the Bonds in the manner and upon the terms deemed most advantageous to the City, and to approve the Bond Sale Terms for the Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the parameters set forth in Exhibit A, which is attached to this ordinance and incorporated by this reference.

Section 3.03 Parity Certificate. At the time of issuance of the Bonds, the Designated Representative shall cause to be executed and have on file a certificate of coverage as required under the Parity Bond Test.

Section 3.04 Form and Execution of Bonds.

(a) *Form of Bonds; Signatures and Seal.* Each Bond shall be prepared in a form consistent with the provisions of this ordinance and State law. Each Bond shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on a Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, that Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City

authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only a Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: “Certificate of Authentication. This Bond is one of the fully registered City of Richland, Washington, Electric Revenue Improvement and Refunding Bonds, [Name of Series].” The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 3.05 Bond Registrar; Registration and Transfer of Bonds.

(a) *Registration of Bonds; Bond Registrar.* The Bonds shall be issued only in registered form as to both principal and interest and shall be recorded on the Bond Register. The Fiscal Agent is appointed to act as Bond Registrar for each Series of the Bonds, unless otherwise determined by the Designated Representative.

(b) *Transfer and Exchange of Bonds.* The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the City at all times. The Bond Register shall contain the name and mailing address of the Registered Owner of each Bond and the principal amount and number of each of the Bonds held by each Registered Owner.

The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of the Bonds and this ordinance, to serve as the City’s paying agent for the Bonds and to carry out all of the Bond Registrar’s powers and duties under this ordinance and the Registration Ordinance.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar’s Certificate of Authentication on each Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

A Bond surrendered to the Bond Registrar may be exchanged for a Bond or Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same interest rate, Series and maturity. A Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any Bond or transfer registered ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

(c) *Securities Depository; Book-Entry Form.* Unless otherwise determined by the Designated Representative, the Bonds initially shall be issued and registered in Book-Entry Form. The Bonds so registered shall be held fully immobilized in Book-Entry Form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of a Bond initially held in Book-Entry Form, or any portion thereof, may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute

Securities Depository appointed by the City or such substitute Securities Depository's successor; or (iii) to any person if the Bond is no longer held in Book-Entry Form. Upon the resignation of the Securities Depository from its functions as depository, or upon a determination by the Finance Director to discontinue utilizing the then-current Securities Depository, the Finance Director may appoint a substitute Securities Depository. If the Securities Depository resigns from its functions as depository and no substitute Securities Depository can be obtained, or if the Finance Director determines not to utilize a Securities Depository, then the Bonds shall no longer be held in Book-Entry Form and ownership may be transferred only as provided herein. Nothing herein shall prevent the Bond Sale Terms from providing that a Series of the Bonds shall be issued in certificated form without utilizing a Securities Depository, and that the Bonds of such Series shall be registered as of their Issue Date in the names of the Owners thereof, in which case ownership may be transferred only as provided herein. Neither the City nor the Bond Registrar shall have any responsibility or obligation to participants of the Securities Depository or the persons for whom they act as nominees with respect to the Bonds regarding the accuracy of any records maintained by the Securities Depository or its participants of any amount in respect of principal of or interest on the Bonds, or any notice which is permitted or required to be given to Registered Owners hereunder (except such notice as is required to be given by the Bond Registrar to the Securities Depository).

(d) *Lost or Stolen Bonds.* In case any Bond shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new bond or bonds of like amount, date, tenor, and effect to the Registered Owner(s) thereof upon the Registered Owner(s)' paying the expenses and charges of the City in connection therewith and upon filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such bond or bonds were actually lost, stolen or destroyed and of Registered Ownership thereof, and upon furnishing the City with indemnity satisfactory to both.

ARTICLE 4.

PAYMENT OF BONDS; REDEMPTION PROVISIONS

Section 4.01 Payment of Bonds; Failure to Pay. *Payment of Bonds.* Principal of and interest on each Bond shall be payable in lawful money of the United States of America on the dates and in the amounts provided in the Bond Purchase Agreement. Principal of and interest on each Bond shall be payable solely out of the Bond Fund. The Bonds shall not be general obligations of the City. No Bonds of any Series shall be subject to acceleration under any circumstances.

(b) *Bonds Held In Book-Entry Form.* Principal of and interest on each Bond held in Book-Entry Form is payable in the manner set forth in the Letter of Representations.

(c) *Bonds Not Held In Book-Entry Form.* Interest on each Bond not held in Book-Entry Form is payable by electronic transfer on the interest payment date, or by check or draft of the Bond Registrar mailed on the interest payment date to the Registered Owner at the address appearing on the Bond Register on the Record Date. However, the City is not required to make electronic transfers except pursuant to a request by a Registered Owner in writing received on or prior to the Record Date and at the sole expense of the Registered Owner. Principal of each Bond not held in Book-Entry Form is payable upon presentation and surrender (unless waived by the City) of the Bond by the Registered Owner to the Bond Registrar.

(d) *Failure To Pay Bonds.* If the principal of any Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay, solely from the sources pledged herein, interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

Section 4.02 Redemption and Purchase of Bonds.

(a) *Optional Redemption.* Any of the Bonds may be subject to redemption prior to their stated maturity dates at the option of the City at the times and on the terms set forth in the Bond Purchase Agreement.

(b) *Mandatory Redemption.* Any of the Bonds may be designated as Term Bonds, subject to mandatory redemption on the dates and in the amounts as set forth in the Bond Purchase Agreement. If not redeemed or purchased at the City's option prior to maturity, Term Bonds (if any) must be redeemed, at a price equal to one hundred percent of the principal amount to be redeemed, plus accrued interest, on the dates and in the years and amounts set forth in the Bond Purchase Agreement. If the City optionally redeems or purchases a Term Bond prior to maturity, the principal amount of that Term Bond that is so redeemed or purchased (irrespective of its redemption or purchase price) shall be credited against the remaining mandatory redemption requirements for that Term Bond in the manner as directed by the Finance Director. In the absence of direction by the Finance Director, credit shall be allocated to the remaining mandatory redemption requirements for that Term Bond on a *pro rata* basis.

(c) *Extraordinary Redemption.* Any of the Bonds may be subject to extraordinary optional or extraordinary mandatory redemption prior to maturity upon the occurrence of an extraordinary event at the prices, in the principal amounts, and on the dates, all as set forth in the Bond Purchase Agreement.

(d) *Purchase of Bonds.* The City reserves the right to purchase any or all of the Bonds available for purchase at any time at any price acceptable to the City plus accrued interest to the date of purchase.

(e) *Selection of Bonds for Redemption; Partial Redemption.* If fewer than all of the outstanding Bonds of any Series are to be redeemed at the option of the City, the Finance Director shall select the Series and maturity or maturities to be redeemed. If less than all of the principal amount of a maturity of the selected Series is to be redeemed, if such Series is held in Book-Entry Form, the portion of such maturity to be redeemed shall be selected for redemption by the Securities Depository in accordance with the Letter of Representations, and if the Series is not then held in Book-Entry Form, the portion of such maturity to be redeemed shall be selected by the Bond Registrar using such method of random selection as the Bond Registrar shall determine. All or a portion of the principal amount of any Bond that is to be redeemed may be redeemed in any applicable Authorized Denomination. If less than all of the outstanding principal amount of any Bond is redeemed, upon surrender of that Bond to the Bond Registrar there shall be issued to the Registered Owner, without charge, a new Bond (or Bonds, at the option of the Registered Owner) of the same Series, seniority, maturity, and interest rate in any Authorized Denomination in the aggregate principal amount to remain outstanding.

Section 4.01 Notice of Redemption; Rescission of Notice.

(a) *Notice of Redemption.* Unless otherwise set forth in the Bond Purchase Agreement, the City must cause notice of any intended redemption of Bonds to be given not less than 20 nor more than 60 days prior to the date fixed for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be redeemed at the address appearing on the Bond Register on the Record Date, and the requirements of this sentence shall be deemed to have been fulfilled when notice has been mailed as so provided, whether or not it is actually received by the Owner of any Bond. In addition, the redemption notice shall be mailed or sent electronically within the same period to the MSRB (if required under the Continuing Disclosure Agreement), to each Rating Agency, and to such other persons and with such additional information as the Finance Director shall determine, but these additional mailings shall not be a condition precedent to the redemption of any Bond. Notwithstanding the foregoing, notice of redemption of any Bond held in Book-Entry Form shall be given in accordance with the Letter of Representations.

(b) *Rescission of Optional Redemption Notice.* In the case of an optional redemption or an extraordinary redemption, the notice of redemption may state that the City retains the right to rescind the redemption notice and the redemption by giving a notice of rescission to the affected Registered Owners at any time on or prior to the date fixed for redemption. Any notice of optional redemption that is so rescinded shall be of no effect, and each Bond for which a notice of redemption has been rescinded shall remain outstanding.

(c) *Effect of Redemption.* Interest on each Bond called for redemption shall cease to accrue on the date fixed for redemption, unless either the notice of optional redemption is rescinded as set forth above, or money sufficient to effect such redemption is not on deposit in the Bond Fund or in a trust account established to refund or defease the Bond.

ARTICLE 5
SECURITY FOR THE BONDS

Section 5.01 Security for the Bonds. The Bonds shall be designated as Parity Bonds and shall be a special limited obligation of the City payable from and secured solely by the Net Revenue of the Electric Utility and by money in the Principal and Interest Account of the Bond Fund. Each Series of the Bonds that is designated as Common Reserve Bonds is further secured by money in the Common Reserve Subaccounts. The Net Revenue is pledged to make the payments into the Bond Fund and the Reserve Account, if any, required by Section 5.02, which pledge shall constitute a lien and charge upon such Net Revenue prior and superior to all other charges whatsoever. Each Series of the Bonds designated as Parity Bonds shall be issued on parity with the Outstanding Parity Bonds and all Future Parity Bonds, without regard to date of issuance or authorization and without preference or priority of right or lien. The Bonds shall not constitute general obligations of the City, the State or any political subdivision of the State or a charge upon any general fund or upon any money or other property of the City, the State or any political subdivision of the State not specifically pledged by this ordinance.

Section 5.02 Priority Expenditure of Gross Revenue; Flow of Funds. The City covenants and agrees with the owner of each Bond that it will deposit all Gross Revenue of the Electric Utility into the Electric Fund as collected, and will use, pay out and distribute the Gross Revenue of the Electric Utility in the following order of priority:

- (a) To pay Operation and Maintenance Expenses;
- (b) To meet the debt service requirements with respect to, first, the interest due on and, then, the principal of the Parity Bonds by making the required payments into the Principal and Interest Account;
- (c) To make the required payments, if any, into the Common Reserve Subaccount (including amounts required to repay any draws upon a Reserve Security) and into any other account or subaccount in the Bond Fund; and
- (d) For any of the following purposes, without priority: to meet the debt service requirements with respect to any Subordinate Bonds; to redeem and retire any then Outstanding electric revenue bonds or to purchase any or all of those bonds and obligations in the open market as provided in the ordinance authorizing their issuance; to make necessary betterments and replacements of or repairs, additions or extensions to the Electric Utility; to make deposits into the Rate Stabilization Account; or for any other lawful Electric Utility purpose.

Section 5.03 The Bond Fund.

- (a) *Bond Fund Established.* The Bond Fund was created by the City pursuant to Ordinance No. 17-85 for the purpose of paying and securing the payment of principal of and interest on the Parity Bonds as the same becomes due and payable. The Bond Fund is divided into two subaccounts, the Principal and Interest Account and the Reserve Account. The Finance Director may create sinking fund subaccounts or other accounts or subaccounts in the Bond Fund for paying or securing the payment of Parity Bonds, as long as the maintenance of such subaccounts does not conflict with the rights of the owners of any Parity Bonds then Outstanding.
- (b) *Principal and Interest Account.* The Parity Bonds, including the Bonds, are payable (including principal, mandatory redemption requirements, redemption premium, if any, and interest) out of the Principal and Interest Account.
- (c) *The Reserve Account.* The Reserve Account has been previously created for the purpose of securing the payment of the principal of and interest on all Parity Bonds. Except for withdrawals authorized in this section, the money held in those subaccounts within the Reserve Account that is necessary to satisfy the respective Reserve Requirements for each series of Parity Bonds shall otherwise be held intact. Any deficiency created by reason of such a withdrawal shall be made up from the Net Revenue first available after making necessary provision for the required payments into the Principal and Interest Account. However, to the extent required under the applicable Reserve Security policy, the Reserve Insurer with respect to a Reserve Security that has been drawn upon shall be reimbursed first, before available cash is used to restore the remaining balance of the respective Reserve Requirements. Amounts on deposit in the Reserve Account (or any subaccount therein) that are determined to be in excess of the Reserve Requirement shall be deposited in the Principal and Interest Account or into a Rebate Account, to the extent required under the Code. The City reserves the right to substitute one or more Reserve Securities for money previously deposited in the Common Reserve Subaccount and to withdraw such excess as described in the preceding sentence.
- (d) *Reserve Subaccounts.* The Reserve Requirement for the Bonds are provided for in subsection (e), below.

In the ordinance authorizing the issuance of any series of Future Parity Bonds, the City shall: (1) determine whether such series is to be designated as a series of Common Reserve Bonds or is to be secured by a standalone Reserve Subaccount or no reserve subaccount, ***provided that, until the First Parity Covenant Date, each such Reserve Subaccount shall be designated as a Common Reserve Subaccount and, thereafter, such Reserve Subaccount may either: (i) remain a Common Reserve Subaccount; or (ii) become a standalone reserve for which the applicable Reserve Requirement may then be recalculated, reduced or eliminated, as set forth in the relevant authorizing ordinance;*** (2) establish the Reserve Requirement (if any) for that series of Future Parity Bonds, and (3) covenant to maintain such subaccounts within the Reserve Account as may be necessary to satisfy that future Reserve Requirement.

The Common Reserve Subaccounts shall ratably secure the Common Reserve Bonds. If the money in the Principal and Interest Account is insufficient to meet required payments of either interest on or principal of any Common Reserve Bonds, such deficiency shall be made up by the withdrawal of money (or proceeds of Reserve Securities, if available) from the Common Reserve Subaccounts. Any withdrawals from the Common Reserve Subaccounts shall be made on a *pro rata* basis, except when the terms of a Reserve Security require all cash and investments in the Common Reserve Subaccount to be withdrawn before any draw or claim is made on the Reserve Security, or unless the City receives an opinion of Bond Counsel to the effect that such *pro rata* withdrawal is not required to maintain the federal tax benefits (if any) of any then-Outstanding Common Reserve Bonds issued as tax-exempt Bonds or Tax Credit Subsidy Bonds. If multiple Reserve Securities are on deposit in the Common Reserve Subaccounts, draws on such Reserve Securities shall be made on a *pro rata* basis.

(e) *The 2026 Reserve Requirement.* On the Issue Date of each Series of the Bonds, the Finance Director shall cause to be deposited into the Reserve Account (or a Reserve Subaccount created therein for this purpose) an amount which will equal the Reserve Requirement for that Series of the Bonds (if any), which may be funded by any combination of the following methods: (1) in cash deposited on the Issue Date; (2) in cash deposited in approximately equal monthly installments which shall be accumulated by no later than five years from the Issue Date; or (3) by the deposit of one or more Reserve Securities, the face amount of which, together with any cash amount deposited therein, is equal to the Reserve Requirement for the Bonds, if any. The Designated Representative shall determine the Reserve Requirement for each Series of Bonds as of its Issue Date, which shall be set forth in the applicable Bond Purchase Agreement or Pricing Certificate and, as to any Series issued as Tax-Exempt Bonds or Tax Credit Subsidy Bonds, shall be an amount equal to no greater than the Tax Maximum. For so long as the Series remains designated as Common Reserve Bonds the Reserve Requirement shall not be set at a level that would cause the Common Reserve Requirement to exceed the Tax Maximum.

Section 5.04 Required Payments Into the Bond Fund; Investment of Money in the Bond Fund.

(a) *Required Payments Into the Bond Fund.* The City covenants to set aside and pay into the Bond Fund out of the Net Revenue, a fixed amount without regard to any fixed proportion, as follows:

(1) Into the Principal and Interest Account, on or before each debt service payment date, an amount sufficient (together with other money then on

deposit, including investment earnings retained therein) to pay the principal and interest to become due on the Parity Bonds (including required amounts for mandatory redemption of Term Bonds) on that debt service payment date.

(2) Into the Reserve Account, such amounts as may be required (if any) to be deposited to the subaccounts therein to satisfy the Reserve Requirements for the Common Reserve Bonds, as set forth in Section 5.03.

When the total amount on deposit in the Bond Fund shall equal the total amount of principal and interest for all Parity Bonds then Outstanding to the last maturity thereof, no further payment need be made into the Bond Fund and the amounts in the Reserve Account shall be deposited in the Principal and Interest Account to be applied against the last Parity Bonds Outstanding.

(b) *Failure to Make Payments Into the Bond Fund.* If the City fails to set aside and pay into the Bond Fund the amounts set forth above, or fails to pay the principal of and interest on the Bonds when due, in accordance with this ordinance, the owner of any of the Outstanding Parity Bonds may bring action against the City to compel the setting aside and payment of the amounts required.

(c) *Investment of Money in Bond Fund.* Money in the Bond Fund shall, to the fullest extent practicable and reasonable, be invested and reinvested at the direction of the Finance Director solely in, and obligations deposited in such accounts shall consist of, Permitted Investments. Earnings on money and investments in the Principal and Interest Account shall be deposited in and used for the purposes of that fund. Earnings on money and investments in the Reserve Account (and the subaccounts therein) shall be retained in such account or subaccount and credited against amounts required to be deposited therein until the applicable Reserve Requirement is met, and thereafter such earnings shall be deposited in the Principal and Interest Account. In no event shall any money in the Bond Fund or any other money reasonably expected to be used to pay principal of and/or interest on the Bonds be invested at a yield or used in any manner which would cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and applicable regulations thereunder. Any earnings that are subject to a federal tax or rebate requirement may be withdrawn from the Bond Fund for deposit in a Rebate Account as described in Section 7.02.

ARTICLE 6

USE OF BOND PROCEEDS; REFUNDING PLAN

Section 6.01 Disposition and Use of Bond Proceeds.

(a) *Project Fund Deposit.* On the Issue Date, the proceeds of the Bonds that are allocated to the financing of the Plan of Additions shall be deposited in the appropriate accounts of the Electric Utility Fund designated by the Finance Director to pay costs of carrying out the Plan of Additions. If required and as determined by the Designated Representative, proceeds of a Series of the Bonds may be deposited in the Reserve Account (or a Reserve Subaccount for that Series) and/or used to purchase a Reserve Security to satisfy the Reserve Requirement for that Series of the Bonds.

(b) *Refunding Proceeds.* On the Issue Date, the proceeds of the Bonds allocated to the Refunding Plan shall be deposited with the Refunding Trustee to carry out the Refunding Plan as

directed by the City's Designated Representative in accordance with a Refunding Trust Agreement.

(c) *Costs of Issuance.* The portion of the Bond proceeds allocable to payment of costs related to the sale, issuance, and delivery of the Bonds, may deposited, as directed by the Designated Representative, either with the Refunding Trustee for payment in accordance with the Refunding Trust Agreement, or in any other fund of the City (as determined by the Designated Representative) pending their expenditure by the City to pay such costs of issuance.

(d) *Remaining Proceeds (if any).* Any proceeds of the Bonds remaining after the City makes all deposits described in this section shall be deposited into the Bond Fund to pay interest on the next interest payment date.

Section 6.02 Parameters for Approving the Refunding; Minimum Savings. Prior to approving the Bond Sale Terms for the Bonds allocable to the Refunding Plan, the Designated Representative must determine that conditions set forth in item (i)(3) of the parameters set forth in Exhibit A have been (or as of the Issue Date will have been) met or satisfied.

ARTICLE 7 BOND COVENANTS; FUTURE PARITY BONDS

Section 7.01 Bond Covenants. The City covenants and agrees with the Owner of each Bond at any time Outstanding, as follows:

(a) It will establish, maintain and collect rates and charges sufficient to meet the Coverage Requirement.

(b) It will at all times maintain and keep the Electric Utility in good repair, working order and condition, and also will at all times operate that utility, and the business in connection therewith, in an efficient manner and at a reasonable cost.

(c) It will not sell, lease, mortgage, or in any manner encumber or dispose of all, or substantially all, of the property of the Electric Utility unless provision is made for the payment into the Bond Fund of sums sufficient to pay the principal of and interest on the Parity Bonds then Outstanding. Furthermore, it will not sell, lease, mortgage, or in any manner encumber or dispose of, in any year, more than 5% of the property of the Electric Utility that is used, useful and material to the operation thereof, unless provision is made for replacement thereof, or for payment into the Bond Fund of the total amount of the proceeds of such sales, leases, mortgages, encumbrances or dispositions. Any such money so paid into the Bond Fund shall be used to retire the Parity Bonds then Outstanding at the earliest possible date. In addition, it will not contract with another entity operating an electric utility to surrender any substantial territory which the Electric Utility serves or plans to serve with electricity without replacing the Gross Revenue received, or expected to be received, from that territory with revenue from another source or other equivalent compensation.

(d) It will, while any of the Bonds remain Outstanding, keep proper and separate accounts and records in which complete and separate entries shall be made of all transactions relating to the Electric Utility, and it will furnish, at the written request of the owners of \$1,000,000 in Outstanding principal amount of the Bonds, complete operating and income statements of the Electric Utility in reasonable detail covering any calendar year not more than

90 days after the close of such calendar year. Upon request of any owner or owners of any of the Bonds, it will also furnish to such owner or owners a copy of the most recently completed audit of the City's accounts by the State Auditor of Washington, or such other audit as is authorized by law in lieu thereof.

(e) Except to aid the poor and infirm consistent with the state constitution, it will not furnish municipal electric service to any customer (including the City) whatsoever free of charge and will promptly take legal action to enforce collection of all delinquent accounts.

(f) It will carry the type of insurance on its Electric Utility property in the amounts normally carried by private electric utility companies engaged in the operation of electric utility systems, or in the alternative, it may self-insure or, through an association of other municipalities, insure such property in similar amounts. The cost of such insurance or self-insurance shall be considered part of Operation and Maintenance Expenses of the Electric Utility.

(g) It will pay, out of Gross Revenue, all Operation and Maintenance Expenses and the debt service requirements of the Parity Bonds, and will otherwise meet the obligations of the City as herein set forth.

(h) It will not permit or enter into any obligation which is to have a prior or equal claim or lien on the Net Revenue of the Electric Utility except as permitted in Section 7.05 of this ordinance and in compliance with the Parity Bond Test.

Section 7.02 Rebate Account. The Finance Director is authorized to establish and maintain a special fund or account for the purpose of complying with the covenants set forth in Section 8.01(a) relating to arbitrage rebate requirements. All earnings from the investment of Tax-Exempt Bond proceeds, or money treated as Tax-Exempt Bond proceeds under the Code, including money in the Common Reserve Subaccount and allocated to a Tax-Exempt Series of Bonds, in excess of the earnings invested at the yield on such Bonds determined under the Code, shall be deposited in such fund or account, and any earnings therefrom shall be retained therein until required by the Code to be paid to the United States government or until it shall be determined that such money is not required to be so paid. Such fund or account shall be a trust fund established for the benefit of the United States government.

Section 7.03 Rate Stabilization Account. The Finance Director may, at any time consistent with the flow of funds set forth in Section 5.02 of this ordinance, deposit Net Revenue (and any other available money of the City, excluding principal proceeds of any Future Parity Bonds or other borrowing) into the Rate Stabilization Account. The City may, upon authorization by ordinance, at any time withdraw money from the Rate Stabilization Account for inclusion in the Adjusted Net Revenue for the current Fiscal Year, except that the total amount withdrawn from the Rate Stabilization Account in any Fiscal Year may not exceed an amount equal to the total debt service of the Electric Utility in that year. Such deposits or withdrawals may be made up to and including the date 90 days after the end of the Fiscal Year for which the deposit or withdrawal will be included as Adjusted Net Revenue. Earnings from investments in the Rate Stabilization Account shall be retained in that account and shall not be included as Net Revenue unless and until withdrawn from that account as provided herein. The City may deposit earnings from investments in the Rate Stabilization Account into any Electric Utility fund or account as authorized by ordinance, and such deposits shall be included as Adjusted Net

Revenue in the year of deposit. No deposit of Net Revenue shall be made into the Rate Stabilization Account to the extent that such deposit would prevent the City from meeting the Coverage Requirement in the relevant Fiscal Year.

Section 7.04 Contract Resource Obligations. The City may at any time enter into one or more Contract Resource Obligations for the acquisition, from facilities to be constructed, of electric energy supply, transmission or other commodity or service relating to the Electric Utility. The City may determine that, and may agree under a Contract Resource Obligation to provide that, all payments under that Contract Resource Obligation (including payments prior to the time that electric energy supply or transmission or other commodity or service is being provided, or during a suspension or after termination of supply or service) shall be Operation and Maintenance Expenses if the payments required to be made under the Contract Resource Obligation are not subject to acceleration and the following additional requirements are met at the time such a Contract Resource Obligation is entered into or is deemed to be a Contract Resource Obligation hereunder:

(a) No event of default has occurred and is continuing under the terms of any debt obligation of the City in respect of the Electric Utility; and

(b) There shall be on file a certificate of an independent licensed professional engineer or engineering firm stating that in his, her or its professional opinion:

(1) the payments to be made by the City in connection with the Contract Resource Obligation are reasonable for the supply or transmission rendered;

(2) the source of any new supply, and any facilities to be constructed to provide the supply or transmission, are sound from an electric energy or other commodity supply or transmission planning standpoint, are technically and economically feasible in accordance with prudent utility practice, and are likely to provide supply or transmission no later than a date set forth in the independent licensed professional engineer's certification; and

(3) the Net Revenue of the Electric Utility will be sufficient to meet the Coverage Requirement for each of the five Fiscal Years following the year in which the Contract Resource Obligation is incurred, where the calculation of Net Revenue: (i) takes into account the adjustments to Gross Revenue permitted under the Parity Bond Test; and (ii) adjusts the Operation of Maintenance Expenses by the independent licensed professional engineer's estimate of the payments to be made in accordance with the Contract Resource Obligation.

Nothing in this section shall prevent the City from entering into other agreements for the acquisition of electric energy supply, transmission or other commodity or service relating to the Electric Utility from existing facilities and from treating those payments as Operation and Maintenance Expenses. Nothing in this section shall prevent the City from entering into other agreements for the acquisition of electric energy supply, transmission or other commodity or service from facilities to be constructed and from agreeing to make payments with respect thereto, such payments constituting a lien and charge on the Net Revenue of the Electric Utility subordinate to that of the Parity Bonds.

Section 7.05 Future Parity Bonds; Subordinate Bonds. The City covenants with the owner of each of the Bonds for as long as any of the same are Outstanding that it will not create any special fund or funds for the payment of the principal of and interest on any additional electric revenue bonds or incur any other obligation that will have any priority over the payments that are required by this ordinance to be made into the Bond Fund out of the Net Revenue. With respect to Future Parity Bonds, the City covenants that it will issue Future Parity Bonds only if the Parity Bond Test is met and complied with at the time of issuance of such Future Parity Bonds. If the Parity Bond Test is met and complied with at the time of the issuance of such Future Parity Bonds, then payments into the Bond Fund with respect to such Future Parity Bonds shall rank equally with the payments out of the Net Revenue required to be made into the Bond Fund by the ordinances authorizing the issuance of Outstanding Parity Bonds and this ordinance. Nothing in this ordinance shall prevent the City from issuing Subordinate Bonds.

ARTICLE 8 FEDERAL TAX AND DISCLOSURE MATTERS.

Section 8.01 Federal Tax Matters. For each Series of the Bonds, the City's Designated Representative shall determine whether such Series is to be issued as Tax-Exempt Bonds, Tax Credit Subsidy Bonds or Taxable Bonds, and may approve such additional terms and covenants relating to federal tax matters as the Designated Representative deems necessary or appropriate, including the following:

(a) *Tax-Exempt Bonds*. For each Series of the Bonds issued as Tax-Exempt Bonds, the City covenants that it will take all actions that are reasonably within its power and necessary to prevent interest on that Series from being included in gross income for federal income tax purposes. The City further covenants that it will neither take any action nor make or permit any use of gross proceeds of that Series (or other funds of the City treated as gross proceeds of that Series) at any time during the term of such Series that will cause interest on such Series to be included in gross income for federal income tax purposes. The City also covenants that, to the extent the arbitrage rebate requirement of Section 148 of the Code is applicable to any Series issued as Tax-Exempt Bonds, it will take all actions necessary to comply (or to be treated as having complied) with that requirement in connection with that Series (including the calculation and payment of any penalties that the City may elect to pay as an alternative to calculating rebatable arbitrage and the payment of any other penalties if required under Section 148 of the Code) to prevent interest on such Series from being included in gross income for federal income tax purposes.

(b) *Taxable Bonds; Tax Credit Subsidy Bonds*. For each Series of the Bonds issued as Taxable bonds or as Tax Credit Subsidy Bonds, if any, the Designated Representative is authorized to make provision in the Bonds and related documents, to execute additional written agreements, and to make additional covenants on behalf of the City, all as he or she may deem necessary or appropriate in order to obtain, maintain, and administer such tax status. In the case of Tax Credit Subsidy Bonds, such additional covenants and agreement may include (without limiting the generality of the foregoing) those necessary in order for the City: (i) to receive from the United States Treasury the applicable Tax Credit Subsidy Payments in respect of such Tax Credit Subsidy Bonds; and (ii) to ensure that such Series otherwise become and remain eligible for tax benefits under the Code.

(b) *Post-Issuance Compliance.* The Finance Director is authorized and directed to review and update the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bonds from being included in gross income for federal tax purposes.

Section 8.02 Official Statement; Continuing Disclosure.

(a) *Preliminary Official Statement.* The Designated Representative and other appropriate City officials are directed to cause the preparation of and review the form of a preliminary Official Statement in connection with each sale of one or more Series to the public. For the sole purpose of an underwriter's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The City approves the distribution to potential purchasers of the Bonds of a preliminary Official Statement that has been deemed final in accordance with this subsection.

(b) *Final Official Statement.* The City approves the preparation of a final Official Statement for the Bonds to be sold to the public in the form of the preliminary Official Statement that has been deemed final in accordance with subsection (a), with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Purchaser, if required under Rule 15c2-12. The City authorizes and approves the distribution by the Purchaser of the final Official Statement so executed and delivered to purchasers and potential purchasers of the Bonds.

(c) *Agreement to Provide Continuing Disclosure.* If necessary to meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to the Purchaser acting as a participating underwriter for the Bonds, the Designated Representative is authorized to execute a written undertaking to provide continuing disclosure for the benefit of holders of the Bonds (the "Continuing Disclosure Agreement") in substantially the form attached as Exhibit D.

ARTICLE 9

AMENDMENTS; DEFAULTS AND REMEDIES

Section 9.01 Amendatory Ordinances. This ordinance shall not be modified or amended in any respect subsequent to the initial issuance of the Bonds, except as provided in and in accordance with and subject to the provisions of this section. Ordinances authorizing the issuance of Future Parity Bonds shall not be deemed to be supplemental or amendatory ordinances described in this section.

(a) *Amendments Not Requiring Consent.* The City may from time to time and at any time, without the consent of or notice to the Registered Owners of the Parity Bonds at the time Outstanding, pass amendatory ordinances as set forth below. Before the City shall pass any such amendatory ordinance pursuant to this subsection (b), there shall have been delivered to the City an opinion of Bond Counsel, stating that such amendatory ordinance is authorized or permitted by this ordinance and will, upon the execution and delivery thereof, be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on any Parity Bonds issued as tax-exempt bonds.

(1) to cure any formal defect, omission, inconsistency or ambiguity in this ordinance in a manner not adverse to the Owner of any Parity Bond;

(2) to impose upon the Bond Registrar (with its consent) for the benefit of the Owners of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this ordinance as theretofore in effect;

(3) to add to the covenants and agreements of, and limitations and restrictions upon, the City in this ordinance other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this ordinance as theretofore in effect;

(4) to confirm, as further assurance, any pledge under, and to subject to any claim, lien or pledge created or to be created by, this ordinance any other money, securities or funds;

(5) to authorize different denominations of the Bonds and to make correlative amendments and modifications to this ordinance regarding exchangeability of Outstanding Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature; and

(6) to modify, alter, amend or supplement this ordinance in any other respect which is not materially adverse to the Owners of the Parity Bonds at the time Outstanding, and which does not involve a change described in subsection (c) of this section.

(b) *Amendments Requiring Supermajority Consent.* In addition to an amendatory ordinance passed pursuant to subsection (b) above, the Registered Owners of not less than 60% in aggregate principal amount of Parity Bonds then Outstanding shall have the right from time to time to consent to and approve the passage by the City of any amendatory ordinance deemed necessary or desirable by the City Council for the purpose of amending or supplementing, in any particular, any of the terms or provisions contained in this ordinance, as follows:

(1) Prior to passage of the proposed amendatory ordinance, the City shall cause notice of the proposed amendatory ordinance to be given by first class United States mail to all Registered Owners of the Parity Bonds then Outstanding, to any Bond Insurer providing a bond insurance policy then in effect with respect to an issue of Parity Bonds, to the extent required under such policy, and each Rating Agency. Such notice shall briefly set forth the nature of the proposed amendatory ordinance and shall state that a copy thereof is on file at the office of the City Clerk for inspection by all Registered Owners of the Outstanding Bonds.

(2) Within two years after the date of the mailing of such notice, the City may pass such amendatory ordinance in substantially the form described in such notice, but only if there shall have first been delivered to the Bond Registrar (i) the required consents, in writing, of the Registered Owners of the Bonds, and (ii) an opinion of Bond Counsel stating that such amendatory ordinance is authorized or permitted by this ordinance and, upon the execution and delivery

thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of the interest on the Bonds.

(3) If Registered Owners of not less than 60% of Parity Bonds then Outstanding have consented to the passage of the amendatory ordinance as herein provided, no owner of the Bonds shall have any right to object to the passage of such amendatory ordinance, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City from passing the same or from taking any action pursuant thereto.

(c) *Amendments Requiring Unanimous Consent.* Nothing contained in this section shall permit, or be construed as permitting, except upon consent of all of the Registered Owners of the Parity Bonds then Outstanding: (i) a change in the times, amounts or currency of payment of the principal of or interest on any Parity Bond then Outstanding, or a reduction in the principal amount or redemption price of any Parity Bond then Outstanding, or a change in the method of redemption or redemption price of any Parity Bond then Outstanding, or a change in the method of determining the rate of interest thereon; (ii) a preference or priority of any bond or bonds over any other bond or bonds; or (iii) a reduction in the aggregate principal amount of Parity Bonds.

(d) *Effect of Amendment.* Upon the passage of any amendatory ordinance pursuant to the provisions of this section, this ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this ordinance of the City and all Registered Owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced under this ordinance subject in all respects to such amendments.

Section 9.02 Defaults and Remedies. *The following Section 9.02 shall go into effect as of the First Parity Covenant Date:*

(a) Events of Default. *The following shall constitute "Events of Default" with respect to the Bonds:*

(1) *If a default is made in the payment of the principal of or interest on any of the Bonds when the same shall become due and payable; or*

(2) *If the City defaults in the observance and performance of any other of the covenants, conditions and agreements on the part of the City set forth in this ordinance or any covenants, conditions or agreements on the part of the City contained in any Parity Bond authorizing ordinance and such default or defaults have continued for a period of six months after they have received from the Bondowners' Trustee (as defined below) or from the registered owners of not less than 25% in principal amount of the Parity Bonds, a written notice specifying and demanding the cure of such default. However, if the default in the observance and performance of any other of the covenants, conditions and agreements is one which cannot be completely remedied within the six months after written notice has been given, it shall not be an Event of Default with respect to the Bonds as long as the City has taken active steps within 90 days after written notice has been given to remedy the default and is diligently pursuing such remedy.*

(3) *If the City files a petition in bankruptcy or is placed in receivership under any state or federal bankruptcy or insolvency law.*

(b) *Bondowners' Trustee. So long as such Event of Default has not been remedied, a bondowners' trustee (the "Bondowners' Trustee") may be appointed by the registered owners of 25% in principal amount of the Parity Bonds then outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Parity Bonds or by their attorneys-in-fact duly authorized and delivered to such Bondowners' Trustee, notification thereof being given to the City. That appointment shall become effective immediately upon acceptance thereof by the Bondowners' Trustee. Any Bondowners' Trustee appointed under the provisions of this section shall be a bank or trust company organized under the laws of the State of Washington or the State of New York or a national banking association. The bank or trust company acting as Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed, by the registered owners of a majority in principal amount of the Parity Bonds, by an instrument or concurrent instruments in writing signed and acknowledged by such registered owners of the Bonds or by their attorneys-in-fact duly authorized. The Bondowners' Trustee may require such security and indemnity as may be reasonable against the costs, expenses and liabilities that may be incurred in the performance of its duties. If any Event of Default is, in the sole judgment of the Bondowners' Trustee, cured and the Bondowners' Trustee furnishes to the City a certificate so stating, that Event of Default shall be conclusively deemed to be cured and the City, the Bondowners' Trustee and the registered owners of the Parity Bonds shall be restored to the same rights and position which they would have held if no Event of Default had occurred. The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is declared to be a trustee for the registered owners of all the Parity Bonds and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.*

(c) *Suits at Law or in Equity. Upon the happening of an Event of Default and during the continuance thereof, the Bondowners' Trustee may (and, upon the written request of the registered owners of not less than 25% in principal amount of the Parity Bonds outstanding, must) take such steps and institute such suits, actions or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the registered owners of the Parity Bonds, to collect any amounts due and owing to or from the City, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this ordinance or in any of the Parity Bonds. Any action, suit or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the owners of the Parity Bonds and all such rights of action upon or under any of the Parity Bonds or the provisions of this ordinance may be enforced by the Bondowners' Trustee without the possession of any of those Parity Bonds and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law. Any such suit, action or proceeding instituted by the Bondowners' Trustee shall be brought for the ratable benefit of all of the owners of those Parity Bonds, subject to the provisions of this ordinance. The respective owners of the Parity Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective owners of those Parity Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of those Parity Bonds; to execute any paper or documents for the receipt of money; and to do all acts with respect thereto that the registered owner himself or herself might have done in*

person. Nothing herein shall be deemed to authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf of any registered owner of the Parity Bonds, any plan of reorganization or adjustment affecting the Parity Bonds or any right of any registered owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the registered owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the City is a party.

(d) No Acceleration. Nothing contained in this section shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Parity Bonds, and the remedy of acceleration is expressly denied to the owners of the Parity Bonds under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

(e) Application of Money Collected by Bondowners' Trustee. Any money collected by the Bondowners' Trustee at any time pursuant to this section shall be applied in the following order of priority:

(1) First, to the payment of the charges, expenses, advances and compensation of the Bondowners' Trustee and the charges, expenses, counsel fees, disbursements and compensation of its agents and attorneys.

(2) Second, to the payment to the persons entitled thereto of all installments of interest then due on the Parity Bonds in the order of maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the persons entitled thereto, without any discrimination or preference.

(3) Third, to the payment to the persons entitled thereto of the unpaid principal amounts of any Parity Bonds which shall have become due (other than Parity Bonds previously called for redemption for the payment of which money is held pursuant to the provisions hereto), whether at maturity or by proceedings for redemption or otherwise, in the order of their due dates and, if the amount available shall not be sufficient to pay in full the principal amounts due on the same date, then to the payment thereof ratably, according to the principal amounts due thereon to the persons entitled thereto, without any discrimination or preference.

(f) Duties and Obligations of Bondowners' Trustee. The Bondowners' Trustee shall not be liable except for the performance of such duties as are specifically set forth herein. During an Event of Default, the Bondowners' Trustee shall exercise such of the rights and powers vested in it hereby, and shall use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Bondowners' Trustee shall have no liability for any act or omission to act hereunder except for the Bondowners' Trustee's own negligent action, its own negligent failure to act or its own willful misconduct. The duties and obligations of the Bondowners' Trustee shall be determined solely by the express provisions of this ordinance, and no implied powers, duties or obligations of the Bondowners' Trustee shall be read into this ordinance. The Bondowners' Trustee shall not be required to expend or risk its own funds or otherwise incur individual liability in the performance of any of its duties or in the exercise of any of its rights or powers as

the Bondowners' Trustee, except as may result from its own negligent action, its own negligent failure to act or its own willful misconduct. The Bondowners' Trustee shall not be bound to recognize any person as a registered owner of any Bond until his or her title thereto, if disputed, has been established to its reasonable satisfaction. The Bondowners' Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Bondowners' Trustee shall not be answerable for any neglect or default of any person, firm or corporation employed and selected by it with reasonable care.

(g) *Suits by Individual Bondowners Restricted. Neither the registered owner nor the beneficial owner of any one or more of Parity Bonds shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of same unless:*

- (1) an Event of Default has happened and is continuing; and*
- (2) a Bondowners' Trustee has been appointed; and*
- (3) such owner previously shall have given to the Bondowners' Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted; and*
- (4) the registered owners of 25% in principal amount of the then outstanding Parity Bonds have made, after the occurrence of such Event of Default, written request of the Bondowners' Trustee and have afforded the Bondowners' Trustee a reasonable opportunity to institute such suit, action or proceeding; and*
- (5) there have been offered to the Bondowners' Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and*
- (6) the Bondowners' Trustee has refused or neglected to comply with such request within a reasonable time.*

No registered owner or beneficial owner of any Parity Bond shall have any right in any manner whatever by his or her action to affect or impair the obligation of the City to pay from the Net Revenue the principal of and interest on such Parity Bonds to the respective owners thereof when due.

ARTICLE 10 MISCELLANEOUS

Section 10.01 Refunding or Defeasance of the Bonds. The City may issue refunding bonds pursuant to State law or use money available from any other lawful source to carry out a refunding or defeasance plan, which may include: (a) paying when due the principal of and interest on any or all of the Bonds (the "defeased Bonds"); (b) redeeming the defeased Bonds prior to their maturity; and (c) paying the costs of the refunding or defeasance. If the City sets aside in a special trust fund or escrow account irrevocably pledged to that redemption or defeasance (the "trust account") money and/or Government Obligations maturing at a time or times and bearing interest in amounts sufficient to redeem, refund or defease the defeased Bonds in accordance with their terms, then all right and interest of the Owners of the defeased Bonds in

the covenants of this ordinance and (except as hereinafter provided) in the Net Revenue of the Electric Utility, funds and accounts obligated to the payment of the defeased Bonds shall cease and become void. Thereafter, the Owners of defeased Bonds shall have the right to receive payment of the principal of and interest on the defeased Bonds from the trust account and, if funds in the trust account are not available for such payment, shall have the residual right to receive payment of the principal of and interest on the defeased Bonds from the Net Revenue of the Electric Utility without any priority of lien or charge against that revenue or covenants with respect thereto except to be paid therefrom. After the establishing and full funding of such a trust account, the City may then apply any money in any other fund or account established for the payment or redemption of the defeased Bonds to any lawful purposes as it shall determine, subject only to the rights of the owners of any other Parity Bonds then Outstanding.

Unless otherwise specified by the City in a refunding or defeasance plan, notice of refunding or defeasance shall be given, and selection of Bonds for any partial refunding or defeasance shall be conducted, in the manner prescribed in this ordinance for the redemption of Bonds.

If the refunding or defeasance plan provides that the defeased Bonds or the refunding bonds to be issued be secured by money and/or Government Obligations pending the prior redemption of the defeased Bonds and if such refunding plan also provides that certain money and/or Government Obligations are pledged irrevocably for the prior redemption of the defeased Bonds included in that refunding plan, then only the debt service on the Bonds which are not defeased Bonds and the refunding bonds, the payment of which is not so secured by the refunding plan, shall be included in the computation of the Coverage Requirement for the issuance of Future Parity Bonds and the annual computation of coverage for determining compliance with the rate covenants.

Section 10.02 Sale and Delivery of the Bonds.

(a) *Manner of Sale of Bonds; Delivery of Bonds.* The Designated Representative is authorized to sell each Series of Bonds by negotiated sale, direct placement or competitive sale, based on the assessment of the Designated Representative of market conditions, in consultation with appropriate City officials, staff, municipal advisors, Bond Counsel and other advisors. In determining the method of sale and accepting the Bond Sale Terms, the Designated Representative shall take into account those factors that, in the judgment of the Designated Representative, may be expected to result in the lowest true interest cost to the City.

(b) *Procedure for Negotiated Sale or Direct Placement.* If the Designated Representative determines that a Series of Bonds is to be sold by negotiated sale or direct placement, the Designated Representative shall select one or more Purchasers with which to negotiate such sale. The Bond Purchase Agreement shall set forth the Bond Sale Terms. The Designated Representative is authorized to execute and deliver the Bond Purchase Agreement on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

(c) *Procedure for Competitive Sale.* If the Designated Representative determines that a Series of Bonds are to be sold by competitive sale, the Designated Representative shall cause the preparation of an official notice of bond sale setting forth bid parameters that the Designated Representative deems appropriate consistent with this ordinance. Bids for the purchase of the

Bonds shall be received at such time or place and by such means as the Designated Representative directs. On the date and time established for the receipt of bids, the Designated Representative (or the designee of the Designated Representative) shall accept bids and shall cause the bids to be mathematically verified. The Designated Representative is authorized to award, on behalf of the City, the winning bid and to accept the winning bidder's offer to purchase the Bonds with such adjustments to the aggregate principal amount and principal amount per maturity as the Designated Representative deems appropriate consistent with the terms of this ordinance. The Designated Representative may reject any or all bids submitted and may waive any formality or irregularity in any bid or in the bidding process if the Designated Representative deems it to be in the City's best interest to do so. If all bids are rejected, the Bonds may be sold pursuant to negotiated sale or in any manner provided by law as the Designated Representative determines is in the best interest of the City, within the parameters set forth in this ordinance.

(d) *Preparation, Execution and Delivery of the Bonds.* The Bonds will be prepared at City expense and will be delivered to the Purchaser in accordance with the Bond Purchase Agreement, together with the approving legal opinion of Bond Counsel regarding the Bonds.

Section 10.03 General Authorization and Ratification. The Designated Representative and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of each Series of Bonds to the Purchaser and for the proper application, use and investment of the proceeds of the Bonds. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 10.04 Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

This space intentionally left blank.

Section 10.05 Effective Date of Ordinance. This ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the ____ day of December, 2025.

Theresa Richardson
Mayor

ATTEST:

APPROVED AS TO FORM:

Jennifer Rogers
City Clerk

Heather Kintzley
City Attorney

First Reading: _____
Second Reading: _____
Date Published: _____

Exhibit A - PARAMETERS FOR BOND SALE TERMS

- (a) Principal Amount. The maximum aggregate principal amount of Bonds of all Series authorized by this ordinance shall not exceed \$25,000,000.
- (b) Date or Dates. Each Bond shall be dated its Issue Date, as determined by the Designated Representative, which date may not be later than one year after the effective date of this ordinance.
- (c) Denominations, Name, etc. The Bonds shall be issued in Authorized Denominations and shall be numbered separately in the manner and shall bear any name and additional designation as deemed necessary or appropriate by the Designated Representative.
- (d) Interest Rate(s). Each Bond shall bear interest from its Issue Date or from the most recent date to which interest has been paid or duly provided, whichever is later, unless otherwise provided in the Bond Purchase Agreement and the Bonds. Each Series of the Bonds shall bear interest at one or more fixed interest rates. The true interest cost for any fixed rate Series may not exceed a rate of 5.50% per annum.
- (e) Payment Dates. Interest shall be payable on dates acceptable to the Designated Representative, which shall include payment at the maturity of each Bond, on any mandatory redemption date for Term Bonds, and on any other redemption date. Principal payments shall commence on a date acceptable to the Designated Representative and shall be payable at maturity and in mandatory redemption installments for Term Bonds on dates acceptable to the Designated Representative.
- (f) Maturities; Final Maturity. The final maturity of the Bonds allocated to the Plan of Additions shall mature no later than the next annual principal payment date occurring 31 years after their Issue Date. The final maturity of the Bonds allocated to the Refunding Plan may not be later than twelve months after the date of final maturity of the Refunded Bonds.
- (g) Redemption Prior to Maturity. The Designated Representative may approve in the Bond Purchase Agreement provisions for the optional and mandatory redemption of Bonds, subject to the following:
- (1) Optional Redemption. The Designated Representative may designate any Bond as subject to optional redemption prior to its maturity. Any Bond that is subject to optional redemption prior to maturity must be callable on at least one or more date(s) occurring not more than 10½ years after the Issue Date, consistent with Section 4.02(a).
 - (2) Mandatory Redemption. The Designated Representative may designate any Bond as a Term Bond, subject to mandatory redemption prior to its maturity on the dates and in principal payment amounts set forth in mandatory redemption payments, consistent with Section 4.02(b).

- (3) Extraordinary Redemption. The Designated Representative may designate any Bond as subject to extraordinary optional redemption or extraordinary mandatory redemption upon the occurrence of an extraordinary event, as such event or events may be set forth in the Bond Purchase Agreement and related documents, consistent with Section 4.02(c).
- (h) Price. The purchase price for any Series of Bonds may not be less than 98.0% or more than 135.0% of the stated principal amount of that Series.
- (i) Other Terms and Conditions.
- (1) Expected Life of Capital Facilities. As of the Issue Date of each Series, the Designated Representative must find to his or her satisfaction that the average expected life of the capital facilities to be financed with the proceeds (or allocable share of proceeds) of that Series must exceed the weighted average maturity of such Series (or share thereof allocated to financing those capital facilities).
- (2) Satisfaction of Parity Bond Test. The Designated Representative must determine that the Parity Bond Test has been met or satisfied by the Issue Date.
- (3) Refunding Conditions. The Designated Representative shall select the Refunded Bonds from among the Refunding Candidates. The Designated Representative must find that:
- (a) The net present value savings that will be effected (as measured by the difference between the principal and interest cost over the life of the Bonds allocable to the Refunding Plan and the principal and interest cost over the life of the Refunded Bonds, but for such refunding) shall be not less than 3.00%. In making such determination, the Designated Representative shall give consideration to the fixed maturities of the Bonds and the Refunded Bonds, the costs of issuance of the Bonds and the known earned income from the investment of the proceeds of the Bonds pending redemption of the Refunded Bonds.
- (b) The Refunding Plan will provide sufficient funds to discharge and satisfy the obligations of the City with respect to the Refunded Bonds under the Refunded Bond Ordinance. In making such determination, the Designated Representative may rely upon a certification or verification by a nationally recognized independent certified public accounting firm or a certification provided by the City's municipal advisor.
- (4) Additional Credit Enhancement, Terms, Conditions and Agreements. The Designated Representative may determine whether it is in the City's best interest to provide for bond insurance or other credit enhancement or for the purchase of a Reserve Security; and may accept such additional terms, conditions and covenants as he or she may determine are in the best interests of the City, consistent with this ordinance.

Exhibit B – PARITY BOND TEST

The following conditions must be satisfied at the time of issuance of any Future Parity Bonds:

(a) There may be no deficiency in the Principal and Interest Account, in any subaccount within the Reserve Account (or the subaccounts therein), or in any other account required to be funded within the Bond Fund.

(b) The ordinance authorizing any Future Parity Bonds must determine whether such Future Parity Bonds will be designated as Common Reserve Bonds, set the Reserve Requirement (which may be zero) for such Future Parity Bonds, and provide for the satisfaction of that Reserve Requirement.

(c) The City must have on file with the City Clerk either:

(1) a certificate of the Finance Director of the City, supported by the Electric Utility financial statements, demonstrating that the Adjusted Net Revenue of the Electric Utility for any twelve consecutive months out of the 24 months preceding the dated date of the proposed bonds will be sufficient to satisfy the Coverage Requirement with respect to the Parity Bonds then Outstanding, plus the Future Parity Bonds proposed to be issued; or

(2) a certificate from an independent licensed professional engineer or engineering firm showing that in his, her or its professional opinion the Adjusted Net Revenue of the Electric Utility, which will be available in each succeeding year for the payment of principal of and interest on all Parity Bonds then Outstanding and the Future Parity Bonds, will be sufficient to satisfy the Coverage Requirement with respect to the Parity Bonds then Outstanding, plus the Future Parity Bonds proposed to be issued. Computation of estimated future Adjusted Net Revenue of the Electric Utility shall be based upon income and expense statements of the Electric Utility for any twelve consecutive months out of the 24 months preceding the dated date of the proposed bonds, plus additional adjustments, which may reflect:

(i) any current changes in Net Revenue of the Electric Utility for the base period which would have occurred if the schedule of rates and charges in effect at the time of the computation (or approved by the City Council as of the time of such computation and to become effective within 30 days thereof) had been in effect during the portion of the period in which such schedule was not in effect;

(ii) a full twelve months of revenue from any customers of the Electric Utility added prior to the computation date;

(iii) the loss of customers since that period;

(iv) any changes in Net Revenue of the Electric Utility estimated to be received as a result of, and upon completion of, any facilities under construction or to be acquired, constructed or installed as a part of the Electric Utility which are not reflected fully in the base period statement; and

(v) Annualized net revenue from the improvements to be financed from the proceeds of the proposed Future Parity Bonds.

(d) If the Future Parity Bonds proposed to be issued are for the sole purpose of refunding any Parity Bonds then Outstanding, the certificate referred to in paragraph (c), above, shall not be required, so long as the Maximum Annual Debt Service for the proposed Future Parity Bonds is less than the Maximum Annual Debt Service for the Parity Bonds to be refunded, and the final maturity of the proposed Future Parity Bonds is not extended beyond the final maturity of the Parity Bonds to be refunded.

Prior: Ordinance No. 46-15, Exhibit B
Ordinance No. 08-18, Exhibit B
Ordinance No. 54-19, Exhibit B
Ordinance No. 30-21, Exhibit B
Ordinance No. 2023-06, Exhibit B

Exhibit C - DESCRIPTION OF PLAN OF ADDITIONS

The Plan of Additions consists of those planned additions and betterments to and extensions of the Electric Utility consist of those Electric Utility projects set forth in the City's 2026-2031 Capital Improvement Plan approved November 2025, in conjunction with approval of the 2026 budget, as such plan may be amended from time to time.

A summary of the capital expenditures expected to be financed, in whole or in part, with proceeds of the Bonds is as follows:

- 2026 Dalles Road Substation Construction
- 2026 Thayer Substation Rebuild
- 2026 Sandhill Crane Station Bank 3 and 4 (Design)
- 2027 Sandhill Crane Substation Bank 3 and 4 (Construction)
- 2027 Dallas Road Substation

Exhibit D
[Form of]
CONTINUING DISCLOSURE AGREEMENT

City of Richland, Washington
Electric Revenue Improvement and Refunding Bonds, 2026

For the sole purpose of assisting the Purchaser in meeting the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the Bonds, the City of Richland, Washington (the “City”), makes the following written undertaking for the benefit of holders of the Owners of the City’s Electric Utility Revenue Refunding and Improvement Bonds, 2026 (the “Bonds”).

Capitalized terms used but not defined below shall have the meanings given in Ordinance No. 2025-37 of the City (the “Bond Ordinance”).

(a) Undertaking to Provide Annual Financial Information and Notice of Listed Events. The City undertakes to provide or cause to be provided, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (the “MSRB”), in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

- (i) Annual financial information and operating data of the type included in the final official statement for the Bonds and described in paragraph (b) (“Annual Financial Information”). If audited financial statements are unavailable, the timely filing of unaudited financial statements shall satisfy the requirements and filing deadlines set forth in subsection (b), and the City agrees to file audited financial statements if and when they are otherwise prepared and available to the City.
- (ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than

pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation (as such term is defined below) of the City, any of which reflect financial difficulties; and (16) incurrence of a Financial Obligation of the City or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the City, any of which affect security holders.

“Financial Obligation” means: (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 and the issuer thereof has entered into a continuing disclosure undertaking for such municipal securities.

- (iii) Timely notice of a failure by the City to provide required annual financial information on or before the dates specified in paragraph (b) below.

(b) Type of Annual Financial Information Undertaken to be Provided.

- (i) The annual financial information that the City undertakes to provide in paragraph (a) shall consist of: (1) annual financial statements prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to local governmental units of the State such as the City, as such principles may be changed from time to time, which statements may be unaudited, provided, however, that if and when audited financial statements are prepared and available they will be provided; (2) a statement of the total amount of outstanding Parity Bonds, (3) debt service coverage ratios, and (4) general customer statistics for the Electric Utility. ***[Subject to revision to conform to the information to be provided in the Official Statement.]***
- (ii) The Annual Financial Information shall be provided not later than the last day of the ninth month after the end of each Fiscal Year of the City (currently, a fiscal year ending December 31), as such Fiscal Year may be changed as required or permitted by State law, commencing with the City’s Fiscal Year ending December 31, 2025.
- (iii) The Annual Financial Information may be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

(c) Amendment of Continuing Disclosure Agreement. This Continuing Disclosure Agreement is subject to amendment after the primary offering of the Bonds without the consent of any Owner or holder of any Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12, including: (i) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements,

change in law, or change in the identity, nature, or status of the City, or type of business conducted; (ii) the undertaking, as amended, would have complied with the requirements of the rule at the time of the primary offering, after taking into account any amendments or interpretations of the rule, as well as any change in circumstances; and (iii) the amendment does not materially impair the interests of holders, as determined either by parties unaffiliated with the City (e.g., bond counsel or other counsel familiar with federal securities laws), or by approving vote of bondholders pursuant to the terms of the Bond Ordinance at the time of the amendment.

The City will give notice to the MSRB of the substance (or provide a copy) of any amendment to this Continuing Disclosure Agreement and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

(d) Beneficiaries. This Continuing Disclosure Agreement shall inure to the benefit of the City and the Beneficial Owner of each Bond, and shall not inure to the benefit of or create any rights in any other person.

(e) Termination of Continuing Disclosure Agreement. The City's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. In addition, the City's obligations under this Continuing Disclosure Agreement shall terminate if the provisions of Rule 15c2-12 that require the City to comply with this Continuing Disclosure Agreement become legally inapplicable in respect of the Bonds for any reason, as confirmed by an opinion of nationally recognized bond counsel familiar with federal securities laws delivered to the City, and the City provides timely notice of such termination to the MSRB.

(f) Remedy for Failure to Comply with Continuing Disclosure Agreement. As soon as practicable after the City learns of any material failure to comply with this Continuing Disclosure Agreement, the City will proceed with due diligence to cause such noncompliance to be corrected. No failure by the City or other obligated person to comply with this Continuing Disclosure Agreement shall constitute a default in respect of the Bonds. The sole remedy of any Owner of a Bond shall be to take such actions as that Owner deems necessary, including seeking an order of specific performance from an appropriate court, to compel the City or other obligated person to comply with this Continuing Disclosure Agreement.

(g) Designation of Official Responsible to Administer Continuing Disclosure Agreement. The Finance Director or his or her designee is the person designated, in accordance with the Bond Ordinance, to carry out the Continuing Disclosure Agreement of the City in respect of the Bonds set forth in this section and in accordance with Rule 15c2-12, including, without limitation, the following actions:

- (i) Preparing and filing the annual financial information undertaken to be provided;
- (ii) Determining whether any event specified in paragraph (a) has occurred, assessing its materiality, where necessary, with respect to the Bonds, and preparing and disseminating any required notice of its occurrence;
- (iii) Determining whether any person other than the City is an "obligated person" within the meaning of Rule 15c2-12 with respect to the Bonds, and obtaining from such person an Continuing Disclosure Agreement to provide any annual

financial information and notice of listed events for that person required under Rule 15c2-12;

- (iv) Selecting, engaging and compensating designated agents and consultants, including municipal advisors and legal counsel, to assist and advise the City in carrying out this Continuing Disclosure Agreement; and
- (v) Effecting any necessary amendment of this Continuing Disclosure Agreement.

CERTIFICATION

I, the undersigned, City Clerk of the City of Richland, Washington (the “City”), hereby certify as follows:

1. The attached copy of Ordinance No. 2025-37 (the “Ordinance”) is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on December ____ 2025, as that ordinance appears on the minute book of the City.

2. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

Dated: _____, 2025.

CITY OF RICHLAND, WASHINGTON

Jennifer Rogers, City Clerk

11/18/25 UPDATE



City of Richland, Washington

Electric Utility Revenue Refunding and Improvement Bonds, 2026

November 12, 2025

PFM Financial
Advisors LLC

107 Spring Street
Seattle, WA 98104

Duncan Brown
(206) 858-5367



Discussion Topics

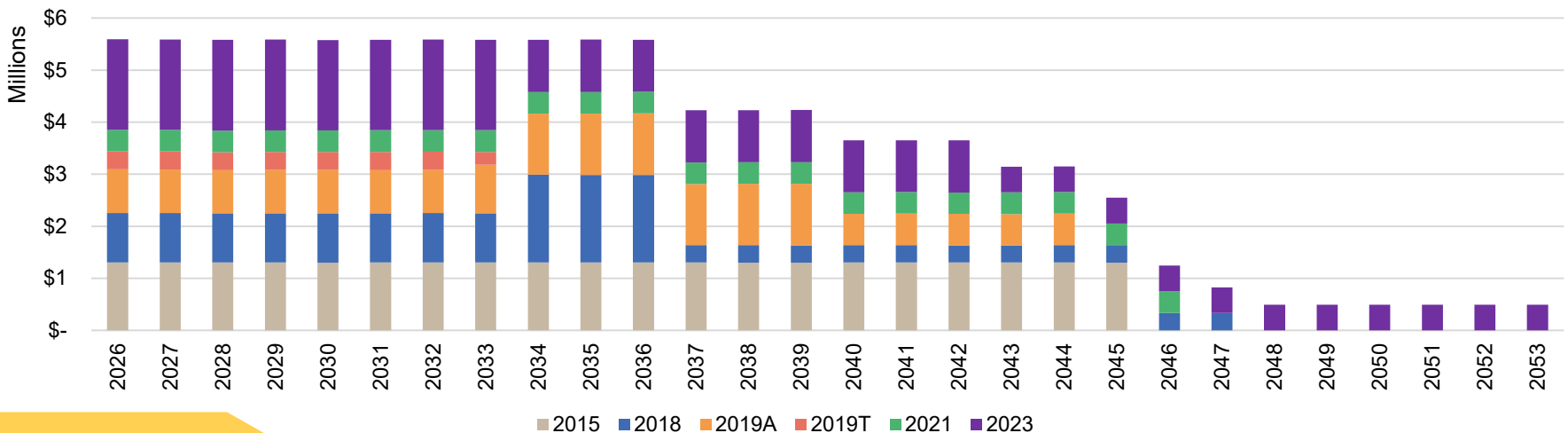
- I. Outstanding Electric System Revenue Bonds
- II. Electric Utility Revenue Refunding and Improvement Bonds, 2026
- III. Refunding of Electric Utility Revenue Bonds, 2015
- IV. Summary of Proposed 2026 Bonds
- V. 2026 Bonds—Key Dates
- VI. Appendix



Outstanding Electric System Revenue Bonds

Series	Purpose	Issue Size	Delivery Date	Final Maturity	Call Date	Outstanding Coupons	Outstanding Par
2015	Carry out the plan of additions and extension	\$19,435,000	11/10/2015	11/1/2045	11/1/2025	4.00 – 5.00%	\$16,495,000
2018	To refinance Series 2007 and to finance improvements and additions to the Electric Utility	19,800,000	4/5/2018	11/1/2047	11/1/2027	3.00 – 5.00%	12,090,000
2019A	To refinance Series 2009 and to finance improvements and additions to the Electric Utility	12,525,000	12/19/2019	11/1/2044	11/1/2029	4.00 – 5.00%	10,845,000
2019T	Horn Rapids Solar Storage and Training project	3,145,000	12/19/2019	11/1/2033	11/1/2029	2.30 - 3.20%	2,350,000
2021	Dallas Substation design, Gateway Substation construction, other renewal and replacement projects	6,415,000	12/1/2021	11/1/2046	11/1/2033	3.00 – 4.00%	5,870,000
2023	To refinance Series 2013B and to finance improvements and additions to the Electric Utility	19,415,000	6/3/2023	11/1/2053	11/1/2033	4.00 – 5.00%	<u>17,840,000</u>
Total							\$65,490,000

Existing Debt Service Requirements





Electric Utility Revenue Refunding and Improvement Bonds, 2026

- The City anticipates financing approximately **\$7.5 million** for “new money” projects
- A summary of the capital expenditures expected to be financed, in whole or in part, with proceeds of the Bonds is as follows:

Estimated Capital Expenditures	
2026 Dallas Road Substation Construction	\$ 2,735,000
2026 Thayer Substation Rebuild	2,000,000
2026 Sandhill Crane Substation Bank 3 & 4 (Design)	550,000
2027 Sandhill Crane Substation Bank 3 & 4 (Construction)	4,750,000
2027 Dallas Road Substation	2,100,000
Total Estimated Capital Expenditures	\$ 12,135,000
Estimated Sources of Funds	
2026 Bond Proceeds	\$ 7,500,000
Rate Revenues	4,635,000
Total Estimated Sources of Funds	\$ 12,135,000

- In December, the City Council will be asked to consider a bond ordinance authorizing the proposed 2026 Bonds
 - The “new money” portion of the financing is expected to be structured with a 30-year term and level annual debt service payments



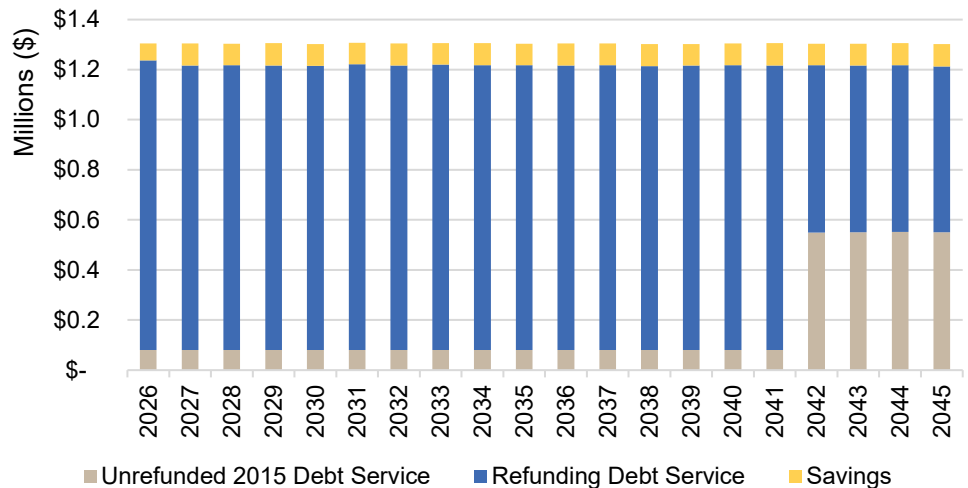
Refunding of Electric Utility Revenue Bonds, 2015

- In November 2015, the City issued its Electric Utility Revenue Bonds, 2015
 - Proceeds of the 2015 Bonds were used for substation improvements, line extensions, smart grid/advanced metering infrastructure, renewals/replacements, and other system improvements
- The 2015 Bonds became callable November 1, 2025, and may be refunded (refinanced) for interest savings
 - The new bond ordinance would also authorize refunding of all or a portion of the 2015 Bonds, if a refunding can generate net present value (NPV) savings of at least 3% of the refunded par amount
 - The final maturity of the 2015 Bonds will not be extended by the 2026 Bonds

Estimated Refunding Statistics*

NPV Savings (\$)	\$1,163,909
NPV Savings (% of Refunded Par)	8.02%
Average Annual Savings:	\$80,360
Refunded Par	\$14,495,000

Estimated Savings*



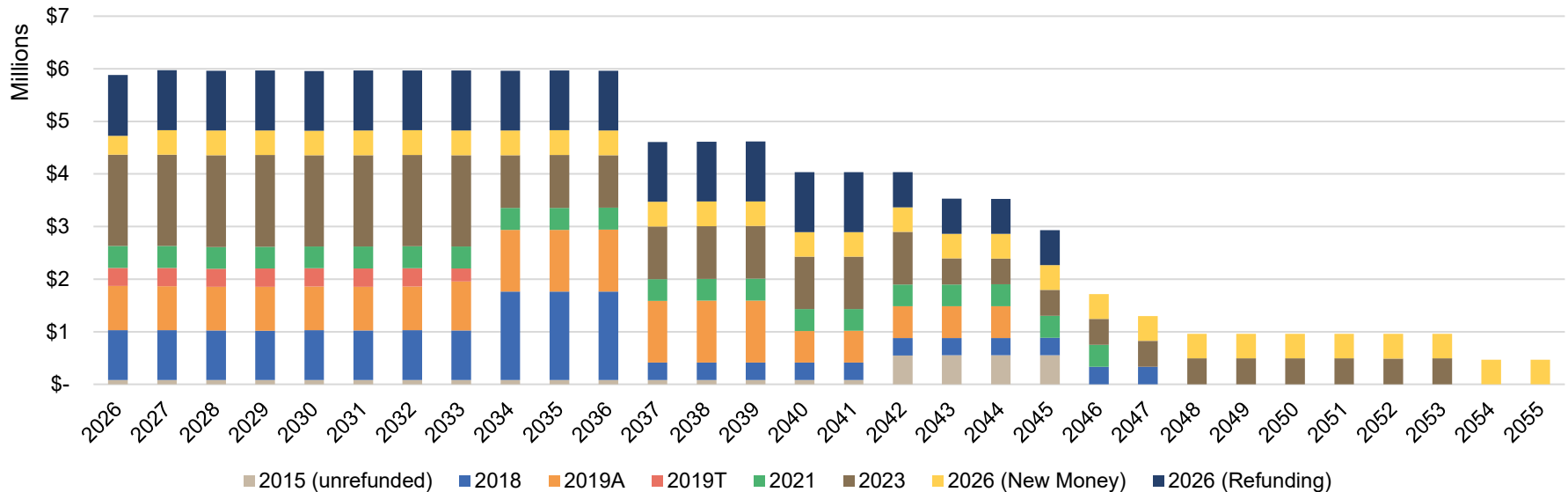


Summary of the Proposed 2026 Bonds

- Estimated average annual debt service on “new money” portion of 2026 Bonds: \$470,000*
- Estimated aggregate maximum annual debt service: \$5.9 million*

Estimated Results	Refunding	New Money	Combined
Final Maturity	2045	2055	2055
True Interest Cost*	3.96%	4.57%	4.23%

Resulting Debt Service Requirements





2026 Bonds - Key Dates

OCTOBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

JANUARY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Activity

Date

Utility Advisory Committee to review plan of finance (3:00 p.m.)

November 12

City Council Meeting – first reading of Bond Ordinance (6:00 p.m.)

December 2

City Council meeting to pass Bond Ordinance (6:00 p.m.)

December 16

Bond Sale

Week of January 12

Bond Closing

Week of January 26

Note: Dates are tentative and subject to change



Appendix



S&P Credit Rating Summary

S&P Global

- On March 20, 2025, S&P affirmed its “A” rating on the City’s Electric Revenue Bonds
- Details from the 2025 report are summarized below

Current Rating / Outlook	A / Stable
Date of Last Rating	3/20/2025 – Credit Opinion
Credit Strengths	- Historically sound service area economy in the Richland-Kennewick metropolitan statistical area and 46% electric revenue obtained from residential customers, promoting revenue stability. - Competitive rates, as evidenced by an average revenue per kilowatt-hour (kWh) that is 6% below the state average - Good risk management and operational planning around environmental compliance, system reliability, and wildfire mitigation, which helps enhance operational stability; and - Management will continue to recover costs through rate adjustments as needed to preserve the utility’s financial profile and support future capital needs
Credit Challenges	- Customer base is somewhat concentrated, with the 10 largest customers (including a U.S. Department of Energy national research laboratory) representing about 25% of total revenues - Remains exposed to BPA’s hydroelectric generation risks, which are sensitive to climate factors like precipitation and snowpack, potentially impacting power cost stability

What could make the rating go up?

- Utility maintains current robust coverage and strong liquidity
- Customer base exhibits greater certainty, particularly related to customer addition and the political impact on the leading customer

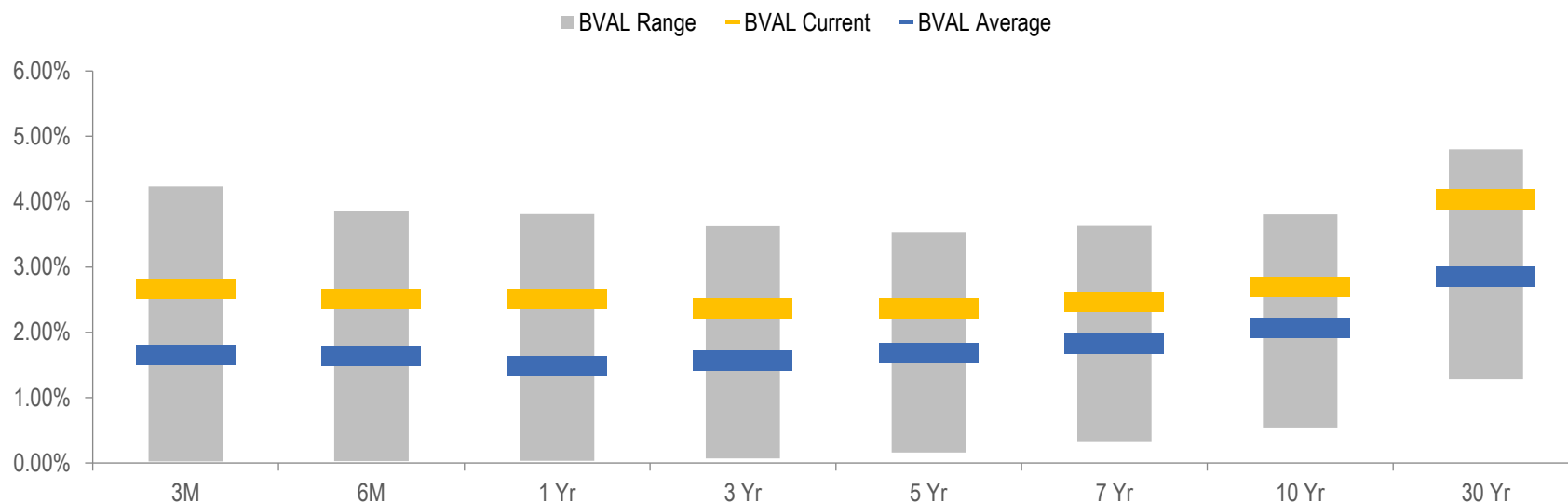
What could make the rating go down?

- Financial metrics deteriorate significantly, either due to higher-than-projected debt needs to fund capital projects
- Failure to recover unbudgeted power costs from weak hydrology conditions
- Political instability of the customer base, given the presence of a federal agency in the service area



Historical AAA BVAL Position

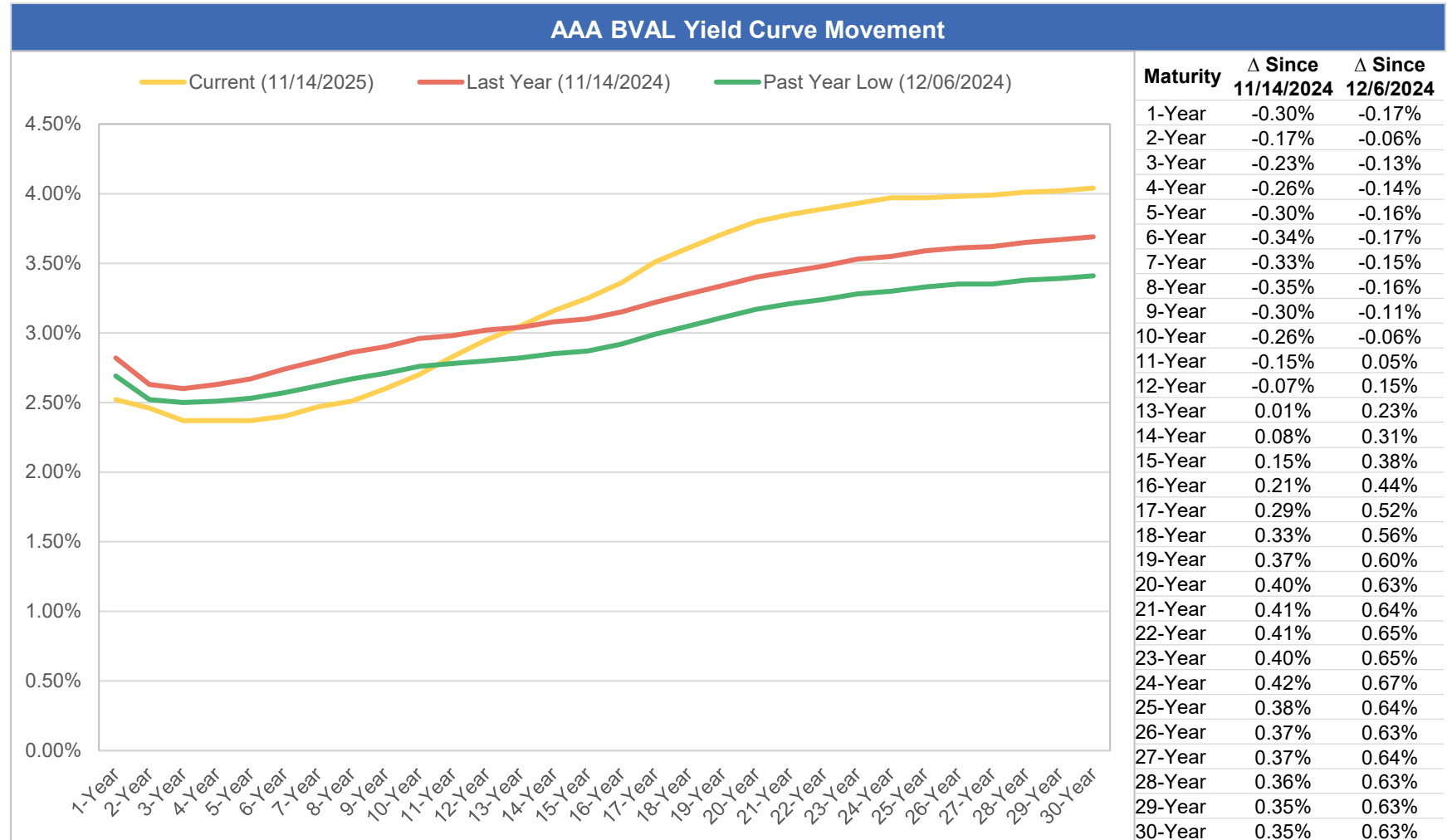
AAA BVAL Rate Position
(10-Year History)



STATISTIC	3 Month	6 Month	1 Year	3 Year	5 Year	7 Year	10 Year	30 Year
11/14/2025	2.67%	2.52%	2.52%	2.37%	2.37%	2.47%	2.70%	4.04%
Average	1.66%	1.64%	1.49%	1.57%	1.68%	1.84%	2.07%	2.85%
Spread to Avg.	1.01%	0.87%	1.02%	0.80%	0.69%	0.64%	0.64%	1.18%
Minimum	0.02%	0.03%	0.03%	0.07%	0.16%	0.34%	0.54%	1.28%
Spread to Min.	2.65%	2.49%	2.48%	2.30%	2.21%	2.14%	2.16%	2.76%
Maximum	4.23%	3.85%	3.81%	3.62%	3.53%	3.63%	3.80%	4.80%
Spread to Max.	-1.56%	-1.34%	-1.30%	-1.25%	-1.16%	-1.15%	-1.10%	-0.76%
Percent of Market Days Lower	58.22%	55.99%	74.94%	72.91%	73.30%	73.78%	78.97%	91.10%



Recent AAA BVAL Yield Curve Movement

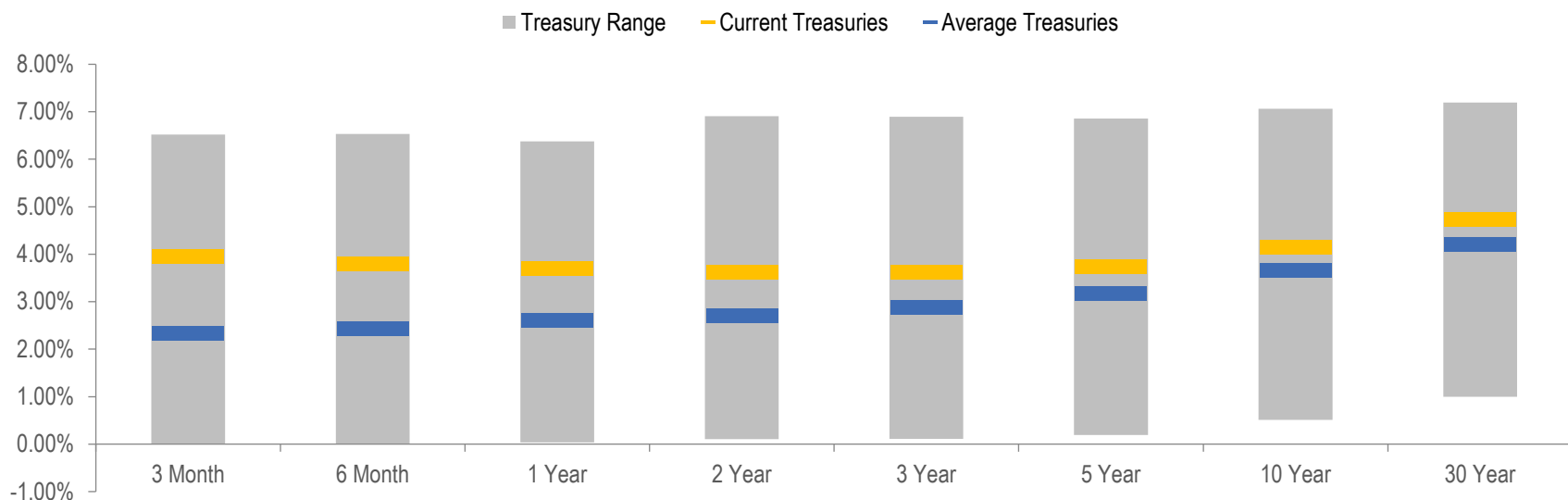


Source: Bloomberg



Historical U.S. Treasury Position

U.S. Treasury Rate Position
(30-Year History)

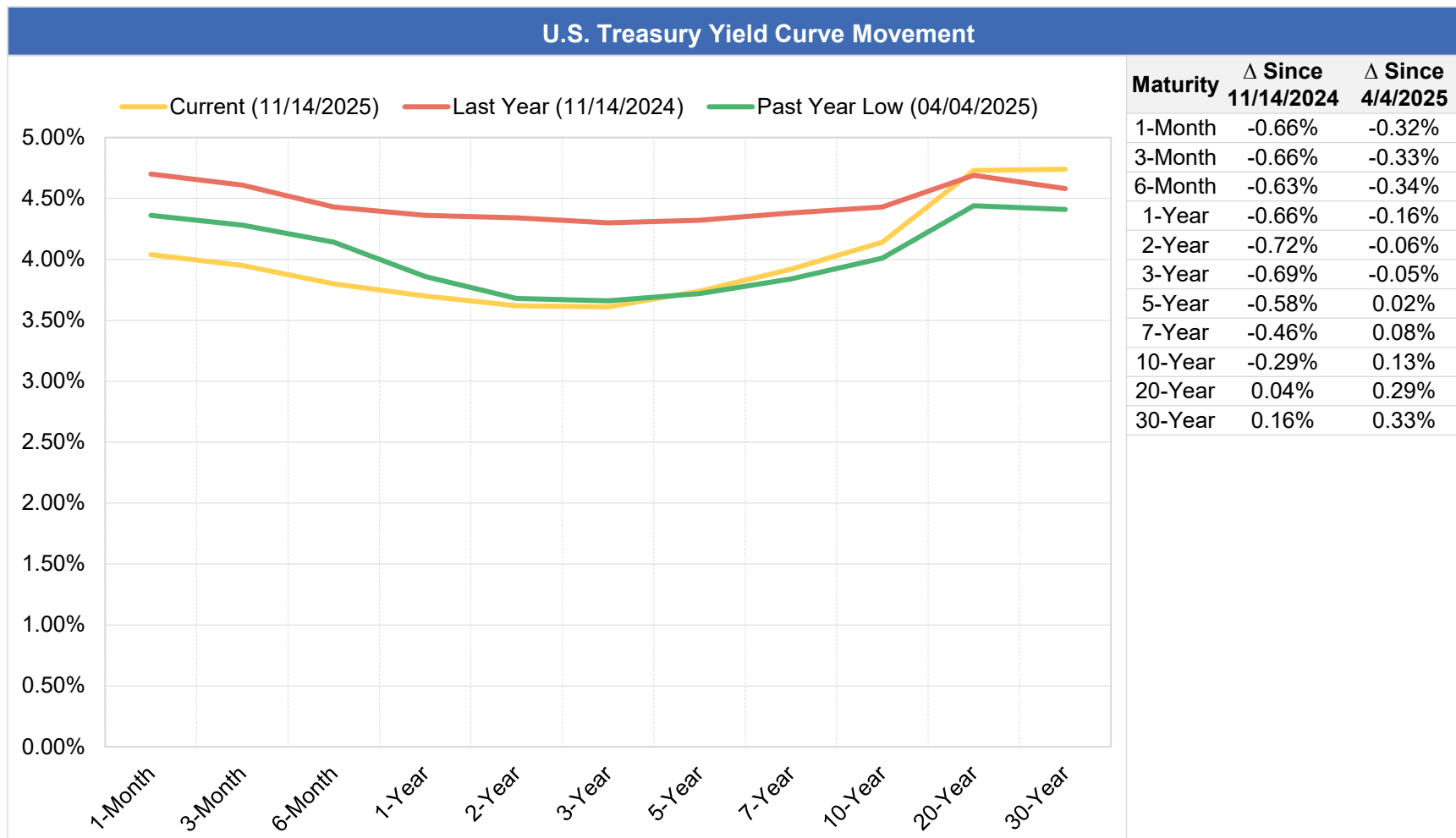


Statistic	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	30 Year
11/14/2025	3.95%	3.80%	3.70%	3.62%	3.61%	3.74%	4.14%	4.74%
Average	2.34%	2.44%	2.60%	2.70%	2.88%	3.17%	3.67%	4.20%
Spread to Avg.	1.61%	1.36%	1.10%	0.92%	0.73%	0.57%	0.47%	0.54%
Minimum	-0.09%	0.00%	0.04%	0.10%	0.11%	0.19%	0.51%	1.00%
Spread to Min.	4.04%	3.80%	3.66%	3.52%	3.50%	3.55%	3.63%	3.74%
Maximum	6.44%	6.53%	6.38%	6.91%	6.90%	6.86%	7.06%	7.19%
Spread to Max.	-2.49%	-2.73%	-2.68%	-3.29%	-3.29%	-3.12%	-2.92%	-2.45%
Percent of Market Days Lower	67.94%	66.41%	73.55%	63.76%	62.05%	61.42%	60.15%	63.77%

Source: Bloomberg



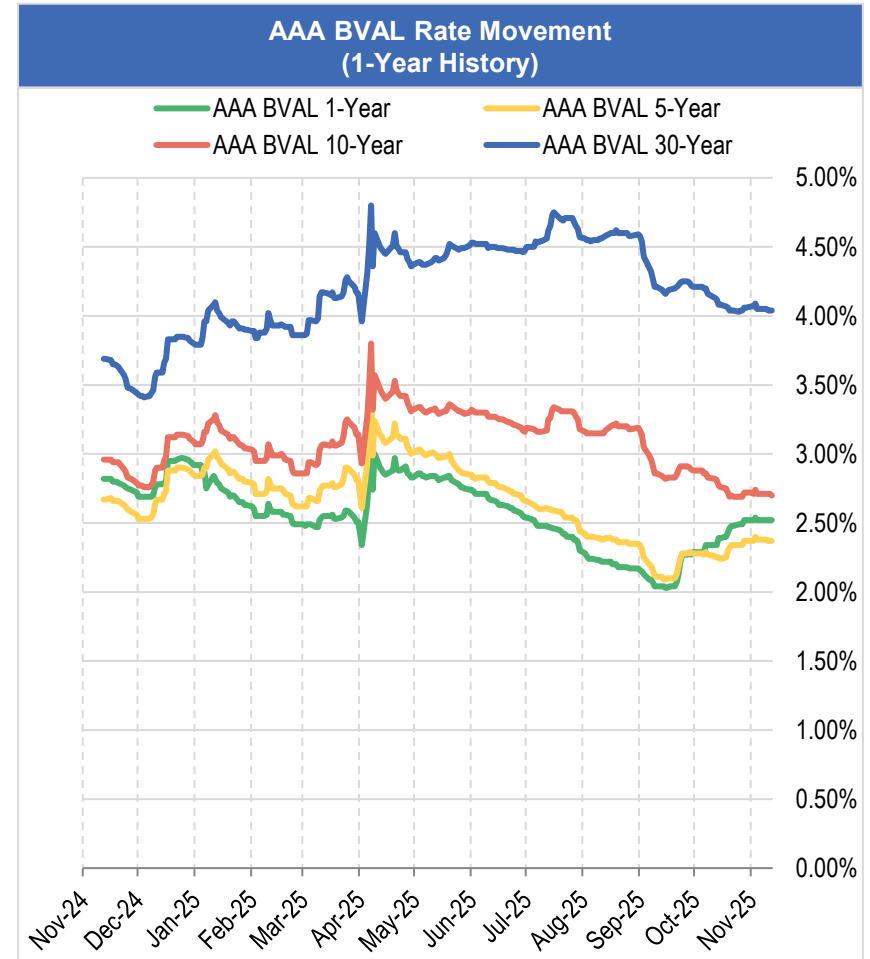
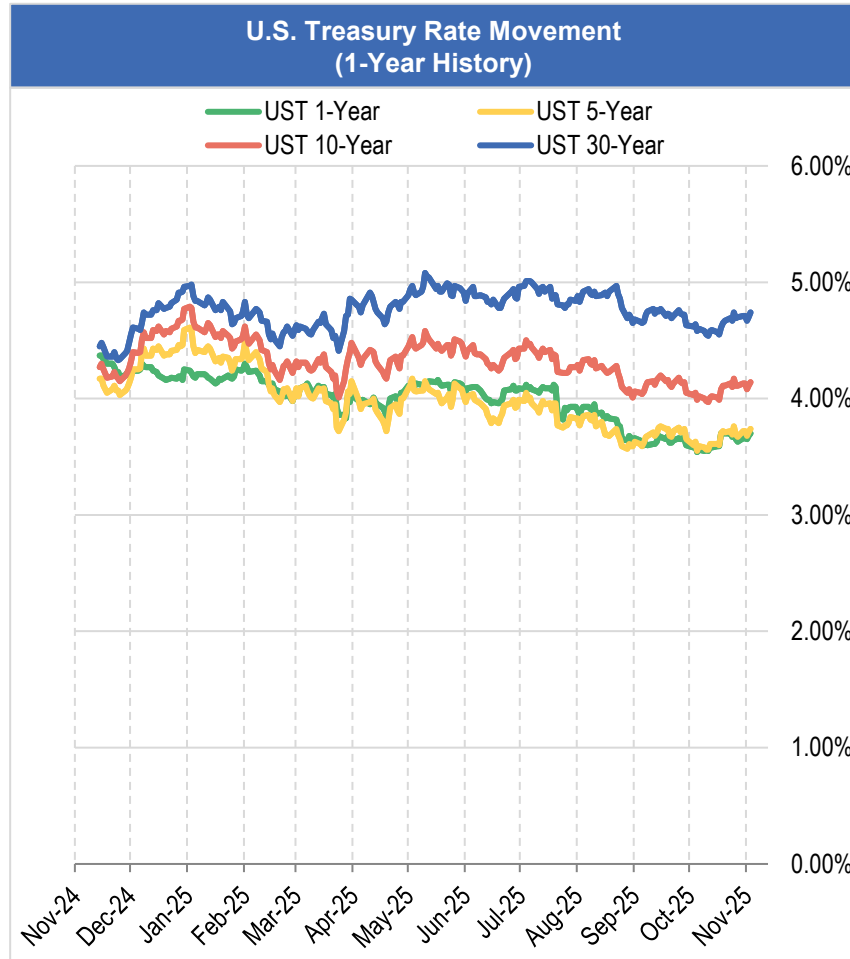
Recent U.S. Treasury Yield Curve Movement



Source: Bloomberg



U.S. Treasury & AAA BVAL Rate Movement

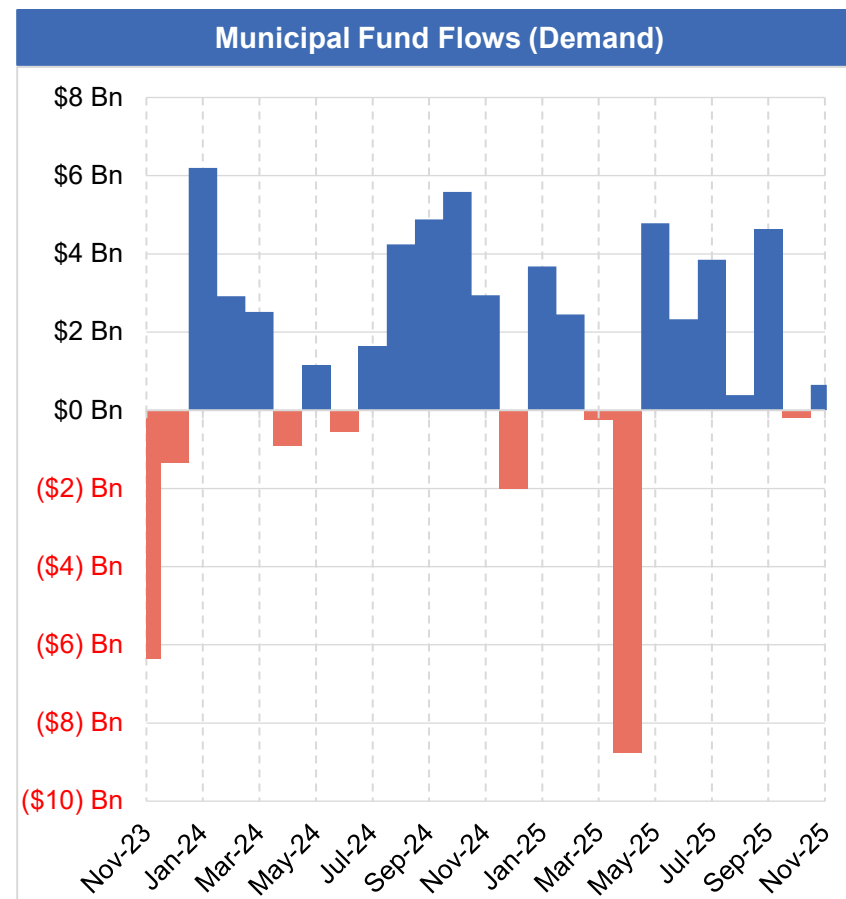
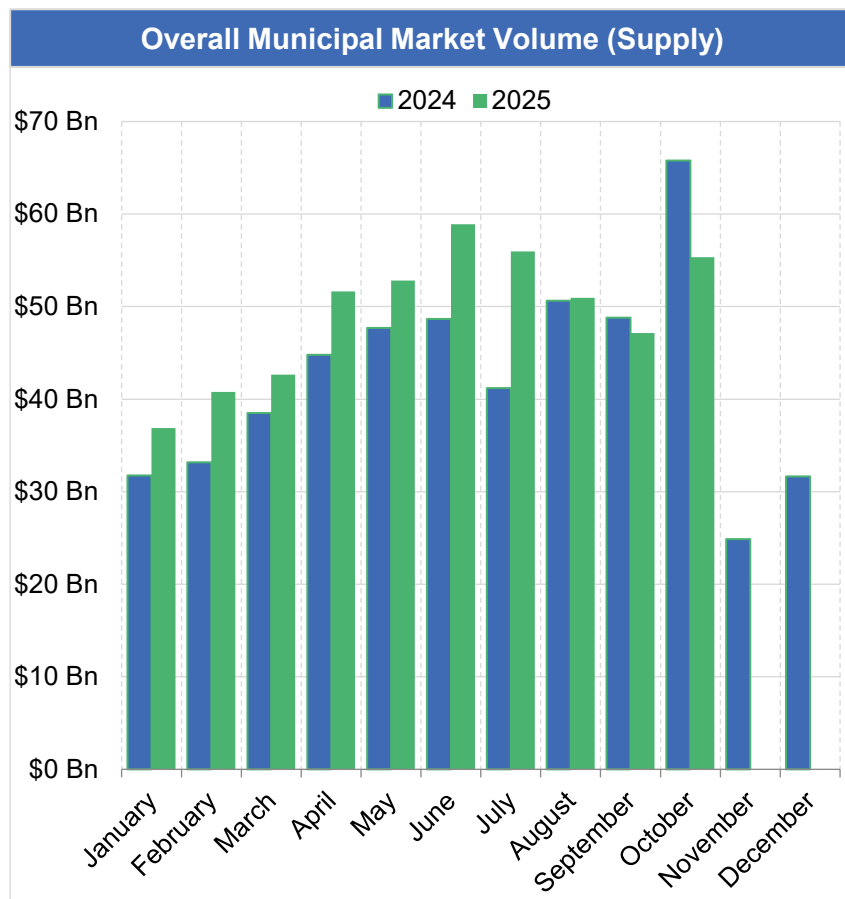


Source: Bloomberg



Municipal Market Supply & Demand

- 2025 new bond issuance volume is 11.4% higher vs. 2024 (YTD through October)



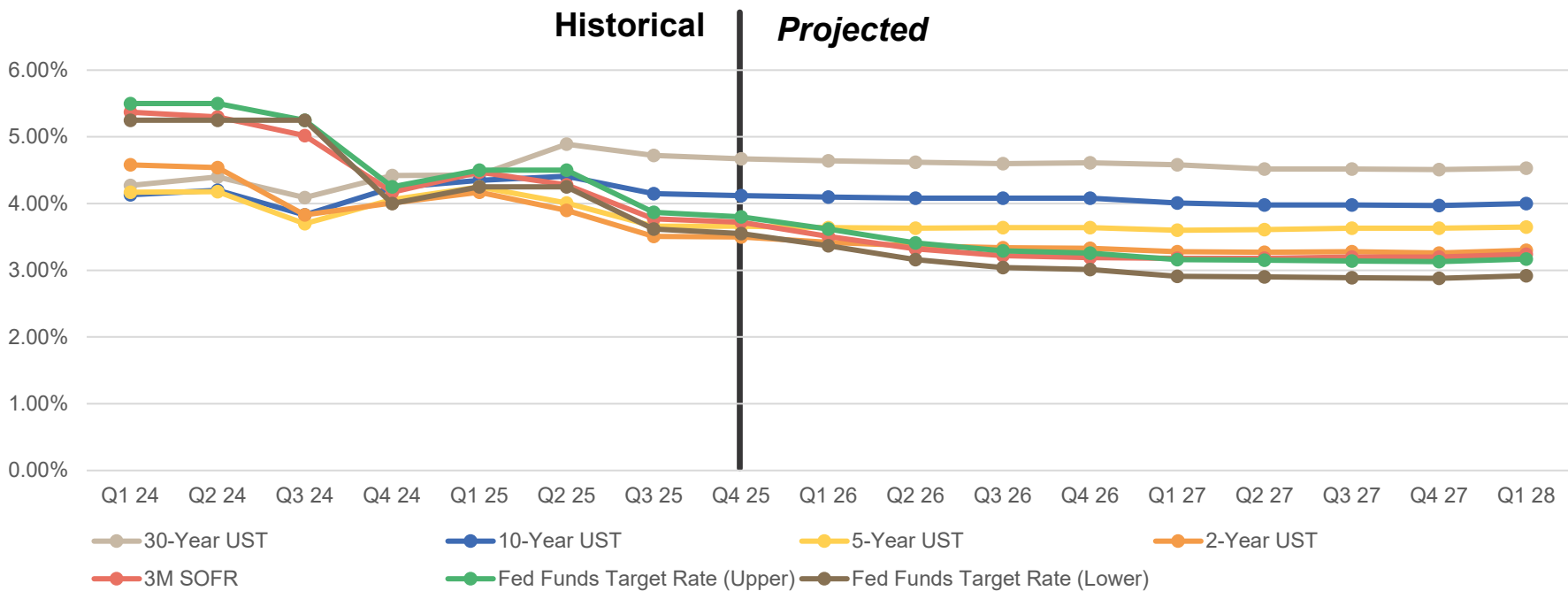
Source: Bond Buyer, Investment Company Institute



Historical and Forecasted Interest Rates

• The charts below show consensus forecasts from numerous financial institutions as reported by Bloomberg.

Bloomberg Bond Yield Forecast (As of November 17, 2025)											
Average Forecasts	Current	Q4 25	Q1 26	Q2 26	Q3 26	Q4 26	Q1 27	Q2 27	Q3 27	Q4 27	Q1 28
30-Year UST	4.73%	4.67%	4.64%	4.62%	4.60%	4.61%	4.58%	4.52%	4.52%	4.51%	4.53%
10-Year UST	4.13%	4.12%	4.10%	4.08%	4.08%	4.08%	4.01%	3.98%	3.98%	3.97%	4.00%
5-Year UST	3.72%	3.66%	3.64%	3.63%	3.64%	3.64%	3.60%	3.61%	3.63%	3.63%	3.65%
2-Year UST	3.61%	3.50%	3.42%	3.37%	3.34%	3.33%	3.28%	3.27%	3.28%	3.26%	3.30%
3M SOFR	3.87%	3.72%	3.51%	3.32%	3.22%	3.19%	3.18%	3.18%	3.20%	3.20%	3.24%
Fed Funds Target Rate (Upper)	4.00%	3.80%	3.62%	3.41%	3.29%	3.26%	3.16%	3.15%	3.14%	3.13%	3.17%
Fed Funds Target Rate (Lower)	3.75%	3.55%	3.37%	3.16%	3.04%	3.01%	2.91%	2.90%	2.89%	2.88%	2.92%





Glossary of Financial Terms

- **Bond proceeds** - The par amount (face value) of a bond issue, plus any premium (for premium bonds) and less any original issue discount (for discount bonds). The actual amount of funds received by the bond issuer.
- **Call date** - The date on which bonds may be redeemed prior to their scheduled maturity.
- **Coupon** - The periodic, nominal rate of interest the City pays to holders of a particular bond, generally a round number (e.g., 4.50% or 5.00%).
- **Delivery date** - The date on which the bond issue is “closed” and the City receives the bond proceeds.
- **Maturity** - The date the principal amount of a specific bond becomes due and payable to the bondholder. A series of bonds typically consists of multiple bond maturities over a period of time (i.e., 20-30 years).
- **Par amount** - The amount of principal of a bond that must be paid at maturity (i.e., the face value)
- **True Interest Cost** – Represents the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of bonds.
- **Yield** – the effective interest rate on a particular bond, reflective of the credit quality of the bonds and general market conditions at the time of sale. May be higher than the coupon (in which case the bond is sold at a *discount* - less than face value) or lower than the coupon (in which case the bond is sold at a *premium* - greater than face value).

PFM Financial Advisors LLC

107 Spring Street | Seattle, WA 98104 | www.pfm.com

Duncan Brown, Director

(206) 858-5367 | brownd@pfm.com

Agni Herur, Analyst

(206) 858-5362 | herura@pfm.com





COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Resolutions - Adoption

Strategic Priority I - High Performance Government

Subject

Resolution No. 2025-148, Adopting the City of Richland's 2026 Legislative Priorities

Department/Office	Ordinance/Resolution Number	Document Type
City Manager	2025-148	Resolution

Recommended Motion

Adopt Resolution No. 2025-148, adopting the City of Richland's 2026 Washington State legislative priorities.

Summary

Each year, the City of Richland establishes its legislative priorities in advance of the legislative session. The 2026 Washington State legislative session will begin on January 12, 2026, and end on March 12, 2026. Actions taken by the Legislature have a direct impact on the City's ability to provide basic municipal services. Richland has historically supported legislation that promotes the Richland City Council's Strategic Plan, and opposed measures that would preempt or diminish authority vested in local jurisdictions. The City will work with state legislators to strengthen partnerships between state and local government, and to advocate for legislation and funding that would enhance the quality of life for Richland residents.

The City also belongs to a number of industry associations that promote industry-specific legislative agendas, including the Association of Washington Cities (AWC). In some cases, it's important for the City to promote its own specific legislative agenda, and in other cases, it is appropriate to support the agenda of our partner organizations. The City's draft 2026 legislative agenda is presented for consideration alongside AWC's 2026 agenda.

Additionally, the region has established the Tri-Cities Legislative Council (TCLC), through which the City of Richland participates alongside Tri-City Development Council (TRIDEC), the Regional Tri-City Chamber of Commerce, VISIT Tri-Cities, other community stakeholders, and industry partners to advocate on behalf of the region.

Staff recommends adoption of Resolution No. 2025-148.

Fiscal Impact

None.

Attachments

1. Resolution No. 2025-148
2. Association of Washington Cities 2026 Legislative Priorities

RESOLUTION NO. 2025-148

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,
ADOPTING THE CITY'S LEGISLATIVE PRIORITIES FOR THE
2026 WASHINGTON STATE LEGISLATIVE SESSION.**

WHEREAS, the 2026 Washington State legislative session will begin on January 12, 2026 and end on March 12, 2026; and

WHEREAS, actions taken by the Washington State Legislature significantly impact the City of Richland's ability to provide basic municipal services to its citizens; and

WHEREAS, the City of Richland supports legislation that promotes the Richland City Council's Strategic Plan; and

WHEREAS, the City of Richland opposes legislation that would preempt authority or eliminate discretion that is traditionally and historically vested in local jurisdictions; and

WHEREAS, the City of Richland seeks to work with the Washington State Legislature to strengthen partnerships between state and local government, and to advocate for legislation and funding that would enhance the quality of life for the citizens of Richland.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland that the City's legislative priorities for the 2026 Washington State legislative session shall be as set forth on the attached **Exhibit A**.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

ADOPTED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney



The City of Richland is Washington's center for technology and innovation. Richland is working with partners on the following items for the 2026 legislative session for the benefit of Richland, the Tri-Cities region, and the State of Washington.

Targeted Urban Area Amendment:

The legislature authorized targeted urban areas in 2022 allowing certain tax exemption for qualifying new businesses that create new jobs. The timeline for construction of the new businesses does not presently accommodate complex projects in support of the Clean Energy Transformation Act (CETA). Increasing project construction timelines would benefit several known and anticipated nuclear, hydrogen, and other complex projects in support of the State and City's job creation, industrial growth, and clean energy objectives.

Shrubesteppe Regulatory Overreach:

Support efforts to right-size the regulation of shrubesteppe critical habitat in the Columbia Basin to balance with state and local growth objectives including housing production

Traffic Enforcement:

Richland supports legislation and programs allowing for the use of technology to augment traditional traffic enforcement methods with a specific emphasis on street racing.

State Crime Lab:

Richland encourages the State to increase funding and staffing for the State Crime Lab to provide more timely justice.

Capital Project Funding:

SR-240/Aaron Drive Complete Streets Improvements Project:

This project will improve safety and mobility by making needed changes to a 40-year-old traffic design. The Benton-Franklin Council of Governments has named this project a tier one priority of their congestion management plan. In addition, Washington State Department of Transportation and the Federal Highway Administration have each approved this project.

Island View to Vista Field Trail System:

This project will improve safety, mobility, and congestion on the SR-240 corridor. The Benton-Franklin Council of Governments and Benton-Franklin-Walla Walla Good Roads Association has named this project a top priority for the region. In addition, Washington State Department of Transportation and the Federal Highway Administration have each approved this project. Design will be completed by 2027 and funding is needed for construction.

RCW 10.101.030 Public Defense Standards:

Richland endorses a regional solution to address a required reduction in misdemeanor caseloads for public defenders. This change, effective in July 2025, will significantly increase the number of public defenders required to prosecute crime occurring in the City of Richland. The cost to the City of Richland will be unsustainable. Richland requests legislative assistance to address the unfunded mandate.

Housing Choice:

Richland supports legislation that encourages and facilitates access to housing through policies leading to increases in inventory to serve a wide range of incomes including fiscal tools to address needed infrastructure.

Northwest Advanced Clean Energy Park:

Richland supports utilizing industrially designated Hanford lands for projects in support of the Northwest Advanced Clean Energy Park.

Energy Generation and Effective Energy Transmission:

Richland supports reliable, affordable, and clean electrical resources. Richland strongly supports retaining critical base load energy resources, like the four lower Snake River Dams, as the state advances its carbon emission objectives. Richland also supports nuclear power generation and affiliated fuel refinement, fuel assembly, and advanced manufacturing in support of the clean energy business sector. Richland will advocate for new transmission capacity through electric transmission corridors and conductor modernization to deliver clean energy benefiting the citizens of Richland and our industries.

The City will support the efforts of other state and local organizations on issues consistent with City positions. These include efforts of the Tri-City Development Council (TRIDEC), Visit Tri-Cities, the Port of Benton, the Port of Kennewick, the Washington Economic Development Association (WEDA), the Washington Association of Sheriffs & Police Chiefs (WASPC), Washington Fire Chiefs (WFC), and the Association of Washington Cities (AWC).

2026 City Legislative Priorities

Cities and towns are home to 66% of Washington's residents, drive the state's economy, and provide the most accessible form of government. The success of our cities and towns depends on adequate resources and community-based decision-making to best meet the unique needs of our communities.

Washington's 281 cities and towns ask the Legislature to partner with us and act on the following priorities:



Indigent defense

Increase state support and funding for indigent defense services to meet existing needs as well as the new lower caseload mandates ordered by the Washington Supreme Court. Enhance state support for increasing the indigent defense workforce with incentives and programs to encourage more public defenders.



Transportation

Increase sustainable revenue that supports local transportation preservation, maintenance, and operations and includes direct distributions to cities and towns. Continue to support efforts to improve traffic safety. Explore revenue tools such as a highway usage fee, a retail delivery fee, expanded transportation benefit district (TBD) authority, or a "sidewalk utility."



Housing supply

Provide time to implement recent state housing legislation. Increase housing investments to meet needs across the housing continuum, including construction and preservation of affordable housing, home ownership, and senior housing. Support tools to better coordinate urban growth area (UGA) development and funding options such as a local option real estate excise tax, short-term rental tax, and expanded use of lodging taxes for housing.



Shared revenues

Continue the historical revenue-sharing partnership between the state and its cities and towns, which provides stability and continuity for local budgets. Preservation of these resources, such as liquor revenues and criminal justice assistance funds, are indispensable to local fiscal sustainability and predictability.



Contact: **Candice Bock**
Government Relations Director
candiceb@awcnet.org

Association of Washington Cities • 1076 Franklin St SE, Olympia, WA 98501 • 1.800.562.8981 • wacities.org



Copyright © 2025 by Association of Washington Cities, Inc. All rights reserved. | 09/23/25



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Resolutions - Adoption

Strategic Priority 2 - Financial Sustainability

Subject

Resolution No. 2025-149, Authorizing a Grant Application to the Blood Center Foundation of the Inland Northwest

Department/Office

Fire & Emergency Services

Ordinance/Resolution Number

2025-149

Document Type

Resolution

Recommended Motion

Adopt Resolution No. 2025-149, authorizing a grant application to the Blood Center Foundation of the Inland Northwest, and authorizing the City Manager to sign and execute all documents necessary to accept the grant if awarded.

Summary

The Blood Center Foundation of the Inland Northwest provides grant funding to support education, research, and technology related to blood banking, transfusion, and transplantation medicine. Richland Fire & Emergency Services is preparing to implement pre-hospital whole blood transfusion services for trauma patients experiencing severe blood loss. The grant would fund the purchase of essential equipment to support this lifesaving capability.

Resolution No. 2025-149 authorizes the City to apply for the Blood Center Foundation of the Inland Northwest grant, and to accept the grant if awarded. No matching funds are required. Grant funds would be used to purchase all needed components to store, monitor, and administer whole blood to patients.

Staff recommends adoption of Resolution No. 2025-149.

Fiscal Impact

The grant would provide up to \$30,000 in additional funds to purchase blood cooler storage equipment for the Richland Fire & Emergency Services Department. No impact to the City's adopted budget is expected.

Attachments

- I. Resolution No. 2025-149

RESOLUTION NO. 2025-149

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,
AUTHORIZING A GRANT APPLICATION TO THE BLOOD
CENTER FOUNDATION OF THE INLAND NORTHWEST FOR
BLOOD STORAGE EQUIPMENT.**

WHEREAS, in 2024, the Richland Fire & Emergency Services Department responded to 144 motor vehicle accidents with traumatic injuries; and

WHEREAS, the Blood Center Foundation of the Inland Northwest awards non-profit organizations, including public safety government agencies, grant funding for education, research and technology for blood transfusion medicine; and

WHEREAS, Richland Fire & Emergency Services currently has no equipment to store and monitor whole blood; and

WHEREAS, the approximate cost to purchase all needed components to store, monitor, and administer whole blood to patients is \$30,000; and

WHEREAS, the grant, if awarded, will provide up to \$30,000 in funding to acquire the equipment with no matching funds required.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland that staff is authorized to submit a grant application to the Blood Center Foundation of the Inland Northwest in an amount not to exceed \$30,000 to purchase whole blood storage, monitoring, and administration equipment.

BE IT FURTHER RESOLVED that the City Manager is authorized to sign and execute all documents necessary to accept the grant funds in the event the application is successful.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

ADOPTED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Resolutions - Adoption

Strategic Priority I - High Performance Government

Subject

Resolution No. 2025-150, Approving the 2026 Tri-City Regional Hotel-Motel Commission Budget and Marketing Plan

Department/Office	Ordinance/Resolution Number	Document Type
City Manager	2025-150	Resolution

Recommended Motion

Adopt Resolution No. 2025-150, approving the 2026 Tri-City Regional Hotel-Motel Commission Budget and Marketing Plan as submitted.

Summary

In accordance with the Interlocal Cooperation Agreement for the Tri-City Regional Tourism Promotion Area (TPA), Visit Tri-Cities submits an annual budget and marketing plan to each member city for approval. The plan is funded by a \$3-per-room-night assessment collected from hotels in Richland, Kennewick, and Pasco.

The 2026 Tri-City Regional Hotel-Motel Commission Budget and Marketing Plan, submitted on behalf of Visit Tri-Cities, outlines projected TPA revenues of \$2.4 million and corresponding tourism marketing investments. Strategic initiatives include destination advertising, digital marketing, group travel development, and support for conventions and tournaments that benefit the Tri-Cities economy.

This year, due to scheduling limitations, no formal presentation will be made during the December 2, 2025 Council meeting. With the City Manager's approval, the Work Plan and TPA Reserve Request have been provided for Council's review in advance, consistent with prior years when presentations were not required. Visit Tri-Cities plans to attend a Council meeting in spring 2026 to present its Annual Report and reconnect in person with Council.

Staff recommends adoption of Resolution No. 2025-150.

Fiscal Impact

None. Funds are derived from the TPA hotel assessments and allocated regionally via the Hotel-Motel Commission.

Attachments

1. Resolution No. 2025-150
2. Visit Tri-Cities 2026 TPA Budget & Marketing Plan
3. Visit Tri-Cities 2026 Workplan
4. Visit Tri-Cities TPA Annual Report Presentation

RESOLUTION NO. 2025-150

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,
APPROVING THE 2026 TRI-CITY HOTEL-MOTEL COMMISSION
BUDGET AND MARKETING PLAN.**

WHEREAS, in 2004, the Tri-Cities Area Hotel and Lodging Association proposed that Tourism Promotion Areas (TPA) be formed in each of the three principal cities constituting the Tri-Cities; and

WHEREAS, by interlocal agreement, the assessments are pooled for use by Visit Tri-Cities to conduct identified promotional activities on behalf of the region; and

WHEREAS, on June 16, 2004, Richland City Council passed Ordinance No. 17-04, authorizing the City of Richland TPA to become part of the Tri-City Regional TPA; and

WHEREAS, the 2026 Tri-City Hotel-Motel Commission Budget and Marketing Plan has been submitted to Richland City Council for review and approval.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland that the 2026 Tri-City Hotel-Motel Commission Budget and Marketing Plan is hereby approved.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

ADOPTED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney



7130 W. Grandridge Blvd. Suite B
Kennewick, WA 99336
509-735-8486
1-800-254-5824
www.VisitTRI-CITIES.com
info@VisitTRI-CITIES.com

September 29, 2025

Mr. Jon Amundson
City of Richland
P.O. Box 190
Richland, WA 99352

Dear Mr. Amundson,

On behalf of the Tri-City Regional Hotel-Motel Commission, we are pleased to present the 2026 Tri-City Regional Hotel-Motel Commission Budget and Marketing Plan for approval by the Richland City Council. We appreciate the opportunity to have face-to-face time with city leaders and look forward to our scheduled presentation for the City Council this year.

Enclosed with this letter is a full copy of the report, with an executive summary on the next page outlining the purpose, timeline, and key components. Please feel free to reach out if you have any questions or need further clarification on any part of the report.

Thank you for your ongoing support of the Tri-City Regional Tourism Promotion Area. It has been an extremely successful regional collaboration that has greatly enhanced the destination marketing impact for the Tri-Cities.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin Lewis".

Kevin Lewis
President & CEO

Enclosures



Executive Summary

2026 Tri-City Regional Hotel-Motel Commission Budget and Marketing Plan

Purpose

- As outlined in the *Interlocal Cooperation Agreement for Establishment of the Tri-City Regional Tourism Promotion Area*, Visit Tri-Cities presents a Budget & Marketing Plan to the Tri-City Regional Hotel-Motel Commission, detailing projected revenues and expenses for the programs supported by the funds collected from the Tourism Promotion Assessment (TPA).

Timeline

- The enclosed 2026 Budget and Marketing Plan received the unanimous support from the Commissioners present at the September 18, 2025 commission meeting. The plan recommended by the Commission is due to the each of the cities by no later than October 1st of each year. City Councils must review and approve the plan by December 31, 2025.

Background

- Visit Tri-Cities is a 501c6 organization whose contracted purpose is to foster tourism, support local businesses, and promote economic growth within the Tri-Cities region. Our mission is to “Fuel transformational growth in the Tri-Cities through tourism.”
- VTC utilizes TPA revenues to promote the destination and ensure that visitors experience the best our cities have to offer while also bolstering the overall prosperity of the community.

2026 Forecast

- TPA revenues are projected to reach approximately \$2.4 million
- Nationally travel and hotel occupancy levels are projected to decrease slightly
- 2025 began with local occupancy and RevPAR outpacing state averages before mid-year softening indicates shifting market conditions
- Ongoing marketing and sales efforts, combined with group bookings for both amateur and signature events continue to drive demand and position the region for long-term growth
- Major developments including the expanded Three Rivers Convention Center, new hotels, The Flying Pickle facility and Pasco’s Aquatic Center, will enhance capacity and visitor experience

Meeting & Convention Projections

- 21,000 Room Nights
- \$7.3m Economic Impact
- \$2.8m Direct Hotel Spending
- \$110,119 Program Budget

Sports & Tournament Projections

- 22,000 Room Nights
- \$12.7m Economic Impact
- \$3.5m Direct Hotel Spending
- \$186,480 Program Budget

Tourism Development & Marketing Programs

- Targeted Multi-channel Campaigns & Seasonal Promotions
- Advanced Digital Strategy with Geofencing & Retargeting
- Data-Driven Insights to Optimize Reach & Reporting
- Visitor Guide Distribution & Expanded Interactive Content
- Enhanced Website Storytelling & Planning Tools
- \$637,232 Program Budget



Tri-City Regional Hotel-Motel Commission

2026 BUDGET AND MARKETING PLAN

TABLE OF CONTENTS

Introduction	3
Acknowledgments	4
Tourism Outlook	5-6
Competitive Situation Analysis	7-8
2026 Group Sales Initiatives	8
Meetings and Conventions	9-10
Sports and Tournaments	11-12
Tourism Development	13-14
DMO Funding Comparative	15-17
Visit Tri-Cities TPA Budget	18



INTRODUCTION

Tourism Promotion Area Marketing Plan

prepared by Visit Tri-Cities for:

CITY OF KENNEWICK
CITY OF PASCO
CITY OF RICHLAND

Please Note: The attached document reflects only those programs and costs associated with Tourism Promotion Area (TPA) funding. Visit Tri-Cities manages many other aspects of tourism development, which are funded by hotel and lodging taxes and membership investment. Such programs include, Rivershore Enhancement, Media Outreach, Visitor Services and Member Development.

Vision

Inspire, reward, and celebrate the spirit of exploration and discovery.

Mission

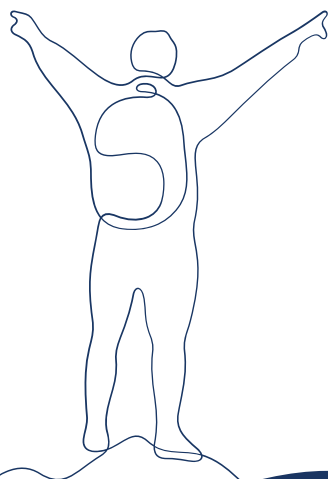
Fuel transformational growth in the Tri-Cities through tourism.

Visit Tri-Cities is a 501(c)(6) organization whose contracted purpose is to foster tourism, support local businesses, and promote economic growth within the Tri-Cities region. Visit Tri-Cities (VTC) is supported by the Tri-City Regional Hotel-Motel Commission which was created in 2004. Through an interlocal agreement between the Cities of Kennewick, Pasco, and Richland, and the lodging properties within those cities, VTC was designated as the unified authority to strategically coordinate promotion and development of the destination. Funding is provided through a Tourism Promotion Assessment (TPA) which currently collects \$3 for each night a guest stays in a hotel. As detailed in the agreement, TPA funds are designed to supplement, not replace other VTC funding sources such as lodging tax and membership dues.

As a crucial player in economic development, VTC utilizes TPA revenues to promote the destination and ensure that visitors experience the best our cities have to offer while also bolstering the overall prosperity of the community. By bringing together resources from the three cities, VTC creates a strong collaborative platform, allowing us to brand and market the region effectively and attract a diverse range of tourists.

In 2026, TPA revenues are projected to reach approximately \$2.4 million. These funds are put to judicious use to fuel transformational growth in the Tri-Cities. Five strategic pillars guide the work of the organization: Strategic Sales, Effective Marketing, Collaborative Destination Development, Proactive Community Engagement, and Innovative and Meaningful Operations. These pillars encompass a wide array of endeavors including group sales initiatives, destination marketing and public relation campaigns, infrastructure development, hospitality training programs, and collaborative efforts to facilitate meetings, sports, and events that draw tourists throughout the year. Within the annual TPA budget, a Tourism Opportunity Fund has been established to ensure funds are available to support and incentivize key events to book their business here. Before being granted, recommended incentives are reviewed and approved by the Hotel-Motel Commissioners based on the number of hotel rooms each event books in the area. Incentive funds are paid out after successful completion of each event. Additional TPA revenues are allocated to conduct research and collect valuable data to better understand visitor trends and preferences, enabling VTC to make informed decisions for the continuous improvement in our promotional efforts and tourism offerings.

The Tri-City Regional Hotel-Motel Commission stands as a vital force in enhancing the economic viability of our communities. Driving our region's tourism sector forward yields numerous benefits for residents, businesses, and visitors alike. The following pages outline the TPA budget and marketing plan to demonstrate how these funds will be utilized in 2026.



ACKNOWLEDGMENTS

We greatly appreciate the time and dedication of our city partners and hoteliers who meet monthly to provide Visit Tri-Cities with support and direction on how to invest the proceeds from the tourism promotion assessments collected in Kennewick, Pasco, and Richland.

Tri-City Regional Hotel-Motel Commission

KENNEWICK

Mike Brown, Hampton Inn Kennewick at Southridge
Michael Garza, Hilton Garden Inn Kennewick
Erin Erdman, Ex Officio, City of Kennewick

PASCO

Monica Hammerberg, Hampton Inn & Suites Pasco/Tri-Cities
Jerry Beach, A1-Hospitality
Harold Stewart, Ex Officio, City of Pasco

RICHLAND

Yesenia Galvez, LivAway Suites
Lacey Stephens, Home2 Suites by Hilton
Jon Amundson, Ex Officio, City of Richland

The Tourism Promotion Area is Managed by Visit Tri-Cities.



TOURISM 2026

NATIONAL OUTLOOK

The U.S. travel and hotel industry faces a more guarded outlook for 2026 amid persistent inflation, softening demand, and international headwinds. STR and Tourism Economics revised national forecasts, with expectations of reduced occupancy and RevPAR and modest growth in ADR.

OCCUPANCY LEVELS

Occupancy is expected to decrease slightly to around 62.3% in 2026, reflecting softer demand in cost-sensitive segments and slower recovery in some leisure and group markets. Growth in higher-rated segments and select urban destinations will help offset broader market declines.

AVERAGE DAILY RATES (ADR):

ADR is projected to rise about 1.0% in 2026, with gains concentrated in markets benefiting from strong event calendars, limited new supply, and higher-spending travelers. Competitive pricing pressure will keep rate growth below inflation in many areas.

REVENUE PER AVAILABLE ROOM (REVPAR):

RevPAR is expected to grow by approximately 0.8% in 2026, driven almost entirely by rate increases rather than occupancy gains. This modest growth reflects a maturing recovery cycle and the impact of ongoing economic and geopolitical headwinds.

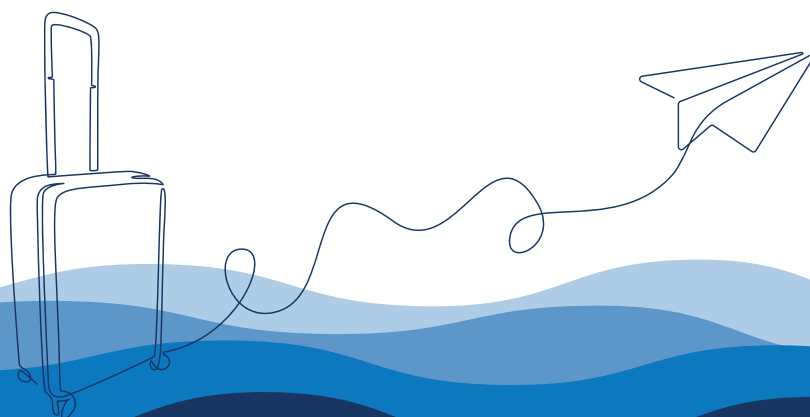
Ongoing inflation, geopolitical uncertainty, and restrictive visa and travel policies have weakened inbound international travel, with analysts estimating the U.S. could lose up to \$29 billion in visitor spending in 2025. Despite these headwinds, demand is expected to be supported in 2026 by recovering group and business travel and strong event calendars. Amanda Hite, President of STR, commented that “unrelenting

uncertainty and inflation, coupled with tough calendar comps and changing travel patterns, have caused lower demand,” but remains cautiously optimistic that once trade talks conclude and legislation takes effect, hotel performance could begin to recover. Overall, growth is expected to continue in 2026, though more tempered and uneven, with gains driven primarily by rate increases rather than occupancy recovery.

Projected U.S. Hotel Key Performance Metrics*

	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast
Occupancy	63.0%	63.0%	62.5%	62.3%
ADR	\$155.46	\$158.26	\$159.53	\$161.13
RevPAR	\$99.72	\$99.72	\$99.62	\$100.42

*STR August 2025 Forecast



LOCAL OUTLOOK

Despite national headwinds, the Tri-Cities tourism market remains relatively strong. Key performance indicators such as occupancy and RevPAR were up through mid-2025, with Tri-Cities among the top-performing destinations in the state. After a good start, the pace of convention and sports bookings has flattened and signs of the softening market hit home as occupancy levels decreased significantly in July. On the positive front, several new developments are poised to elevate the visitor experience in 2026 and beyond.

Construction is underway on the \$71 million expansion of the Three Rivers Convention Center, which will add 60,000 square feet of column-free exhibit space, and is set to be completed in Fall of 2026. The adjacent AC Marriott hotel also broke ground and will include 156 rooms, meeting space, and a rooftop bar/restaurant, and is set to be complete Winter 2026. Additional hotel projects include the 126-room LivAway Suites completed last fall, the 107-room Home2Suites by Hilton Pasco Airport to be completed Spring 2026, and the renovation of the Clover Island Inn into a Hilton Spark property.

On the recreation side, The Flying Pickle—a 50,000-square-foot indoor pickleball and entertainment facility—is under development in Badger Canyon and is expected to open in early 2026. It will feature 18–20 indoor courts, a restaurant, bar, lounge, and retail space, adding a new sports and leisure attraction to the region.

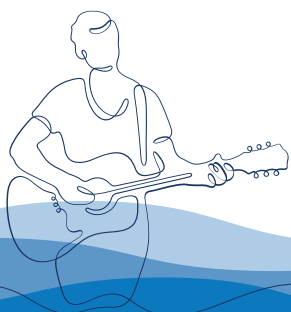
The Pasco Public Facilities District is well underway on a new regional Aquatic Center, marking the commencement of a multi-phase development designed to enhance the region's recreational infrastructure. Phase One of the project will include indoor pools, interactive water features, competition lanes, and multi-use community space. The facility is intended to serve both local residents and draw regional visitation through event-based and leisure travel. Construction is currently underway, with Phase One scheduled for completion in early 2026.

Tri-Cities expects continued demand for amateur and signature sports events. With substantial investment in meeting space, lodging, and recreation, the region is positioning itself for future tourism growth in 2026.

2025 Performance January - June*

	OCC	ADR	RevPar	RevPar vs Prior Year
SEATTLE	68.7%	\$195.24	\$134.16	-1.6%
SPOKANE	60.4%	\$141.90	\$85.70	+0.4%
TACOMA	60.7%	\$142.07	\$86.22	+9.2%
TRI-CITIES	68.1%	\$127.14	\$86.52	+3.9%
VANCOUVER	66.4%	\$132.37	\$88.14	-2.8%
YAKIMA	52.0%	\$112.87	\$58.87	-9.1%
WALLA WALLA	53.0%	\$141.12	\$74.72	+2.0%

*STR Data January - June 2025



COMPETITIVE SITUATION ANALYSIS

In order to promote the Tri-Cities as a preferred destination for group, business and leisure travelers, it is important to recognize both the strengths and challenges within our community and to set sales strategies accordingly.

Convention and Sports

Destination Strengths

- Variety of hotels and brands
- Positive relationship between Visit Tri-Cities, hotels, and meeting venues
- Three Rivers Convention Center and HAPO Center
- Unique offsite event venues (i.e., wineries, museums, etc.)
- Ample complimentary parking available
- Sports facility infrastructure
- Strong Sports Council
- Opportunity funds available
- Amenities and attractions that appeal to convention groups (i.e., wine experiences, outdoor recreation, etc.)
- Centrally located in the Pacific Northwest and favorable weather conditions

Destination Challenges

- Lack of hotels capable of 150+ room block
- Lack of resort-style hotels with ample meeting space
- Meeting venues with larger meeting space in competing locations
- Limited number of meeting rooms and exhibit space available under one roof
- Number of hotel rooms within walking distance of Convention Center/large facilities
- The number of hotel rooms available to groups due to inventory
- Competing locations have expanded or have plans to expand their Convention Centers
- Lack of sports officials
- Lack of family friendly attractions pending the opening of the Pasco Aquatics Center
- Competing locations have newly developed indoor/outdoor multi-use sports facilities with state-of-the-art amenities
- Distance from I-5 corridor vs. competition
- Lack of restaurants within walking distance of meeting venues

Leisure Travel

Destination Strengths

- Tri-Cities Airport offers direct flights to 10+ major hubs
- Centrally located within a few hours' drive of Seattle, Portland, and Spokane
- Washington's largest wine region
- Over 200 wineries within a one-hour drive
- Cultivating 99% of Washington's wine grapes
- Award-winning and prestigious wineries
- Year-round wine experiences, plus growing craft brewery and cider experiences
- Home to the cutting-edge Wine Science Center
- Watersports like boating, fishing, swimming, and paddle sports on the Columbia, Yakima, and Snake rivers
- Seven scenic riverfront parks
- Riverside dining and leisure cruises
- Annual Tri-City Water Follies event
- Miles of riverfront paths and trails for biking, running, and walking
- Official American World War II Heritage City
- Manhattan Project National Historic Park
- CPCCo Planetarium
- REACH Museum
- Groundbreaking science at the Laser Interferometer Gravitational-Wave Observatory (LIGO)
- Pasco Aquatics Center (Opening Summer 2026)
- Annual Art in the Park Festival
- Professional baseball and hockey games
- Annual Benton-Franklin Fair & Rodeo
- Tri-City Raceway
- Farmers' markets in every city, u-pick farms, and lavender fields
- Nearly 300 days of sunshine each year
- Ten golf courses
- 30 hiking and mountain bike trails
- 21 recreational parks
- 67 miles of paved pedestrian and bike trails
- Strong partnerships with local governments and businesses to enhance tourism assets
- Growing tourism infrastructure

Destination Challenges

- Lower national visibility compared to other Pacific Northwest destinations
- Heavy weekend traffic on I-90
- Drivers may encounter snowy winter conditions from key driving routes
- Airfare can be pricey, with challenges in air travel
- Summer temperatures can reach triple digits
- Summer wildfire smoke can reduce air quality and impact outdoor activities
- Seasonal high winds are common
- Cold temperatures in December and January may limit outdoor activities
- Perceived lack of family activities
- Area's reputation as a wine destination is weaker compared to Walla Walla
- Limited late-night dining and entertainment options, nightlife is perceived as limited
- Transportation challenges with spread-out communities and attractions
- Limited walkable districts
- Some attractions have limited accessibility
- Lack of central gathering places
- Many businesses are closed on Sundays and Mondays
- No defined "downtown" or entertainment district
- Shopping options are limited
- B Reactor closed for tours pending structural updates
- Lingering negative perceptions about Hanford exist
- Lack of a major performing arts center or large indoor cultural venue
- The area is seen as unsophisticated
- The desert landscape is perceived as lacking greenery or trees

COMPETITIVE SITUATION ANALYSIS

Business Travel

Destination Strengths

- Less price sensitive for airfare and hotels
- Mid-week demand complements weekend and convention groups
- Recently expanded Tri-Cities Airport
- Direct flights from Denver, Salt Lake City, Seattle, Phoenix, San Francisco, Las Vegas, Minneapolis, Los Angeles, and Burbank

Destination Challenges

- Destination choice not influenced by sales and marketing efforts
- Mostly mid-week travel
- Government budget cuts on travel spending

Guestroom Productivity

	2024 Actual	2025 Forecast*	2026 Goals
Convention Bookings	20,343	17,000	21,000
Sports Bookings	18,601	19,000	22,000
TOTAL	38,944	36,000	43,000

*Estimated Production

RFP Productivity

LEADS ISSUED	2024	2025	2026
QTR 1	49	46	45*
QTR 2	39	32	45*
QTR 3	42	50*	55*
QTR 4	50	55*	60*
TOTAL	180	178*	205*

*Estimated Production

2026 GROUP SALES INITIATIVES

Quarter 1

January - March

- Host Sports Planner Customer Event in Portland
- Launch ad campaign on PlayEasy
- Customer Event in Olympia
- Olympia Sales Blitz
- MPI Cascadia Conference
- Professional Convention Management Association Convening Leaders
- Northwest Event Show
- Launch digital ads targeting MPI attendees
- Launch meeting planner incentive package

Quarter 2

April - June

- Sports ETA Event Symposium
- E-Sports Conference
- Washington Society for Association Excellence Convention
- Ad campaign targeting WSAE Members
- Launch first time sports event incentive
- Sports Relationship Invitational

Quarter 3

July - September

- Sports Relationship Conference
- Publish Sports Facilities Map
- Host Customer Event for Tri-Cities Sports Council
- Bring Your Meeting Home campaign
- Event retargeting campaign

Quarter 4

October - December

- TEAMS Conference
- Launch digital ads targeted at TEAMS attendees
- Direct mail "Remember Tri-Cities" gift
- Olympia Sales Blitz



MEETINGS & CONVENTIONS



21,000

PROJECTED GUEST ROOMS



\$7,310,350

ESTIMATED ECONOMIC IMPACT*



\$2,848,014

ESTIMATED DIRECT
HOTEL SPENDING*

2026 Actions

SALES BLITZES

Develop two separate multi-day sales blitzes in Spring (Olympia) and Fall (Olympia).

CUSTOMER EVENTS

Organize meeting planner customer luncheon in the spring to promote the Tri-Cities as a destination. Event to be held in conjunction with Spring Sales Blitz.

MEETING PLANNER FAM TOURS

Host qualified meeting planners for individual and group, customized FAM tours.

RELATIONSHIPS

Continue staff attendance at Washington Society for Association Excellence (WSAE), Meeting Professionals International (MPI) Washington Chapter and Professional Convention Management Association (PCMA) meetings to strengthen relationships with key meeting planners. Staff will continue to serve on industry boards and committees such as WSAE.

ADVERTISING

Digital campaigns of industry tradeshow and site campaigns of meeting professionals by geographic location.

MEETING INCENTIVES

Utilize the opportunity fund specifically to offset costs for new group business and groups that block more than 300 rooms per night city-wide. Create meeting planner incentives and develop a "deals" page outlining any hotel sponsored incentives.

REGIONAL/STATE/NATIONAL CONFERENCES AND TRADESHOWS

Attend the WSAE Conference. In addition, attend MPI Cascadia Annual Conferences, Professional Convention Management Association Convening Leaders, and the Northwest Event Show. Participate in additional sponsorship opportunities at each of these events for increased exposure.

SKYNAV AND KUULA

Convention sales department will leverage the SkyNAV and Kuula platforms to promote Tri-Cities and meeting venues to convention professionals. The interactive tour highlights points of interest and will be included with all electronic proposal packets, digital Meeting Planner Guide as well as communications to meeting groups.

CONVENTION CENTER EXPANSION AND MEETING SPACE RENOVATIONS

As meeting venues expand and receive renovations, staff will focus on pursuing new business opportunities to maximize the enhanced meeting spaces.

*Revenue impacts are calculated using
Destination International's Event Impact
Calculator, an industry-wide standard tool.

MEETINGS & CONVENTIONS

PROGRAM TOTAL

\$110,119

ADVERTISING

- MPI site retargeting campaign: \$9,350 (Jan)
- Cvent Diamond Listing: \$13,000 (Sept)
- Digital targeting campaigns of industry tradeshows: \$6,000 (\$500 per month)
- Cvent retargeting campaigns: \$12,000 (April)
- Meeting News NW: \$5,000 (March)
- Meeting Planner Guide: \$5,000 (March)

Total: \$50,350

TRAVEL

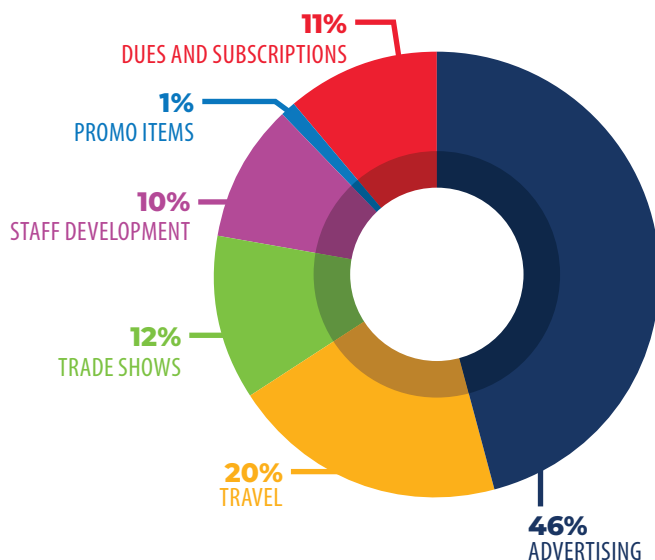
- Washington Society of Association Excellence, attend one association meeting: \$500 (Sept)
- Washington Society of Association Excellence Conference: \$1,400 (May) (\$700 per staff x 2)
- Meeting Planners International Annual Convention: \$1,100 (March)
- Meeting Planners International, association meeting: \$500 (May)
- Olympia Spring Sales Blitz: \$2,500 (March) (\$500 per staff x 5)
- Fall Sales Blitz: \$2,000 (Oct) (\$500 per staff x 4)
- Sales Education and Training Conferences: \$8,000 (March and July) (hotels, meals, flight at \$2,000 per session per staff member x 4)
- National Meeting Professionals Tradeshow: \$1,500 (Aug)
- Northwest Event Show: \$2,300 (Jan) (\$1,150 per staff x 2)
- Professional Convention Management Association Convention: \$2,000 (Jan)
- Mileage for site inspections: \$480 (\$40 per month)

Total: \$22,280

TRADE SHOWS

- Meeting Planners International (MPI) registration for hosted buyer program: \$2,000 (Jan)
- Washington Society for Association Excellence Conference Registration: \$450 (May)
- WSAE Conference Sponsorship: \$1,775 (May)
- National trade show targeted at meeting planners, travel media and travel advisors: \$2,000 (March)
- Northwest Event Show booth registration: \$4,000 (Sept)
- Professional Convention Management Association Convening Leaders: \$2,000 (Dec)
- Association meetings: \$500 (Feb, May, Sept)

Total: \$12,725



STAFF DEVELOPMENT

- Sales Education and Training Conferences: \$6,000 (Feb, March, July) (\$1,000 registration per staff x 4)
- Sales Team Training: \$4,000
- Destinations International Professional Management Certifications: \$1,190 (\$595 registration per staff x 2)

Total: \$11,190

PROMO ITEMS

- Amenities: \$800 (Feb: \$400, Aug: \$400)
- Logo'd items: \$700 (Feb: \$350, Aug: \$350)

Total: \$1,500

DUES AND SUBSCRIPTIONS

- WSAE Gems sponsorship: \$3,700 (Nov)
- Meeting Planners International: \$495 (Dec)
- Professional Conference Management Association: \$485 (Nov)
- National Tour Association: \$700 (Feb)
- Religious Conference Management Association Dues: \$195 (July)
- Military Reunion Network: \$699 (May)
- DI MINT subscription: \$5,800 (Jan)

Total: \$12,074

SPORTS & TOURNAMENTS



22,000

PROJECTED GUEST ROOMS



\$12,682,169

ESTIMATED ECONOMIC IMPACT*



\$3,540,719

ESTIMATED DIRECT
HOTEL SPENDING*

2026 Actions

SPORTS COUNCIL

Organize and administer activities for the Tri-Cities Sports Council.

ADVERTISING

Place print and digital advertising as appropriate in publications such as: Playeasy, Sports Events, Sports Destination Management, and Sports Planning Guide.

SALES BLITZ

Sales calls in the Portland or Seattle metropolitan areas in Q1.

PROMOTE RESOURCES

Update the sports facilities guide, provide e-version, and QR code links for consumer access.

VIRTUAL TOURS

SkyNav and Kuula tour links will be promoted in our communications to sports groups. SkyNav and Kuula allows tournament directors to experience the Tri-Cities virtually and the ability to see first-hand the venues, amenities, attractions, and accommodations that would be available to their teams. The interactive tours highlight points of interest with image galleries, videos, and information to aid tournament directors in understanding the advantages of selecting the Tri-Cities.

OPPORTUNITY FUND

Utilize the opportunity fund specifically to offset tournament costs for groups that block more than 300 rooms per night city-wide.

TRADESHOWS

Promote the Tri-Cities as a premier sports destination at national tradeshow events such as TEAMS, S.P.O.R.T.S. Relationship, S.P.O.R.T.S. Invitational, and Sports ETA.

CUSTOMER EVENTS

Sponsor event at annual national sports tradeshow, such as TEAMS and Sports ETA Symposium. In addition, host customer event luncheon in conjunction with the Sales Blitz .

BIDDING FEES

Bid on new regional/national level tournaments that demand bidding fees to host events.

NEW BUSINESS

As expansion of convention center meeting space progresses, staff will pursue indoor tournaments held during the shoulder season. In addition, after hosting two years of the IRONMAN triathlon, staff will pursue more outdoor endurance race events.

*Revenue impacts are calculated using Destination International's Event Impact Calculator, an industry-wide standard tool.

SPORTS & TOURNAMENTS

PROGRAM TOTAL

\$186,480

ADVERTISING

- Ads to support tournaments: \$925 (Jan: \$100, March: \$150, May: \$325, Nov: \$200, Dec: \$150)
- Sports Events: \$40,000
- Sports Events Magazine featured listing: \$6,000 (Oct: \$3,000 & Dec: \$3,000)
- Sports Planning Guide site inspection feature: \$2,000 (July)
- Playeasy platform destination spotlight: \$3,250
- Printed Sports Facilities Map: \$600 (Jun)

Total: \$52,775

BID FEES AND EVENT SUPPORT

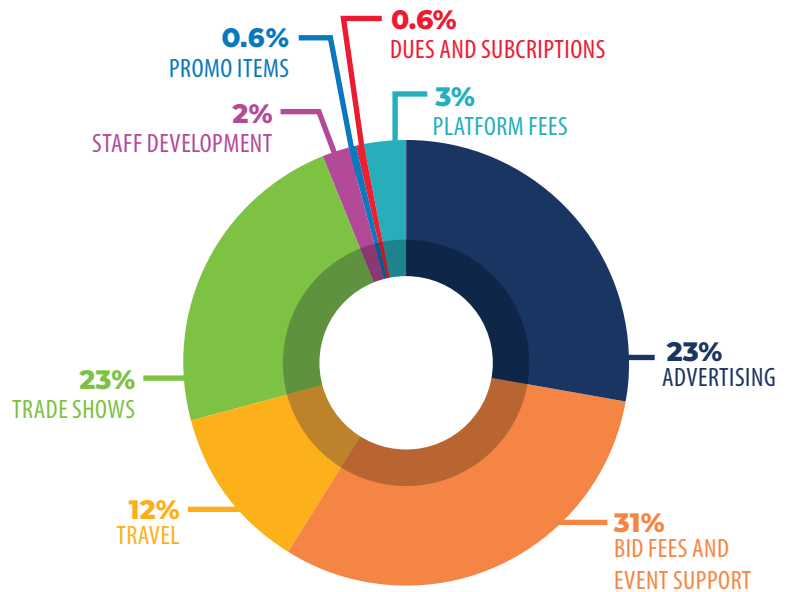
- Parallax Soccer: \$10,000 (June)
- National Softball Association Ice Breaker: \$3,000 (Apr)
- National Softball Association State Championships: \$4,000 (July)
- IRONMAN: \$14,000 (Oct)
- WIAA State Fall Championships: \$5,000 (Nov)
- WIAA State Spring Championships: \$5,000 (Jun)
- NWAC Championships: \$2,000 (Mar)
- Tri-City Water Follies: \$10,000 (Aug)
- USA BMX Championships: \$5,000 (Sept)

Total: \$58,000

TRAVEL

- Sports ETA Symposium: \$4,875 (May) (\$1,625 per staff x 3; hotel: \$200 x 4 = \$800, airfare: \$700, meals: \$125)
- TEAMS Conference: \$5,235 (Oct) (\$1,745 per staff x 3)
- S.P.O.R.T.S Relationship Conference: \$1,745 (Sept)
- S.P.O.R.T.S Invitational: \$1,800 (June)
- EsportsTravel Summit: \$1,490 (June)
- Sports Sales Blitz/Customer Event: \$1,680 (\$560 per staff x 3)
- Sales Education and Training Conferences: \$6,000 (May and July) (\$2,000 per staff x 3)
- Mileage for site inspections: \$300

Total: \$23,125



TRADE SHOWS

- TEAMS Conference: \$15,000 (Feb) (two staff members: \$3,750, TEAMS Conference sponsorship: \$11,250)
- EsportsTravel Summit registration: \$3,000 (Feb)
- S.P.O.R.T.S Relationship Conference: \$8,000 (Mar) (registration: \$1,500, sponsorship: \$6,500)
- Sports ETA Symposium: \$14,185 (Dec) (three staff members: \$4,185, sponsorship: \$10,000)
- S.P.O.R.T.S Invitational registration: \$2,000 (Apr)

Total: \$42,185

STAFF DEVELOPMENT

- Sales Education and Training Conferences: \$3,000 (May and July) (\$1,000 registration per staff x 3)

Total: \$3,000

PROMO ITEMS

- Sports Amenities: \$1,200 (April: \$600 and Sept: \$600)

Total: \$1,200

DUES AND SUBSCRIPTIONS

- Sports ETA Membership: \$1,195 (Dec)

Total: \$1,195

PLATFORM FEES

- Playeasy Digital Platform: \$5,000 (March)

Total: \$5,000

TOURISM DEVELOPMENT

2026 Actions

PROMOTE THE DESINATION

- Continue refining five experience categories: Wineries & Vineyards, River Recreation, History & Science, Events & Entertainment, Sunshine & Open Spaces.
- Add seasonal/niche campaigns:
 - Shoulder-season wine events
 - Agritourism experiences
 - Heritage tourism packages
- Target drive markets while expanding fly markets to align with new hotels and convention expansion.

ADVERTISING

- 2026 mix: Majority digital with select traditional (e.g. print) where they complement strategy.
- Digital focus: Geofencing, retargeting, lookalike audiences, pixel tracking.
- Traditional support: Signature event promotions in lifestyle/travel magazines.
- Benchmarks:
 - 446M impressions achieved in 2024
 - \$16.7M revenue from ad-driven bookings
 - ROI: \$37 to hotels / \$352 to community per \$1 ad spend

DATA-DRIVEN MARKETING

- Leverage Datafy partnership to layer geolocation and event audience insights.
- Use visitor data for:
 - Smarter retargeting
 - Expanded reporting
- 2025 Performance (as of June):
 - Display CTR: 0.30% (industry avg: 0.12–0.18%)
 - Native ads CTR: 0.72% (industry avg: 0.14–0.25%)
 - Video/audio completion rate: 83.44% (benchmark 75%)

PRINT & DIGITAL COLLATERAL

- Enhance website usage and visitor decision making with rich content and interactive tools, including:
 - Official Tri-Cities Visitor Guide (print and digital).
 - Digital content expansion: itineraries, interactive maps, and video vignettes.

PUBLIC & MEDIA RELATIONS

- Expand influencer campaigns with measurable KPIs (engagement, conversions, content use).
- Proactively pitch stories on new developments:
 - AC Marriott Hotel opening
 - Convention Center expansion
 - Pasco Aquatics Center
- Leverage earned media: 2024 results showed a 161% increase in placements and 3.6B audience reach.

SOCIAL MEDIA

- Boost top-performing content with Sprout Social.
- Evaluate Threads and niche online travel communities.
- Focus on user-generated content and branded hashtags to amplify authentic voices.

STORYTELLING

- Strengthen destination perception through storytelling and thought leadership.
- Content streams:
 - Official Visitor Guide
 - Blog features
 - Social media stories
 - Enhanced website storytelling

TECHNOLOGY

- Improve visitor experience, strengthen marketing, and guide strategic decision-making through continued use of platforms supporting:
 - Itinerary planning
 - Immersive digital experiences
 - Interactive mapping
 - Efficient asset management

WEBSITE

- 2024 relaunch highlights:
 - English–Spanish translation
 - Intuitive navigation funnel
 - Hero imagery for emotional connection
 - Clearer presentation of experience categories
- 2026 Focus:
 - Ongoing analysis of user behavior
 - Interactive maps, curated itineraries
 - Video and testimonial integration

TOURISM DEVELOPMENT

PROGRAM TOTAL

\$637,232

ADVERTISING

- Cohesive multi-channel campaign to include a mix of digital ads targeting leisure travelers in strategically selected geographic markets: \$335,000
- Social Media Advertising and Management: \$11,900
- Visit Tri-Cities Visitor Guide Enhancements: \$40,000
- Washington State Official Visitor Guide: \$7,500 (Jan) (*Remainder Paid by Hotel-Motel Tax)
- Wine specific digital advertising campaign to complement presence at Taste Washington targeting western Washington leisure travelers: \$10,000
- Creative Multi-Channel Campaign Production: \$25,000

Total: \$429,400

TRAVEL

- Tri-Cities Wine Tourism Council – Taste Washington: \$1,900 (\$950 per staff x 2)
- Consumer Travel Show: \$1,600 (Oct) (\$800 per staff x2)
- Marketing, Technology and PR Training: \$8,000 (Feb, Mar, May and Jun) (\$2,000 per staff x4)

Total: \$11,500

TRADE SHOWS

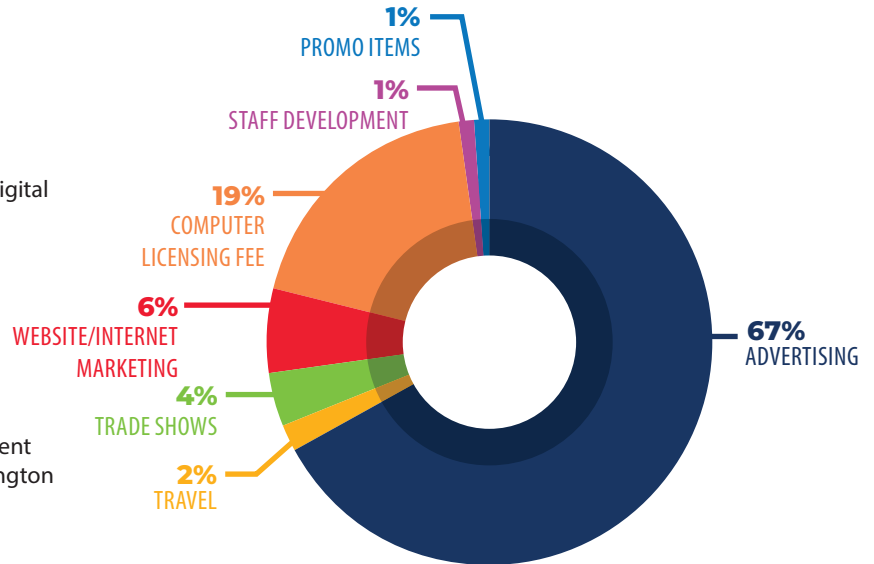
- Taste Washington: \$20,000
- Consumer Travel Show: \$2,500

Total: \$22,500

WEBSITE/INTERNET MARKETING

- Invest in Search Engine Optimization for website: \$36,000 (\$3,000 monthly)

Total: \$36,000



COMPUTER LICENSING FEE

- Website Hosting Fee: \$20,400 (\$1,700 monthly)
- iDSS: \$14,000 (\$3,500 per quarter – Mar, Jun, Sept, Dec)
- Proposal Path/Blue Buzzard: \$1,560 (\$130 monthly)
- Management of Digital Assets: \$15,015 (June)
- Marketing and Creative Platforms: \$9,790 (\$814 monthly)
- Visitor Kiosks and Information Platforms: \$30,000
- Destination Visitation Data & Research: \$32,177 (\$2,681 monthly)

Total: \$122,942

STAFF DEVELOPMENT

- Marketing, Technology and PR Training: \$8,000 (Jan, Feb, May, June, July, Sept) (\$1,500 per registration x6)
- Destinations International Professional Management Certifications: \$1,190 (\$595 registration per staff x 2)

Total: \$9,190

PROMO ITEMS

- Registration Bags: \$3,700 (Feb and Aug)
- Logo'd Swag: \$2,000 (Apr and Aug)

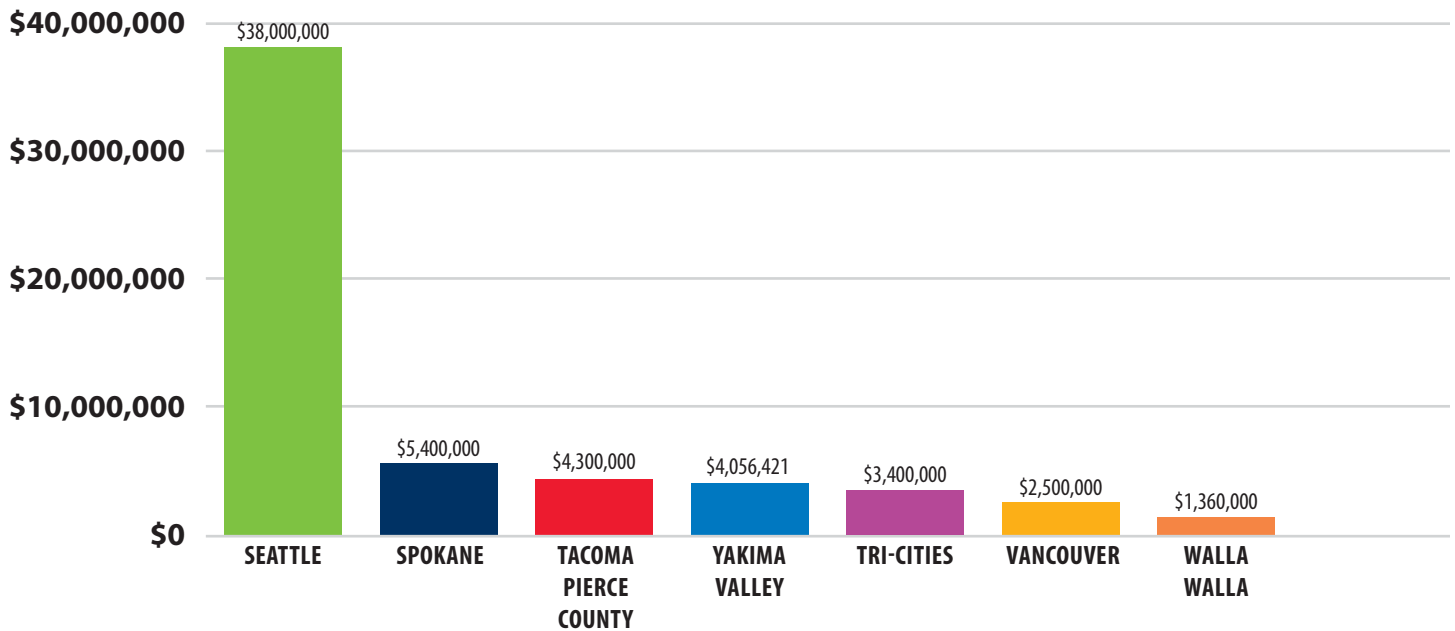
Total: \$5,700



DESTINATION MARKETING ORGANIZATION (DMO) FUNDING COMPARATIVE

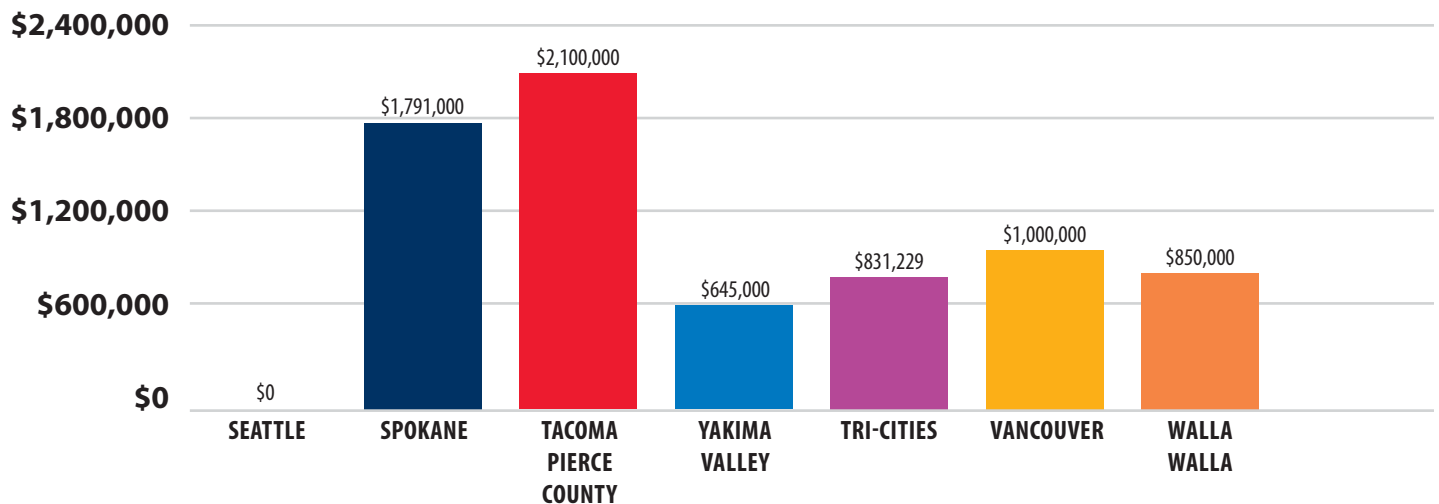
Overall Budget

The following chart provides historical look at a total budget comparative (including Hotel Motel Tax, Membership Investments and Tourism Promotion Assessment) in key competitive markets.



Hotel-Motel Tax Investments

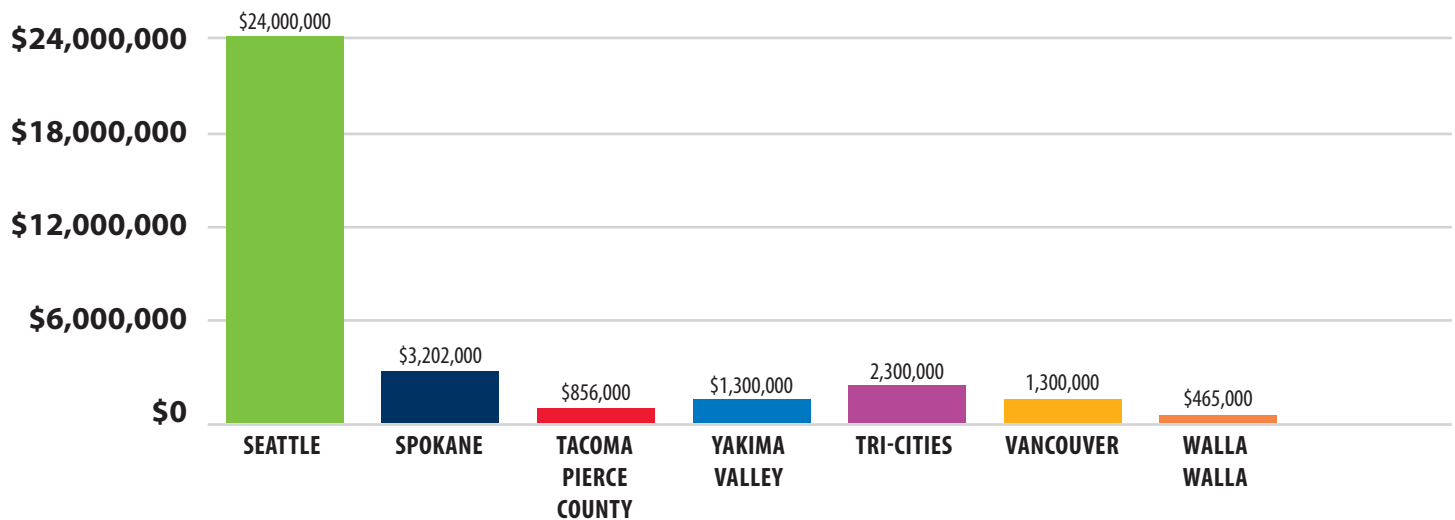
The following chart provides historical look at hotel-motel tax investments in key competitive markets.



DESTINATION MARKETING ORGANIZATION (DMO) FUNDING COMPARATIVE

TPA Budget

The following chart provides historical look at a tourism promotion assessments in key competitive markets.



DESTINATION MARKETING ORGANIZATION (DMO) FUNDING COMPARATIVE

The following chart provides historical look at a total budget comparative (including Hotel Motel Tax, Membership Investments and Tourism Promotion Assessment) in key competitive markets.

COMPETING CITY	DMO BUDGET	NUMBER OF HOTEL ROOMS	\$ SPENT PER ROOM
Visit Seattle	\$38,000,000	15,662	\$2,426.25
Visit Spokane	\$5,400,000	5,774	\$935.23
Visit Tacoma Pierce County	\$4,300,000	6,524	\$659.10
Yakima Valley Tourism	\$4,056,421	3,301	\$1,228.85
Visit Tri-Cities	\$3,400,000	3,670	\$926.43
Visit Vancouver	\$2,500,000	3,065	\$815.66
Visit Walla Walla	\$1,360,000	991	\$1,372.35

The following chart provides historical look at hotel-motel tax investments in key competitive markets.

COMPETING CITY	HOTEL/MOTEL TAX	NUMBER OF HOTEL ROOMS	\$ SPENT PER ROOM
Visit Tacoma Pierce County	\$2,100,000	6,524	\$321.88
Visit Spokane	\$1,791,000	5,774	\$310.18
Visit Vancouver	\$1,000,000	3,065	\$326.26
Visit Walla Walla	\$850,000	991	\$857.72
Visit Tri-Cities	\$831,229	3,670	\$226.50
Yakima Valley Tourism	\$645,000	3,301	\$195.40
Visit Seattle	\$-	15,662	\$-

The following chart provides historical look at a tourism promotion assessments in key competitive markets.

COMPETING CITY	TPA	NUMBER OF HOTEL ROOMS	\$ SPENT PER ROOM
Visit Seattle	\$24,000,000	15,662	\$1,532.37
Visit Spokane	\$3,202,000	5,774	\$554.55
Visit Tri-Cities	\$2,300,000	3,670	\$626.70
Yakima Valley Tourism	\$1,300,000	3,301	\$393.82
Visit Vancouver	\$1,300,000	3,065	\$424.14
Visit Tacoma Pierce County	\$856,000	6,524	\$131.21
Visit Walla Walla	\$465,000	991	\$469.22

VISIT TRI-CITIES 2026 TPA BUDGET

	REVENUES	2025 BUDGET	2025 FORECAST	2026 PROJECTED BUDGET	2026 BUDGET VARIANCE TO 2025 BUDGET	2026 BUDGET VARIANCE TO 2025 FORECAST
	City of Kennewick	\$920,000	\$996,517	\$980,000	60,000	\$(16,517)
	City of Richland	\$812,000	\$854,489	\$862,000	50,000	\$7,511
	City of Pasco	\$568,000	\$569,820	\$558,000	-10,000	\$(11,820)
1000	Total Revenues	\$2,300,000	\$2,420,826	\$2,400,000	100,000	\$(20,826)

	EXPENSES	2025 BUDGET	2025 FORECAST	2026 PROJECTED BUDGET	2026 BUDGET VARIANCE TO 2025 BUDGET	2026 BUDGET VARIANCE TO 2025 FORECAST
5010	Salaries	\$851,000	\$847,605	\$905,000	\$54,000	\$57,395
5012	401k	\$43,700	\$38,500	\$45,250	\$1,550	\$6,750
5015	Health Insurance	\$146,580	\$134,553	\$156,792	\$10,212	\$22,239
5030	Payroll Taxes	\$86,000	\$76,220	\$88,000	\$2,000	\$11,780
5035	Accounting Services	\$25,747	\$25,745	\$25,740	\$(7)	\$(5)
5050	Telephone & Toll free	\$7,200	\$6,579	\$7,200	\$-	\$621
5060	Office Expense	\$9,000	\$7,131	\$9,000	\$-	\$1,869
5070	Office Insurance	\$7,140	\$5,650	\$7,140	\$-	\$1,490
5080	Postage	\$6,500	\$4,603	\$6,500	\$-	\$1,897
5090	Equipment Upkeep	\$20,000	\$18,597	\$25,020	\$5,020	\$6,423
5092	Vehicle Expenses	\$6,000	\$5,800	\$9,000	\$3,000	\$3,200
5095	Capital Expenditures	\$15,000	\$13,140	\$15,000	\$-	\$1,860
5100	Building Expenses	\$45,000	\$44,268	\$52,000	\$7,000	\$7,732
5105	Legal/Professional	\$3,500	\$3,100	\$4,000	\$500	\$900
5110	Dues & Subscriptions	\$13,409	\$11,148	\$14,070	\$661	\$2,922
5112	Platform Fees	\$87,000	\$87,319	\$95,000	\$8,000	\$7,681
5115	Computer Licensing Fee	\$37,000	\$35,132	\$37,000	\$-	\$1,868
5225	Website Maintenance	\$38,000	\$36,831	\$38,000	\$-	\$1,169
5230	Training	\$17,500	\$17,500	\$25,880	\$8,380	\$8,380
5290	Advertising/Marketing	\$531,304	\$513,000	\$533,693	\$2,389	\$20,693
5300	Promo Items	\$8,400	\$7,500	\$8,400	\$-	\$900
5310	Bid Fees & Event Support	\$58,000	\$47,416	\$58,000	\$-	\$10,584
5315	Travel	\$53,760	\$43,225	\$56,905	\$3,145	\$13,680
5317	Trade Shows	\$73,260	\$65,450	\$77,410	\$4,150	\$11,960
5500	Opportunity Fund	\$110,000	\$64,905	\$100,000	\$(10,000)	\$35,095
	Total Expenses	\$2,300,000	\$2,160,917	\$2,400,000	\$100,000	\$239,083



Visit
TRI-CITIES
WASHINGTON

7130 W. Grandridge Blvd., Ste. B
Kennewick, WA 99336
(509) 735-8486 | (800) 254-5824
VisitTri-Cities.com

THE FOLLOWING IS A SUMMARY OF VISIT TRI-CITIES ACTIVITIES TO SUPPORT TOURISM.

STRATEGIC SALES

- Develop and launch incentive package for event organizers and meeting planners.
- Successfully host and leverage success of IRONMAN® 70.3®, American Cornhole League, and Tri-City Raceway events to grow signature sports market.
- Develop and implement strategies to increase attendance and visibility at 2027 NHPA event.
- Achieve 43,000 room nights booked.
- Generate and submit 205 sales leads (Request for Proposals) to industry partners.
- Host three sales missions featuring customer appreciation events and appointments with planners.
- Attend eight lead-producing conferences to meet with decision makers and promote the Tri-Cities as a destination of choice for conventions and sports events. Conferences include TEAMS, Sports ETA, S.P.O.R.T.S. Relationship Conference, S.P.O.R.T.S. Invitational, EsportsTravel Summit, WSAE, Meeting Planners International, and Northwest Event Show.
- Host three appreciation events for meeting planners and sports events organizers.
- Utilize contracted platforms and tools to full potential.
- Conduct Director of Sales meetings with local tourism related businesses to support and coordinate efforts.
- Develop training program for hotel and venue staff.
- Work with Tri-Cities Sports Council members, including athletic directors, sports venue directors, and community leaders to create attractive proposals for high school athletic district and state-wide championships.
- Coordinate venue costs and accommodation pricing for tournament directors and meeting planners.
- Secure hotel room blocks and complimentary rooms as needed to secure events.
- Develop and implement convention center expansion marketing and sales strategy to grow markets.

EFFECTIVE MARKETING

- Develop a 2026 campaign refresh focused on “Heart of Washington Wine Country®” storytelling to align with the reestablished Three Rivers Wine Collective.
- Build awareness for the convention center expansion through website, targeted mail and ad campaigns, and PR initiatives.
- Build the meetings and conventions client network through the ‘Bring Your Meeting Home’ campaign, quarterly e-newsletters, and digital ad campaigns targeted at WSAE members.
- Update sales collateral to align with the Brand Book.
- Use LinkedIn to stay connected with meeting planners and the sports community.
- Enhance digital engagement by producing destination blogs and a video series featuring local creators, community leaders, chefs, historians, and innovators.

- Expand influencer and content collaborations featuring emerging diverse voices who reflect the inclusive Everyman brand archetype.
- Refresh and enhance Your Weekend Starts Here to increase reader engagement through stronger visuals, seasonal themes, and links to blogs and events that drive visitation.
- Launch multi-platform, data-driven creative ad campaigns.
- Optimize data integration and reporting.
- Utilize advanced digital targeting methods, including website pixeling, geofencing, retargeting, and lookalike audiences to drive repeat visitation and secure new bookings.
- Leverage advanced research and reporting services to strengthen data-driven decision-making.
- Continue digital advertising into fly markets by rolling out market-specific ads for Phoenix, Salt Lake City, and Los Angeles, using retargeting and geofencing tactics.
- Promote signature events with integrated campaigns.
- Leverage geofencing around major events (IRONMAN® 70.3®, Water Follies, Tri-Cities Wine Festival) to retarget attendees with future travel inspiration.
- Organize the digital asset library by establishing quality standards, archiving outdated content, capturing new targeted visuals, transferring legacy assets to a dedicated platform, and removing duplicates for efficient access.
- Enhance website engagement by developing interactive digital maps and curated itineraries.
- Support promotional efforts for key community events.
- Support VTC sponsorships by identifying additional advertising opportunities to create new revenue streams.
- Boost engagement on social media with seasonal stories and posts that invite people to share their Tri-Cities experiences using our destination hashtags.

COLLABORATIVE DESTINATION DEVELOPMENT

- Successfully leverage and advance the region through signature events such as IRONMAN® 70.3®, USSSA Latino State and World Softball Championships, American Cornhole League, and Seattle FWC26 Fan Zone.
- Coordinate and manage efforts of the Tri-Cities Rivershore Enhancement Council (TREC), including advancing the Cable Bridge Lighting Project and maintaining a webpage to track and report all TREC related projects and developments.
- Provide direction and guidance for recommendations outlined in the Rivershore Master Plan II as well as the issues and priorities as strategically identified by members of TREC.
- Support and advocate for development and enhancement of tourism infrastructure and services.
- Coordinate efforts of the Tri-Cities National Park Committee and collaborate with partner agencies to develop a roadmap to establishing a community vision for the Manhattan Park National Historical Park (MAPR) and related assets, support establishing a friends group entity, and support Park related initiatives.

THE FOLLOWING IS A SUMMARY OF VISIT TRI-CITIES ACTIVITIES TO SUPPORT TOURISM.

- Promote the National Park Service American WWII Heritage City designation and implement signage plan, B Reactor virtual tours, and "Science and Technology" season of podcasts.
- Engage in the first strategic phase of facilitating a tourism market analysis.
- Advocate for expansion and improvements at area sports complexes by providing direction and guidance for recommendations outlined in the Sports Facilities Market Analysis and Feasibility Study.
- Continue to re-establish the cooperative efforts of the Three Rivers Wine Collective (previously the Wine Tourism Council) serving wineries, wine-related venues, hotels, restaurants, and transportation providers in Benton and Franklin counties.
- Support initiatives to expand or enhance critical convention facilities and event venues.
- Engage in tourism-related initiatives with the Tri-Cities Strategic Alliance (TRIDEC, the Tri-City Regional Chamber and the Benton-Franklin Council of Governments) to facilitate action on regional projects that will help shape the future of our region.
- Work with TRIDEC and local chambers of commerce to support business and economic development initiatives.
- Participate and provide leadership in tourism industry organizations such as Washington State Destination Marketing Organization (WSDMO), State of Washington Tourism, One West Tourism Alliance (OWTA), and Destinations International (DI).
- Collaborate with Federal and State Legislators on tourism related priorities.

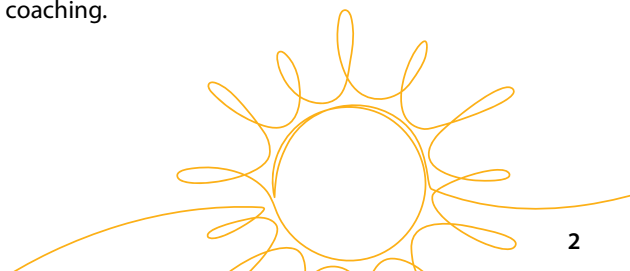
PROACTIVE COMMUNITY ENGAGEMENT

- Successfully engage community in hosting signature events such as IRONMAN® 70.3®, USSSA Latino State and World Softball Championships, and American Cornhole League.
- Establish and maintain an engaging and meaningful membership program to recognize, support, and promote tourism related businesses and the partner organizations that support the mission and strategic pillars of our organization.
- Produce a sponsorship guide outlining sponsorship purposes, opportunities, tiers, and suggested benefits to utilize as a foundation to secure new sponsors.
- Host the 2026 Annual Meeting to provide inspiration, education, tourism reports, and outlook to our stakeholders and partners.
- Promote local tourism businesses and attractions through VisitTri-Cities.com.
- Provide key data to keep members up to date on industry trends, opportunities, and events through regular newsletter communications.
- Promote local businesses to convention and sports participants through the "Show Your Badge" program.
- Engage tourism partners, leaders, and residents creating tourism advocates through participation in community events and showcasing the Tri-Cities Visitor Center.
- Create member benefit programs to support tourism employment, recruiting, and workforce development.
- Provide materials to local companies to enhance their recruitment and employee relocation efforts.

- Enhance Excellence in Service Award program creating year-round attention and engage local tourism businesses.
- Host education training programs for tourism partners focusing on hospitality and customer service, enhancing visitor experiences, and increasing awareness of Tri-Cities attractions and activities.
- Manage the cooperative efforts of the Tri-Cities Sports Council serving high school athletic directors, municipal recreation departments, local sports clubs, and sports officials.
- Recruit volunteers for signature events taking place in the Tri-Cities.

INNOVATIVE & MEANINGFUL OPERATIONS

- Maintain efficient and healthy fiscal stability and manage over a \$3.6 million budget for tourism promotion and economic development.
- Enhance and diversify financial growth by securing, renewing, and expanding revenue sources.
- Operate and perform as a globally accredited organization as recognized by Destinations International and the Destination Marketing Accreditation Program (DMAP).
- Manage and operate the Tri-Cities Visitor Center, providing an engaging experience for visitors and residents to gather information on local attractions, services, and tourism-related businesses.
- Promote the Visitor Guide and other publications highlighting the community, attractions, and activities to promote the Tri-Cities as a preferred travel destination.
- Support and interact with an estimated 5,000 written and telephone requests for information on the Tri-Cities.
- Produce and manage the Tri-Cities Calendar of Events.
- Offer a "Hot Dates" program to assist visitors in finding accommodations during high-demand dates.
- Maintain the Satellite Visitor Centers with visitor information, maps, and brochures.
- Provide visitor services and maintain the interactive Tri-Cities kiosks at the Tri-Cities Airport, Three Rivers Convention Center, and HAPO Center.
- Promote and manage the Tri-Cities Excellence in Service Award program to inspire customer service region-wide.
- Produce sustained and consistent tourism growth by preserving our position as an employer of choice through energizing work, professional growth, and thoughtful adoption of effective employee retention initiatives.
- Foster an organizational culture of collaboration, innovation, and education.
- Maintain effective leadership and positive team culture through training and coaching.



2025 – 2026 Report

Presented to the City of Richland



Visit Tri-Cities

- **501c6 Destination Marketing Organization**

Vision

Inspire, reward, and celebrate the spirit of exploration and discovery.

Mission

Fuel transformational growth in the Tri-Cities through tourism.

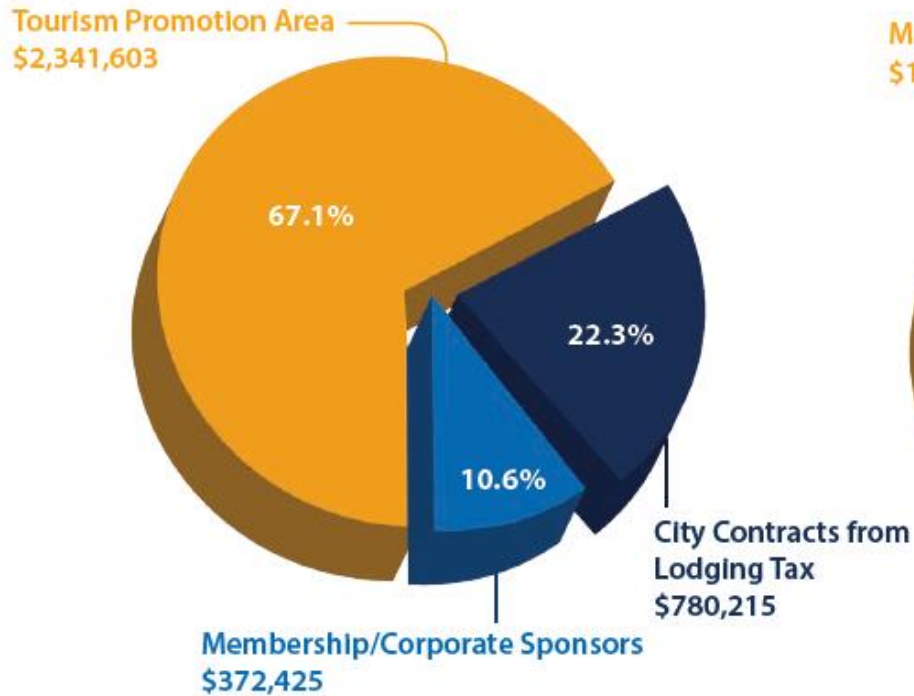
- **Funded By**

- Lodging Tax
- Tourism Performance Assessments
- Partners, Sponsors, Members



Financial Picture

\$3,494,243
Total Revenue



\$2,899,966
Total Expenses



Forecast

**Guarded
outlook for
National Travel**

**Expect lower
occupancy
locally**

**Inflation. Uncertainty.
Restrictive Travel Policies.**

**TPA Revenues projected
to reach
\$2.4 million**

**Lodging
revenues
expected to
be flat.**

**Tri-Cities
remains a strong
travel destination
relative to other
regions in the
state.**

**Venue improvements
are increasing
interest**

**Signature Events
boost media
exposure,
occupancy,
and rate.**

Catalyst for Community Success



STRATEGIC SALES

Fill hotel rooms with group business



EFFECTIVE MARKETING

Increase visitation & enhance the destination brand



COLLABORATIVE DESTINATION DEVELOPMENT

Advocate for enhancement of destination attractions



PROACTIVE COMMUNITY ENGAGEMENT

Strengthen community involvement & support



INNOVATIVE AND MEANINGFUL OPERATIONS

Clear vision, efficient systems & financial stability



Tri-Cities Visitor Economy

*Source: Tourism Economics 2023

Visitor Spending	Tax Revenues	Visitor Trips	Tourism Jobs
\$630 Million	\$77.5 Million	4.4 Million	5,900

- Direct Spending
- Indirect Impact
- Induced Impacts
- Tax Revenues

 RETAIL \$144.2M 5.6% increase from previous year	 FOOD AND BEVERAGE \$143.7M 7.1% increase from previous year	 HOTELS \$130.6M 5.5% increase from previous year	 TRANSPORTATION \$114.0M 0.8% increase from previous year	 RECREATION \$97.4M 10.7% increase from previous year
--	---	--	--	--



Visitor Economy – Richland 2025

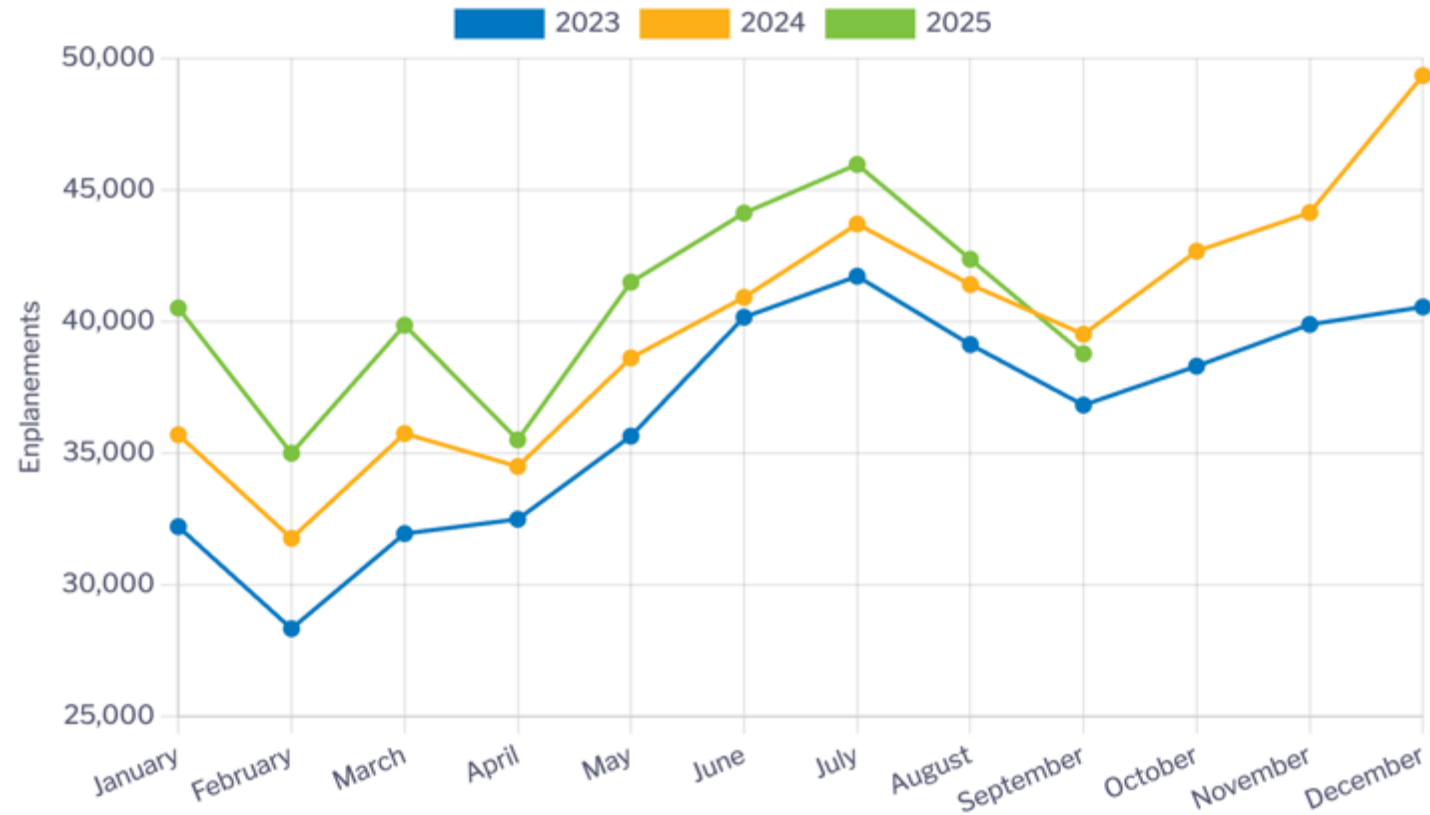
- **Visit Tri-Cities facilitated 59 tourism events in Richland (Sports, Meetings, Conferences)**
 - **49,346 visitors**
 - **\$15.9m visitor spending**

More than **40%** of sports tourism
takes place in Richland



- \$7.5m Visitor Spending
- 2k athletes, 10k visitors
- 43 states & 14 countries
- 3.4 nights average length of stay
- 93% plan to return



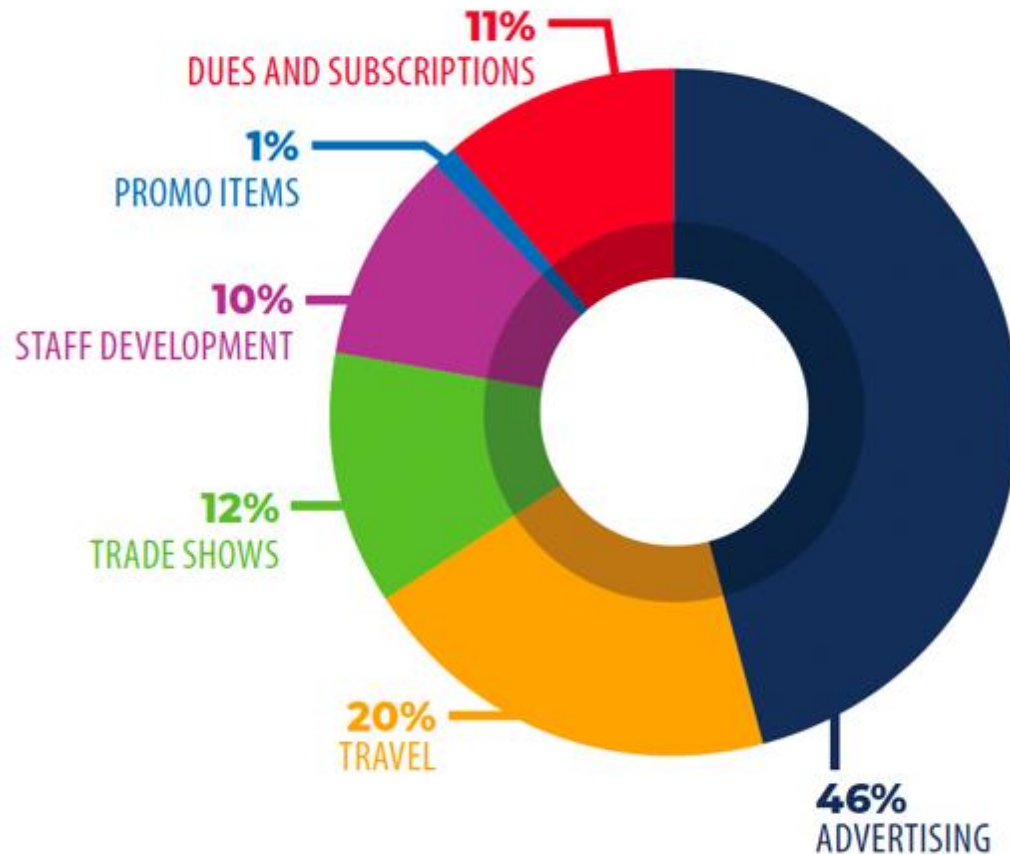


• 2024: 478,016

• 2025: 363,591 (Thru Sept.)

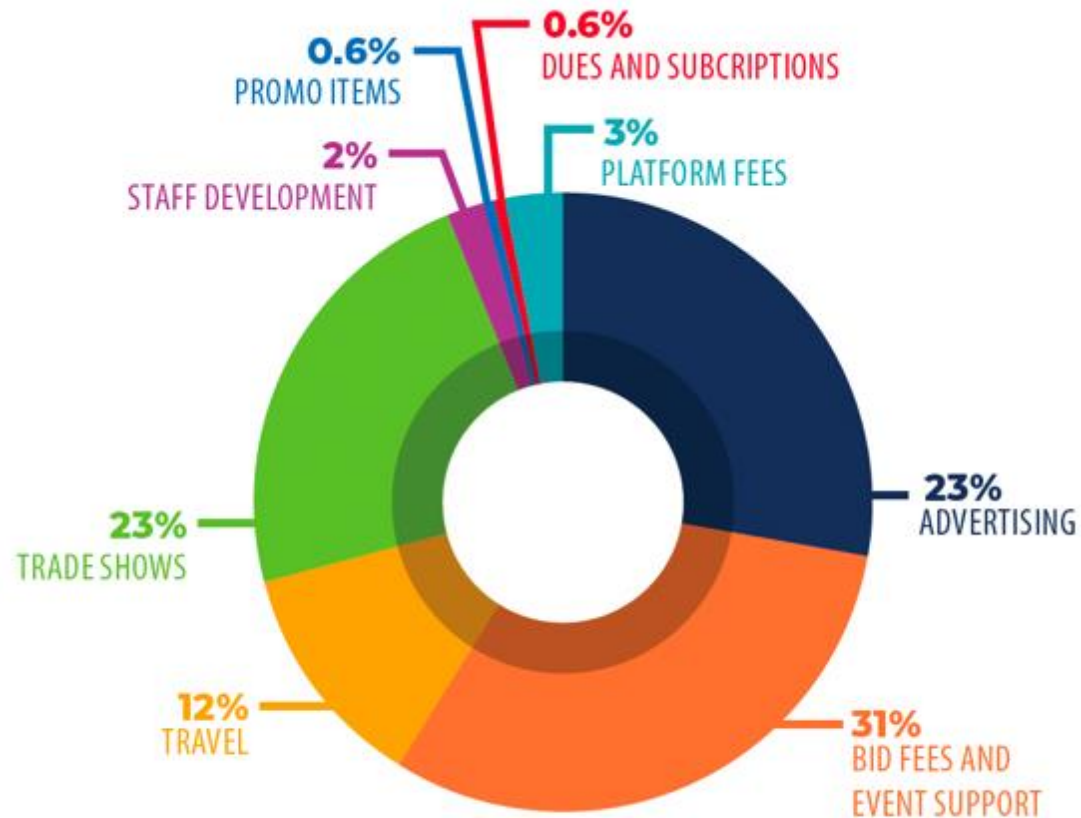


Meetings & Conventions



• Marketing Budget: \$110,119

Sports & Tournaments



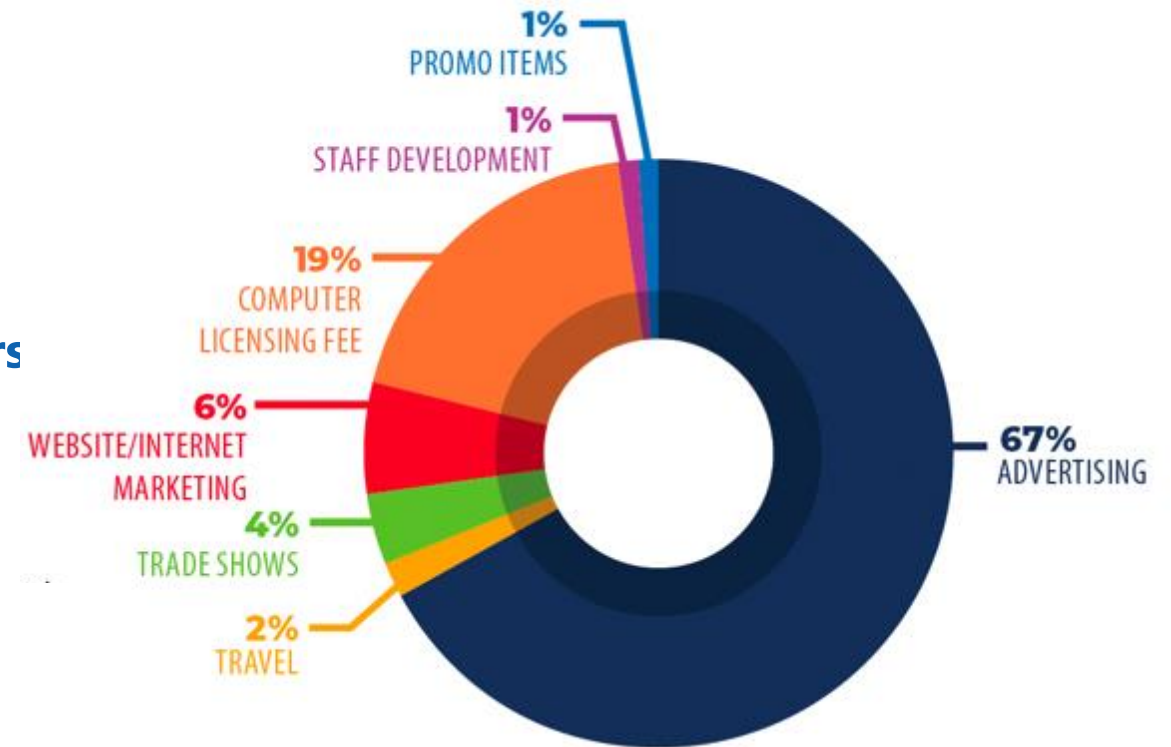
• **Marketing Budget: \$186,480**



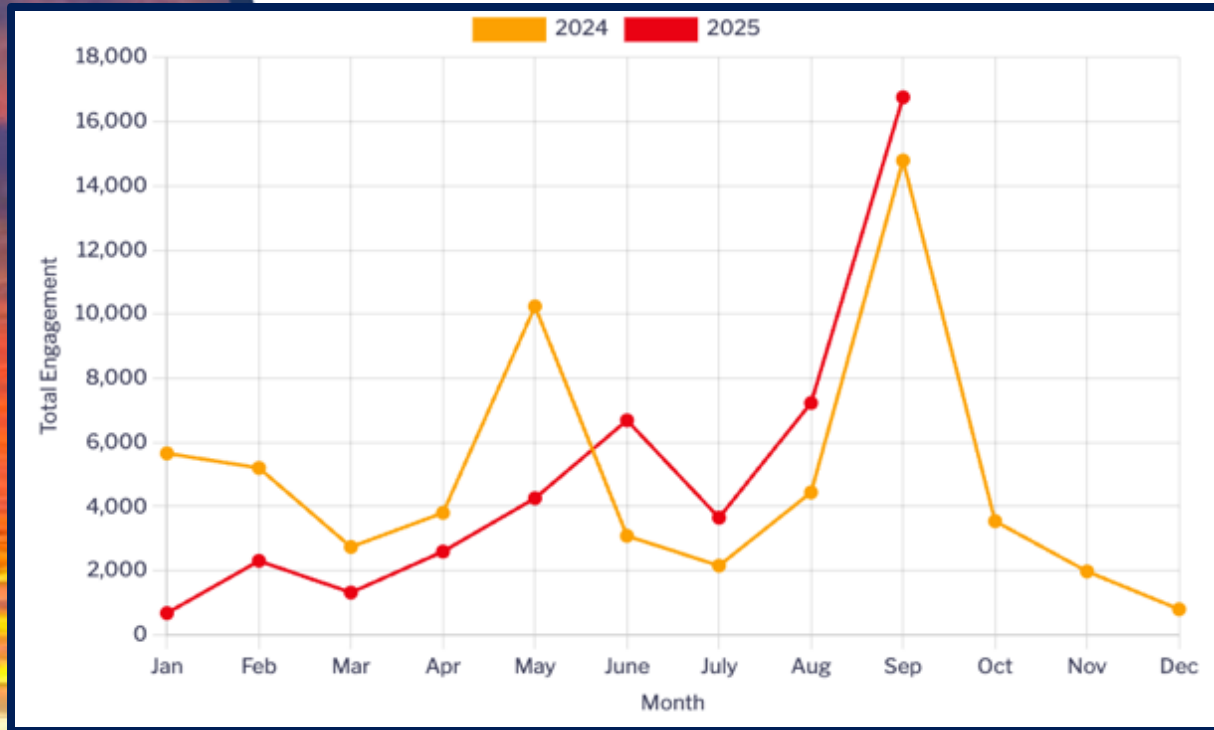
Tourism Development

- **Budget: \$637,232**

- **Advertising**
 - Digital Ads
 - PR / Media Relations
 - Social Media Influencers
 - Website
 - Print
 - Traditional TV
- **Computer Licensing Fee**
- **Travel / Trade Shows**
- **Promotion**
- **Dues & Subscription**
- **Staff Development**



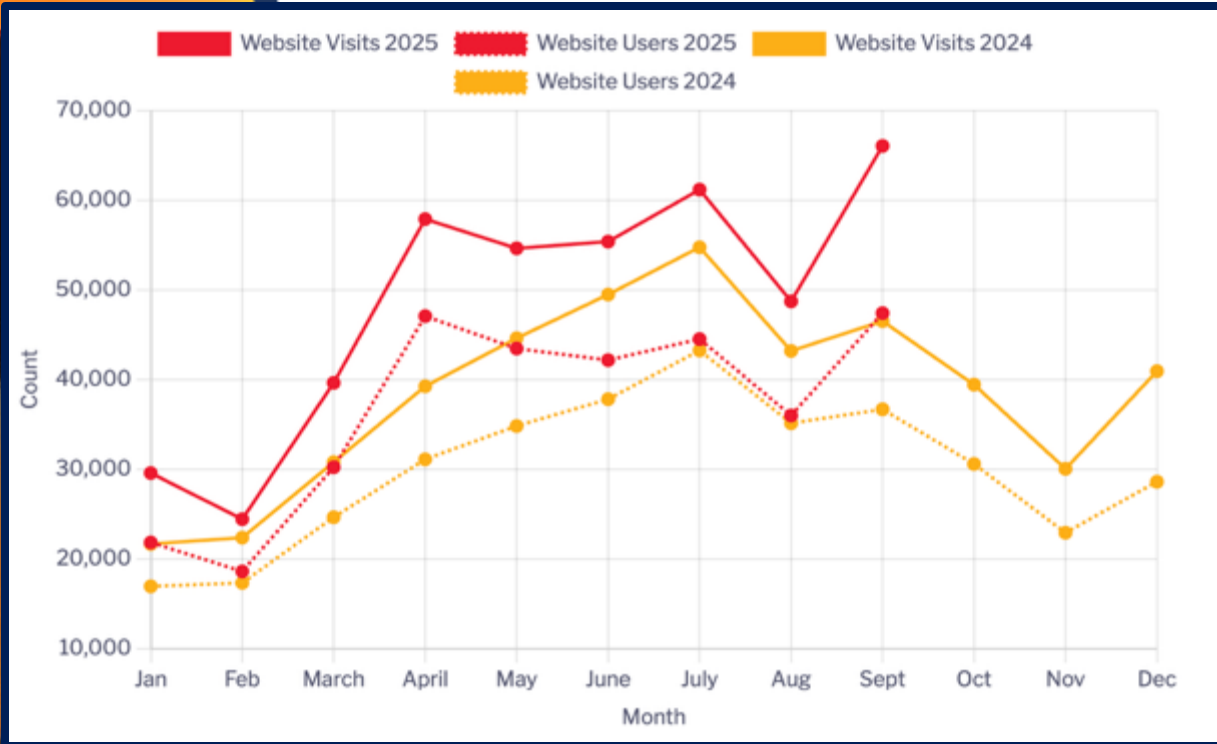
Social Media



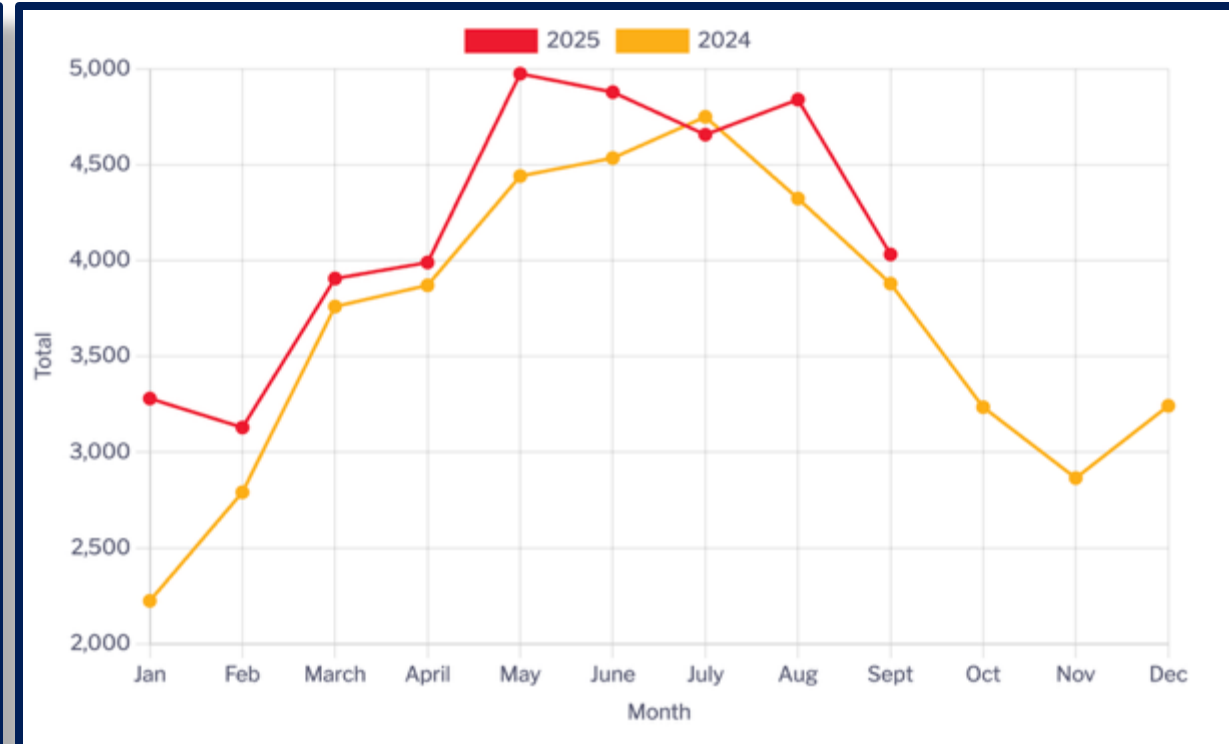
Engagement



Website Metrics



Visits & Users



Partner Referrals

VTC Community Engagement

- **WSU Workforce Development Program**
- **RPFD Visioning**
- **Bike Tri-Cities**
- **Regional Chamber**
- **Rivershore Enhancement Council**



2026 Work Plan



TPA Reserve Request

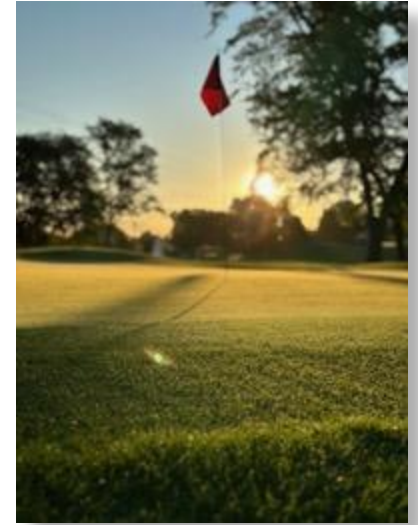
• Reserve Fund Investment Balance \$1.3m

New Project Requests	Amount
Sports Facilities Market Analysis & Feasibility Study	\$75,000
Northwest Event Show	\$15,000
Convention Center Expansion Marketing Campaign	\$15,000
Washington Wine Campaign	\$30,000
Digital Advertising Tax Compliance	\$50,000
Ambassador Influencer Program	\$18,000
Media Fam Tours	\$20,000
509 FAM Tour & Seattle Market Activation	\$30,000

TOTAL REQUEST
\$253,000



Thanks!





COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Resolutions - Adoption

Strategic Priority I - High Performance Government

Subject

Resolution No. 2025-151, Authorizing Use of 2025 Tourism Promotion Area Reserve Account Funds for Supplemental Tourism-Related Projects in 2026

Department/Office

City Manager

Ordinance/Resolution Number

2025-151

Document Type

Resolution

Recommended Motion

Adopt Resolution No. 2025-151, authorizing use of \$253,000 from the Tourism Promotion Area Reserve Account for supplemental tourism-related projects in 2026.

Summary

On June 1, 2004, the cities of Kennewick, Pasco, and Richland entered into an Interlocal Cooperation Agreement establishing the Tri-City Regional Tourism Promotion Area (TPA) and creating the Tri-City Regional Hotel-Motel Commission to advise on the expenditure of Special Lodging Assessment revenues. Visit Tri-Cities manages TPA programming on behalf of the Commission.

The TPA Reserve Account currently exceeds the required minimum balance of \$650,000, making excess funds available for reinvestment in projects that strengthen regional tourism. At its October 2025 meeting, the Tri-City Regional Hotel-Motel Commission unanimously recommended the transfer of \$253,000 in surplus reserves for supplemental projects supporting tourism promotion in 2026. These projects include efforts to secure and support new conventions and sports tournaments, expand tourism research and education, and enhance leisure travel marketing.

Staff recommends adoption of Resolution No. 2025-151.

Fiscal Impact

None. The supplemental 2026 tourism-related projects will be funded entirely from the Tourism Promotion Area Reserve Account.

Attachments

1. Resolution No. 2025-151
2. Visit Tri-Cities Correspondence
3. Visit Tri-Cities TPA Reserve Funding Request Packet

RESOLUTION NO. 2025-151

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,
AUTHORIZING USE OF 2025 TOURISM PROMOTION AREA
RESERVE ACCOUNT FUNDS FOR SUPPLEMENTAL PROJECTS
IN 2026.**

WHEREAS, in 2004, the Tri-Cities Area Hotel and Lodging Association proposed that Tourism Promotion Areas (TPA) be formed in each of the three principal cities in the Tri-Cities area; and

WHEREAS, the TPA Reserve Account currently exceeds the acceptable level of \$650,000 available for reinvestment in tourism-related projects; and

WHEREAS, the Tri-City Regional Hotel-Motel Commission requests the transfer of excess funds in the amount of \$253,000 from the TPA Reserve Account to the Tri-City Regional Hotel-Motel Commission for supplemental projects supporting tourism promotion in 2026.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland that a transfer of excess funds in the amount of \$253,000 from the TPA Reserve Account to the Tri-City Regional Hotel-Motel Commission is hereby approved.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

ADOPTED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

Siefken, Felicia

From: Sam Galbraith <sam@VisitTri-Cities.com>
Sent: Tuesday, November 18, 2025 1:45 PM
To: Amundson, Jon
Cc: Siefken, Felicia; Kevin Lewis; Gretchen Guerrero
Subject: Visit Tri-Cities Annual Presentation to Richland City Council - December 2nd
Attachments: 26 Workplan.pdf; 26 Richland TPA Reserve Funding Request Packet.pdf; 25 TPA Annual Report Presentation Richland.pdf; 26 TPA Budget & Marketing Plan.pdf

[EXTERNAL EMAIL] Exercise caution before clicking links or opening attachments.

Dear Mr. Amundson:

Thank you for allowing us to provide our annual presentation to the Richland City Council on December 2nd, 2025. The following four documents are attached, and it is requested that the first three be included in the packet to Council Members. The fourth is the presentation file for Council's reference.

- 1) Visit Tri-Cities 2026 TPA Budget & Marketing Plan
- 2) Visit Tri-Cities 2026 Work Plan
- 3) 2026 TPA Reserve Investments
- 4) Presentation File for the December 2nd, 2025, Council Meeting

The Work Plan is included to inform the Council of our planned actions. These documents fulfill reporting requirements from the interlocal agreements Visit Tri-Cities has with the City.

The Tourism Promotion Assessment (TPA) reserve requests are presented on behalf of the Tri-City Regional Hotel-Motel Commissioners whose members are appointed by the City Councils to provide recommendations on the proposed use of TPA funds which are managed by Visit Tri-Cities. In October 2025, the Hotel-Motel Commissioners unanimously approved the transfer of \$253,000 in surplus funds to be utilized for a list of specified projects and incorporated in the Visit Tri-Cities 2026 work plan. Such projects include funds to secure and support new conventions and sports tournaments, tourism research and education, and promotions to increase and enhance leisure travel stays. A summary of the projects and the associated expenditures is attached for your review.

Please know that Council's approval of the 2026 Budget & Marketing Plan, 2026 Work Plan, and to reinvest the reserve funds for special projects are required.

Felicia Siefken is copied on this message for reference and to assist her in preparing for the Council Meeting.

Thank you for your consideration and support. We appreciate the opportunity to collaborate with the City of Richland and the Tri-City Regional Hotel-Motel Commission as we help fuel transformational growth through tourism. Please let the Council Members know that I am available for any questions or comments they may have as they review the documents.

Sincerely,
Kevin



VisitTri-Cities.com

Samantha Galbraith

Operations Manager/Executive Assistant | Visit Tri-Cities

 509.735.8486 ext. 201

 7130 W. Grandridge Blvd., Ste. B
Kennewick, WA 99336



We are proud to be awarded accreditation from the prestigious Destinations International.

TPA Reserve Funding Request Packet

This packet is presented on behalf of the Tri-City Regional Hotel-Motel Commissioners whose members are appointed by the City Councils to provide recommendations on the proposed use of Tourism Promotion Area (TPA) funds which are managed by Visit Tri-Cities.

At its October 2025 meeting, the Hotel-Motel Commissioners unanimously approved the transfer of \$253,000 from TPA reserve funds to be utilized for the projects specified in this packet and incorporated in the Visit Tri-Cities 2026 Work Plan. This packet provides background information as stated below and a summary of the proposed projects to fund utilizing resources from TPA Reserve Account for reinvestment.

Background

The TPA Reserve Account has a required minimum reserve balance of \$650,000 which includes an operating balance of \$150,000. These balance requirements are determined by the City Managers who participate at Commission meetings as Ex-Officios. It is the Commission's position that additional funds above \$650,000 should actively be used to promote the Tri-Cities as a destination, creating increased visitor spending in the community. In addition, reserve funding considerations are also made for capital investments and destination development.

As a result of careful resource management and conservative budgeting, the TPA Reserve Account currently has a balance of \$1,339,233 available for reinvestment in additional projects.

Earlier this year, the Commissioners of the Tri-City Regional Hotel-Motel Commission unanimously voted to re-invest \$253,000 of the surplus revenues toward projects that include: funds to secure and support new conventions and sports tournaments, tourism research and education, and promotions to increase and enhance leisure travel stays.

Included in this packet is the list of new projects recommended by the Commission to support the 2026 Visit Tri-Cities Work Plan.

Thank you for your consideration and support with this request. We appreciate the opportunity to collaborate with the City of Richland and the Tri-City Regional Hotel-Motel Commission as we help fuel transformational growth through tourism. Please reach out with any questions or comments you may have as you review the documents.

Sincerely,



Kevin Lewis
President and CEO

Proposed TPA Reserve Reinvestments

Tri-Cities Sports Facilities Market Analysis & Feasibility Study \$75,000

Visit Tri-Cities conducted a Sports Facilities Market Analysis & Feasibility Study in 2019 to assess the region's need for multi-use sports facilities. Given the continued growth in the community, infrastructure and sports tourism trends, an updated study is essential. A comprehensive update to the 2019 study will provide critical data to guide investment, generate economic impact and strengthen the Tri-Cities' position as a premier sports destination.

Northwest Event Show

\$15,000

Visit Tri-Cities is attending the Northwest Event Show (NWES), in Seattle, WA. This show is the largest event industry tradeshow in the Pacific Northwest. The show brings together more than 2,400 attendees, 200 exhibitors and 1,200 businesses representing 26 states. Staff is seeking to expand Visit Tri-Cities' presence at the show with a larger booth space, updated materials and enhanced visual elements to increase visibility and engagement. A larger presence at NWES will strengthen Visit Tri-Cities' ability to generate new leads, attract high-value meetings and events and build relationships with larger corporate businesses considering destinations for future programs. Additionally, Visit Tri-Cities is exploring the opportunity for community and hospitality partners to attend alongside staff, further developing brand exposure and showcasing the region's venues and capabilities.

Convention Center Expansion Marketing Campaign

\$15,000

With the expansion of the Three Rivers Convention Center, the Tri-Cities has gained new opportunities to attract first-time events and grow existing ones. To maximize the impact of this investment, a marketing campaign targeting qualified sports event organizers and meeting planners will be led by the Convention and Sports Development departments. This campaign will include targeted promotional mailers and digital outreach that highlights the Convention Center's new features, and increased capacity and flexibility. These efforts will help generate new leads, re-engage past clients and position the region as a competitive destination for regional and national events.

Washington Wine Campaign: Taste Washington Media Dinner, Immersive Wine FAM tour & Digital Activation

\$30,000

Visit Tri-Cities is requesting \$30,000 in TPA Reserve funds to execute a two-part wine tourism marketing activation that builds on the region's participation in Taste Washington. The project includes an intimate media dinner in Seattle for up to 15 travel, food, and lifestyle journalists and influencers, followed by an immersive wine FAM tour in the Tri-Cities in late spring. Together, these activations will showcase the Tri-Cities as the Heart of Washington Wine Country®, strengthen relationships with key media, and generate high-value coverage and social storytelling. To extend the impact beyond the table, a digital ad buy will geofence Taste Washington venues and serve targeted ads to attendees before,

during, and after the event, promoting Tri-Cities wineries, itineraries, and wine experiences. The investment includes creating a cohesive earned-and-paid strategy that elevates brand awareness, drives measurable engagement, and inspires visitation from key wine and culinary audiences.

Digital Advertising Tax Compliance

\$50,000

Visit Tri-Cities is requesting \$50,000 in TPA Reserve funds to offset unbudgeted costs associated with Washington State's newly imposed sales tax on digital advertising. The new legislation affects a broad range of digital marketing activities across multiple platforms and vendors, but there is currently no clear guidance on how the tax will be applied (e.g. whether by the purchaser's location or the markets where ads are served). This funding will ensure Visit Tri-Cities remains compliant with state regulations while maintaining the reach and performance of its marketing campaigns in key feeder markets, preventing reductions in visibility and protecting tourism-driven economic impact.

Tri-Cities Ambassador Influencer Program

\$18,000

The proposed \$18,000 budget supports influencer recruitment, branded materials, and content amplification for the Tri-Cities Ambassadors campaign. Funds will provide modest stipends for five to six local influencers to curate and share itineraries, cover the production of branded Visit Tri-Cities ambassador kits, and support photography, video, and paid social promotion to extend reach. This investment ensures high-quality, authentic content creation and consistent visual representation of the destination across multiple audience segments. By leveraging trusted local voices, the program will deliver measurable returns in awareness, engagement, and visitation while producing a reusable library of assets for future marketing use.

Media FAM Tours

\$20,000

Visit Tri-Cities is requesting \$20,000 in TPA Reserve funds to host media familiarization (FAM) tours that generate earned media coverage and elevate awareness of the Tri-Cities as the Heart of Washington Wine Country®. These curated tours will bring select travel, lifestyle, and wine journalists and influencers to the region for immersive experiences highlighting local attractions, wineries, recreation, and community stories. Funding will cover lodging, meals, transportation, and hosting expenses for visiting media, as well as itinerary coordination and content support. The investment will result in high-value editorial coverage and social content that inspire visitation, strengthen community partnerships, and deliver lasting visibility for the destination across regional and national audiences.

509 FAM Tour & Seattle Market Activation

\$30,000

Visit Tri-Cities is requesting \$30,000 in TPA Reserve funds to support participation in a joint "509 FAM Tour & Seattle Market Activation" in partnership with Visit Spokane, Visit Walla Walla, and potentially Visit Yakima. The campaign will showcase Eastern Washington's

destinations to key travel, food, and lifestyle media from fly markets with direct air service to both Spokane and the Tri-Cities, followed by a 509 Pop-Up experiential activation in Seattle—our largest shared feeder market. This collaboration will position the Tri-Cities as a central hub within the 509 region, expand media exposure, and inspire itineraries that connect visitors across multiple Eastern Washington destinations. Funding will support media hosting, transportation, content creation, and participation in the Seattle activation, resulting in shared earned media coverage and long-term visibility for the Tri-Cities brand.

Total All Requests: \$253,000

Requests submitted for TPA Commissioners approval in October 2025



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Items of Business

Strategic Priority I - High Performance Government

Subject

Resolution No. 2025-146, Authorizing an Option Agreement with Atlas Agro, Inc. for 275 Acres of Real Property Located at 2100 Horn Rapids Road

Department/Office

Development Services

Ordinance/Resolution Number

2025-146

Document Type

Resolution

Recommended Motion

Adopt Resolution No. 2025-146, authorizing the City Manager to sign and execute a Real Estate Option Agreement with Atlas Agro for the purchase of approximately 275 acres in the Northwest Advanced Clean Energy Park

Summary

Atlas Agro proposes to enter into a one-year real estate option agreement with the City of Richland to evaluate the potential purchase of City-owned property. The agreement includes an opportunity for an additional optional one-year extension beyond the initial term. Atlas Agro is coordinating with data center operators to develop five separate data center buildings that are projected to consume a combined total of 0.35 gigawatts of power on approximately 275 acres of City-owned land within the Northwest Advanced Clean Energy Park (NACEP).

This project supports Atlas Agro's primary initiative to construct a fertilizer facility on Port of Benton property also located within the NACEP. The fertilizer facility is dependent on a significant delivery of electricity and this data center project will enable construction of a new Bonneville Power Administration electric transmission line. The new line will connect the clean energy park to the Ashe Substation, which is adjacent to Energy Northwest's Columbia Generating Station and the future Cascade Advanced Energy Facility.

The base one-year option in the real estate option agreement requires a nonrefundable fee of \$250,000. This fee may be applied to the purchase price if the option is exercised. The optional additional one-year extension requires an additional nonrefundable fee of \$250,000, which may likewise also be applied to the purchase price if the option is exercised.

Atlas Agro, a Swiss company, continues to advance its plans for a fertilizer facility valued at approximately one billion dollars located adjacent to the properties in question for data centers. Staff will prepare a purchase and sale agreement for future consideration by the City Council should Atlas Agro elect to exercise the real estate option for the data center project.

The project, if implemented in its entirety, is expected to produce revenue in four primary areas. First, the land sale will generate \$23,958,000 if the option to purchase is exercised. Second, sales tax on the construction of the \$500,000,000 facility could be \$4,250,000 over the construction period, absent any exemptions. Third, the annual property tax based on the Purchaser's estimated value of \$500,000,000 could be \$825,000 annually. Last, the electric utility occupation tax levied from the City of Richland's General Fund to the Electric Utility could be \$17,000,000 annually based on the Purchaser's stated electric load to be served by the City (350,000kW x 8760hrs/yr x \$0.06/kWh x 0.092896). Once the project is fully operational, ongoing annual revenues are initially projected to be \$17,825,000 based on 2026 values. Upon completion, the data center project is expected to generate approximately one hundred ongoing jobs.

The potential fiscal impact is summarized in the following table:

	Estimated One-Time Revenue	Estimated Ongoing Revenue
Property Sale	\$23,958,000	n/a
Sales Tax on Construction	\$4,250,000	n/a
Property Tax	n/a	\$825,000
Electric Utility Occupation Tax	n/a	\$17,000,000
TOTAL	\$28,208,000	\$17,825,000

At its November 20, 2025 meeting, the Economic Development Committee favorably recommended the deal points as presented in the draft real estate option agreement. The City will retain an owner's representative with expertise in data centers to evaluate the project's impacts and opportunities for the City during this due diligence phase.

Staff recommends adoption of Resolution No. 2025-146.

Fiscal Impact	The project is expected to produce estimated one-time property sale and sales tax on construction revenue in the amount of \$28,208,000. The project is expected to produce an estimated on-going property tax and electric utility occupation tax in the amount of \$17,825,000 per year. Values are based on 2026 rates.
----------------------	--

Attachments

1. Resolution No. 2025-146
2. Letter of Intent - Atlas Agro
3. Site Map
4. Draft Real Estate Option Agreement
5. Attachment A to Option Agreement - Record of Survey
6. Attachment B to Option Agreement - TRIDEC/DOE Quitclaim Deed
7. Attachment B to Option Agreement - First Amendment to TRIDEC/DOE QCD

RESOLUTION NO. 2025-146

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,
AUTHORIZING A REAL ESTATE OPTION AGREEMENT BY AND
BETWEEN THE CITY OF RICHLAND AND ATLAS AGRO NORTH
AMERICA CORPORATION.**

WHEREAS, the City of Richland is the owner of approximately 275 acres of industrial property located in the Northwest Advanced Clean Energy Park and fronting Horn Rapids Road; and

WHEREAS, the property was transferred to the City of Richland from the Federal Department of Energy via Tri-City Development Council for the purpose of economic development, and is available for sale; and

WHEREAS, pursuant to Chapter 3.06 of the Richland Municipal Code, the City of Richland has full authority to negotiate the option and potential sale of City-owned property in the best interests of the City; and

WHEREAS, the City has negotiated a land price that is in its best interests; and

WHEREAS, the property is available for sale at \$87,120 per acre (\$2.00 per square foot), amounting to a total purchase price of \$23,958,000 for the 275 acres; and

WHEREAS, in the event that Atlas Agro elects to move forward with the Purchase and Sale Agreement, purchase will occur over a two-year period, and the City will retain a repurchase right under the Purchase and Sale Agreement with identified timeframes and deadlines as provided therein; and

WHEREAS, at its October 20, 2025 meeting, the Richland Economic Development Committee (EDC) favorably recommended sale of the 275 acres of property in the Northwest Advanced Clean Energy Park to Atlas Agro North America Corporation.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland that the City Manager is authorized to sign and execute a Real Estate Option Agreement and all related documents necessary for the sale of the property to Atlas Agro North America Corporation, as described herein.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

This space intentionally left blank.

ADOPTED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

Date: 09/22/2025

Attn: Mandy Wallner
Economic Development Division
City of Richland
625 Swift Blvd., MS-18
Richland, Washington 99352

Subject: Letter of Intent to Purchase Land in the Northwest Advanced Clean Energy Park

Dear City of Richland,

Atlas Agro is submitting this non-binding letter of intent to purchase 275 acres of the property located at 2100 Horn Rapids Road in the Northwest Advanced Clean Energy Park owned by the City of Richland (the "Property"). We are excited by the prospect of developing our business in your community and believe it to be a strong fit with your community's intent for economic and workforce growth. We intend to site, develop, build and operate a roughly 5 buildings of 500,000 sq. ft. for the following activities: data center development. The valuation of the overall project when completed is anticipated at \$500 Million and will create 100 jobs.

We intend to work closely with the City of Richland, TRIDEC, Benton County, the Port of Benton, PNNL, the VERTical Innovation Cluster, local tribes and other local community organizations. The buildings and operations will be owned, controlled and operated by Atlas Agro. We would like to work toward starting construction start in 2027.

Working in cooperation with you within next 90 days, we would like to develop a binding purchase sale agreement with the following terms

- 12 months option period for Atlas Agro to purchase the Property (the "Option period").
- The proposed purchase price for the Property is \$2 per square foot.
- Atlas Agro will deposit \$250k earnest money for the option within 30 days form execution of the purchase sale agreement with the Option period.

This letter of intent will be terminated at the earliest of (i) entering into a definitive purchase sale agreement, or (ii) 30 December 2025.

Sincerely,

Signed by:

Daniel Holmes

A98003A6C209429...

Atlas Agro North America LLC

Richland, WA

ATLAS AGRO - ~275 ACRE PURCHASE

NOT AN OFFICIAL BUILDING LAYOUT MAP



NORTHWEST ADVANCED CLEAN
ENERGY PARK

USDOE HAMMER
TRAINING FACILITY

500,000 SF

500,000 SF

500,000 SF

151.72 ACRES

121.36 ACRES

500,000 SF

500,000 SF

ATLAS
AGRO

HORN RAPIDS ROAD

KINGSGATE WAY

ATI

FRAMATOME

BATTELLE BLVD.

REAL ESTATE OPTION AGREEMENT

This REAL ESTATE OPTION AGREEMENT (the "Option Agreement") is made this ____ day of _____, 20__ between the **CITY OF RICHLAND**, a Washington municipal corporation ("Seller"), and **ATLAS AGRO NORTH AMERICA CORPORATION**, a (foreign for-profit corporation) ("Purchaser") registered to conduct business in the State of Washington. The "Effective Date" of this Option Agreement shall be the date of execution hereof by the last to execute of Seller and Purchaser.

RECITAL

1. Seller is the owner of the following unimproved real property located in Benton County, Washington, described as (hereinafter referred to as the "Option Property"):

That certain land consisting of approximately 273.08 acres, located at 2100 Horn Rapids Road, City of Richland, Benton County, Washington, further identified as Parcels 6 & 7, of Record of Survey B: 01, P: 6182 SUR, Benton County Auditor's Office Recording No. 2025-018941 (Attachment A).

Seller wishes to grant to Purchaser, and Purchaser wishes to obtain options to purchase, the Option Property, or portions thereof, on the terms and conditions set forth in this Agreement and the Agreement for Purchase and Sale of Real Property to be approved hereafter by the City of Richland (the "Purchase Agreement"). Terms defined in the Purchase Agreement shall have the same meaning in this Option Agreement as in the Purchase Agreement.

AGREEMENT

NOW, THEREFORE, Seller and Purchaser agree as follows:

1. Applicability of Terms, Conditions, Covenants and Restrictions of the U.S. Department of Energy conveyance of land to the Tri-City Development Council (TRIDEC). Purchaser acknowledges that the Property, and all buildings and structures hereafter constructed thereon, will be held, used, sold, encumbered, leased, improved and conveyed subject to and burdened by the covenants, conditions, restrictions, easements, assessments and liens set forth in the Quitclaim Deed, Terms, Conditions, Covenants and Restrictions for the U.S. Department of Energy Conveyance of Land to the TRIDEC Quitclaim Deed (Attachment B), as recorded under Benton County Auditor's File Number 2015-029457, as amended. All provisions of the TRIDEC Quitclaim Deed shall be binding upon all parties having or acquiring any right, title, or interest in the Property or any part thereof and their heirs, successors, grantees and assigns, and shall in all respects be covenants running with the land.
 - a. Purchaser acknowledges that the TRIDEC Quitclaim Deed has been fully examined, including all Exhibits therein (Exhibits A, B, C, D, E, F, G and H, of Attachment B).

- b. Purchaser acknowledges that, at Closing, Purchaser will take title to the Property subject to the covenants, conditions, restrictions, easements, assessments, and liens set forth in the TRIDEC Quitclaim Deed, which shall be incorporated by reference in a Statutory Warranty Deed conveying land from Seller to Purchaser.
2. Grantor of Option. Seller hereby agrees to sell to and grants Purchaser exclusive options to purchase the Option Property or any portion thereof.
3. Term of Options.
 - 3.1. Initial Option Term. The “Initial Option Term” of the Option Agreement shall commence on the effective date and continue for a period of one (1) year.
 - 3.2. Extension Term. Purchaser may extend the Initial Option Term for one (1) 1-year period, designated as the “Extension Term”, by Purchaser providing written notice to Seller no later than sixty (60) calendar days prior to the expiration of the Option Term (either Initial or Extension) and by payment to Seller of the Extension Fee provided for in Section 3.2.s below.
4. Consideration for Options.
 - 4.1. Initial Option Term Consideration. On or before the Effective Date and annually thereafter, Purchaser shall pay Seller Two Hundred Fifty Thousand dollars and no cents (\$250,000.00 total for the Initial Option Term) as consideration (the “Option Consideration”). If the option Consideration is not paid on or before the Effective Date, this Agreement shall terminate without further actions or documents from Seller or Purchaser.
 - 4.2. Extension Term Fee. The fee for extending the Option (the “Extension Fee”), consistent with the Extension Term, shall be Two Hundred Fifty Thousand dollars and no cents (\$250,000.00). This fee shall be due and payable prior to the expiration of the Initial Option.
 - 4.3. Option Consideration and Extension Fee Nonrefundable. The Option Consideration and the Extension Fee are in consideration of the granting of the option and the extension thereof. The Fee shall be retained by Seller notwithstanding the expiration of the options without exercise or the termination of this Agreement, or if an option is exercised, the termination of the applicable Purchase Agreement.
 - 4.4. Purchaser agrees and acknowledges that the purchase of the Property is conditioned on Purchaser reserving a minimum of ten (10) acres of the Option Property for the subsequent purchase and sale by Purchaser to CSS Farms, LLC. The location, size, and configuration of the CSS Farms, LLC parcel shall be legally described and depicted on the survey map included in the first Purchase and Sale Agreement between Seller and Purchaser under this Option Agreement.

5. Exercise of Option.

5.1. Exercise Notice. Each Option shall be exercised, if exercised, by Purchaser giving written notice of exercise to Seller (the "Exercise Notice") and concurrently delivering to Seller two copies of the Purchase Agreement, with a legal description of the applicable Option Property attached, and each copy duly executed by Purchaser and dated as of the date of giving of the Exercise Notice. Exercise Notice shall specify a closing date (the 'Closing Date'), which shall be no fewer than five (5) nor more than twenty (20) business days after the date the Exercise Notice is given.

5.2. Right of Partial Exercise. Purchaser shall have the right to purchase any part or all of the Option Property, at the Purchase Price per square foot specified in Section 5.1, and to continue the option on the remaining Option Property under the terms and conditions of this Agreement. Subsequent option payments shall be pro-rated according to the remaining acreage.

6. Purchase Price.

6.1. Option Property. The purchase price for the Option Property shall be Two dollars and no cents (\$2.00) per square foot, payable on the closing date for the sale of such property. Purchaser shall receive a credit against the purchase price in an amount equal to the Option Consideration and any Extension Fees actually paid, each pro-rated according to the Acreage purchased.

6.2. Acreage. As used herein, the term "acre" or "acreage" shall mean gross acreage less all dedications or property required to be dedicated for public roads, utility and other public or quasi-public easements or improvements. The Net Acreage of the Option Property shall be determined from an ALTA survey (the "Survey") of the Option Property, to be performed by Purchaser at Purchaser's cost, within fifteen (15) business days after the Effective Date. The Survey and the acreage shown thereon for the Option Property shall be subject to the approval of Seller, which shall not be unreasonably withheld or delayed..

7. Permitted Use and Development. Seller and Purchaser agree, for themselves and their permitted successors and assigns, that the Property will be used for the development, construction and operation of a data center project as set forth in Purchaser's signed Letter of Intent, dated September 22, 2025. It is understood that the material purpose for the City entering into this Option Agreement is the expectation, agreement and requirement that the Property will be developed with five 500,000 square-foot data centers.

As a condition of the option agreement, Purchaser will also accommodate the siting of the Project Hyas (CSS Farms) potential future development within this site.

8. Purchaser's Due Diligence.

8.1. Seller's Deliveries. No later than fifteen (15) business days after the Effective Date, Seller shall deliver to Purchaser, at Seller's expense, without representation or warranty, the following documents:

8.1.1. A preliminary title report (the "Title Report") of the Option Property, issued by Cascade Title Insurance Company ("Escrow Holder"), together with a copy of each of the documents noted as exceptions in the Title Report.

8.1.2. Copies of all service and maintenance contracts affecting the Option Property (the "Service Contracts") which will remain in effect after the applicable Closing Date, or a letter from Seller confirming that no Service Contracts will remain in effect after the applicable Closing Date.

8.1.3. Copies of all structural soils reports for the Option Property in Seller's possession or reasonably available to Seller.

8.1.4. Copies of all environmental reports for the Option Property in Seller's possession or reasonably available to Seller.

8.2. Title Review. During the period up to and including fifteen (15) business days after receipt of the Title Report (the "Title Review Period"), Purchaser shall review the Survey, the Title Report and the underlying exceptions and, on or before the expiration of the Title Review Period, shall give Seller written notice ("Disapproval Notice") of any objections Purchaser may have with the status of title on the Option Property ("Disapproved Exceptions"). Purchaser shall not disapprove any title exception unless such exception materially and adversely affects the use or value of the Option Property for offices, laboratories and industrial uses. Any such exceptions not expressly disapproved by Purchaser in writing on or before the expiration of the Title Review Period shall be deemed approved (the "Approved Exceptions"). Within fifteen (15) business days after any notice from Escrow Holder identifying the need to amend or add any exception to the Title Report, Purchaser shall notify Seller of any objections Purchaser may have to said amendment or addition, and such exceptions shall constitute Disapproved Exceptions hereunder. Seller shall use reasonable efforts to remove the Disapproved Exceptions as matters affecting title within the following time limits: (a) prior to expiration of the Option Term or any extension thereof as to Disapproved Exceptions disclosed in the Title Report or Survey, and (b) prior to the Closing Date for the Option Property, as to Disapproved Exceptions first becoming known thereafter, but prior to the Closing Date for the Option Property. Seller's efforts to remove Disapproved Exceptions shall include, without limitation, the diligent commencement and pursuit of litigation or the exercise of the power of eminent domain, except that, if Purchaser exercises the Option, all monetary encumbrances on the Option Property imposed by Seller may be satisfied at Closing from funds due to Seller under the applicable Purchase Agreement and/or other funds of Seller. If, prior to Purchaser's exercise of the Initial Term Option, Seller notifies Purchaser that Seller will not or will not be able to remove any of the then Disapproved Exceptions, then, within five (5) business days after the giving of such notice by Seller, or prior to exercise

of the Option, whichever is earlier, Purchaser shall give Seller and Escrow Holder written notice, either that Purchaser (i) waives its prior disapproval of such Disapproved Exceptions and agrees to accept such title as Seller is willing to convey, or (ii) terminates this Option Agreement. If Purchaser waives its prior disapproval, option (i), all Disapproved Exceptions then known to Purchaser, other than Disapproved Exceptions to be removed at Closing and Disapproved Exceptions Seller has agreed in writing to remove prior to Closing, shall thereafter be deemed to be Approved Exceptions. The Approved Exceptions, any amended exceptions to the Title Report to which Purchaser does not timely deliver a Disapproval Notice, and any Disapproved Exceptions which Purchaser waives or approves in writing shall be referred to hereinafter as the "Permitted Exceptions." If Purchaser terminates this Option Agreement because Seller will not or can not remove any of the Disapproved Exceptions, option (ii), Seller shall refund all Option Considerations paid and reimburse Purchaser for the Survey within 60 calendar days of such termination notice.

8.3. Other Due Diligence.

8.3.1. Prior to and during the Option Term, Purchaser shall be permitted to make, at Purchaser's cost, such reasonable physical, legal and other inspections of the Option Property as Purchaser deems appropriate and to review Seller's due diligence deliveries described in Section 6.1 hereof (the "Non-Title Related Deliveries"). Purchaser may, at Purchaser's cost, update any Environmental Preliminary Site Assessment of the Option Property furnished by Seller or perform a new Preliminary Site Assessment. Purchaser shall deliver to Seller, within fifteen (15) business days of Purchaser's receipt thereof, a copy of all environmental reports relating to the Option Property obtained by Purchaser.

8.3.2. If Purchaser exercises the Option, Purchaser will be deemed to have approved the physical condition of the Option Property.

8.4. Access to Property: Indemnification. Purchaser or a representative of Purchaser shall have access to the Option Property during normal business hours to inspect the condition of the property and to conduct studies and planning activities. Purchaser hereby agrees to indemnify, defend, protect and hold Seller harmless from and against any and all costs, expenses, losses, charges and claims arising out of Purchaser's (or any representative of Purchaser's) activities on the Option Property, provided that the foregoing indemnification shall not apply to matters or conditions discovered by Purchaser or its agents on the Option Property which were not caused solely by Purchaser.

9. Covenants, Representations and Warranties.

9.1. Seller's Covenants. Seller hereby covenants and agrees as follows:

9.1.1. During the period between the Effective Date and the termination or expiration of the Option Agreement or the close of sale of the Option Property (each such period

being an "Effective Period"), Seller shall not make any material alterations to the Option Property (except as required by law or governmental order, in the ordinary course of business or in the event of an emergency), nor modify or terminate any of the Service Contracts, licenses, permits, legal classification, or other governmental approvals pertaining to the Option Property, nor enter into any lease or agreement pertaining to the Option Property without Purchaser's prior consent, which consent shall not be unreasonably withheld or delayed.

9.1.2. During the Effective Period, Seller shall not voluntarily cause to be recorded any encumbrance, lien, deed of trust, easement or the like against the title to the Option Property without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed.

9.1.3. During the Effective Period, Seller will operate and maintain the Option Property in a manner consistent with Seller's past practices relative to the Option Property and in a manner which shall not cause waste to the Option Property.

9.1.4. During the Effective Period, and for a period of five (5) years after Buyer's acquisition of title to the Option Property, or any portion thereof, Seller shall reasonably cooperate with Purchaser in Purchaser's efforts to obtain approvals and permits for developing the Option Property ("Entitlements"). All costs, fees and expenses in applying for and obtaining such Entitlements specific to the Option Property or the Purchaser's use thereof, shall be paid by Purchaser. Seller shall not be required to enter into any obligations or change the status of the Option Property in connection with such Entitlements prior to the vesting of title to such Option Property by Purchaser. Seller acknowledges that a material inducement to Purchaser in entering into this Agreement and in exercising the Options granted hereunder is Seller's agreement to expedite the process of obtaining Entitlements and to cooperate with Purchaser in issuing such Entitlements so that Purchaser can commence operations on the Option Property in as timely a fashion as possible.

9.2. Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Purchaser, each of which shall be true on the date hereof and on the Closing Date for the Option Property:

9.2.1. Seller has the full power and authority to enter into and carry out the terms and provisions of this Agreement and to execute and deliver all documents which are contemplated by this Agreement; and all actions of Seller necessary to confer such authority upon the persons executing this Option Agreement, the Purchase Agreement and such other documents will have been taken.

9.2.2. Seller is a first-class city and a municipal corporation, duly formed and organized, validly existing and in good standing under the laws of the State of Washington under RCW 35.22.

9.2.3. To the best of Seller's knowledge, all documents delivered to Purchaser by Seller pursuant to Sections 6.1-2, 6.1.3 and 6.1.4 are true, correct and complete copies of the documents in Seller's file;

9.2.4. To the best of Seller's knowledge, during the period since acquiring ownership of the subject property:

9.2.4.1. Seller has not received any written notice from any governmental authorities that eminent domain proceedings nor the condemnation of the Option Property are pending or threatened.

9.2.4.2. Seller has not received any written notice of pending or threatened investigation, litigation or other proceeding before a local governmental body or a regulatory agency which would materially and adversely affect the Option Property.

9.2.4.3. Seller has not received any written notice from any governmental authority that Seller's use of the Option Property is presently in violation of any applicable zoning, land use, environmental or other law, order, ordinance or regulation affecting the Option Property.

9.2.4.4. Seller is not in breach or default under any covenants, conditions, restrictions, rights-of-way or easements which affect the Option Property or any portion thereof;

9.2.5. No special or general assessments have been levied against the Option Property, other than as disclosed by the Preliminary Title Report and Seller has not received written notice that any such assessments are threatened.

9.2.6. Seller has not entered into, and will not during this option period enter into any contract, option, right of first refusal, lease or other agreement which is presently in effect pursuant to which Seller has granted to any person or entity other than Purchaser the present or future right to purchase, occupy or lease any interest in the Option Property or any portion thereof.

9.2.7. Except for matters, if any, discussed in the environmental reports delivered to Purchaser by Seller pursuant to Section 6.1 of this Option Agreement or which may hereafter be disclosed in any updates thereof by Purchaser or any new Preliminary Site Assessments or environmental tests, (a) Seller has no knowledge of any release of Hazardous Substances (as hereinafter defined) located on or beneath the Option Property; and (b) Seller has not been required by any governmental agency to undertake remediation activity with respect to Hazardous Substances on the Option Property. As used herein the term "Hazardous Substance" shall mean and include any

and all toxic or hazardous substances, materials or wastes listed in the United States Department of Transportation Table (49 CFR 172.101) or by the Environmental Protection Agency as Hazardous Substances (40 CFR Part 302) and in any and all amendments thereto in effect during the Effective Period or such substances, materials or wastes otherwise regulated under any applicable local, state or federal law, regulation, ordinance or order.

9.2.8. Seller is not a “foreign person” for purposes of Section 1445 of the Internal Revenue Code.

Seller shall immediately give Purchaser written notice of any event which would make any representation or warranty set forth in Section 7.2 incorrect or untrue.

9.3. Purchaser's Representations and Warranties. Purchaser hereby represents and warrants to Seller as follows:

9.3.1. Purchaser is a foreign profit company, duly formed and organized, validly existing and in good standing under the laws of the State of Washington and authorized to do business in the State of Washington.

9.3.2. Purchaser has, and as of the Closing Date shall have full power and authority to enter into and carry out the terms and provisions of this Option Agreement and the Purchase Agreement and to execute and deliver all documents which are contemplated by this Agreement, and all actions of Purchaser necessary to confer such authority upon the persons executing this Agreement and such other documents have been taken.

10. Miscellaneous. Seller and Purchaser agree as follows:

10.1 Entire Agreement. This Option Agreement and the Purchase Agreement, if executed, shall constitute the Entire Agreement between the parties and supersede any and all prior agreements or understandings, whether verbal or written, concerning the sale of the Option Property.

10.2. Amendments. This Option Agreement may be modified or amended by written and signed agreement by both Seller and Purchaser.

10.3. Governing Law and Venue. This Option Agreement shall be governed by the laws of the State of Washington. The venue of any litigation shall be the Benton County Superior Court, Benton County, Washington.

10.4. Time of Essence. Time is of the essence of this Agreement.

10.5. Attorney's Fees. In the event of any claim or dispute arising out of this Option

Agreement, the non-prevailing party shall be responsible for all attorneys' fees and costs of the arbitration or litigation.

10.6. Assignment. Purchaser may assign its rights hereunder to any person or entity controlled by or which controls Purchaser, control meaning a person or entity with a 51 % or more ownership of Purchaser. The Purchaser and Seller also agree that this Option Agreement may be assigned to a third-party developer for the purpose of constructing, owning, operating, and/or maintaining laboratories, adjunct office facilities, and/or other industrial facilities. Such assignment will require written approval of the assignee by the City of Richland; said approval shall not be unduly withheld. This option Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties.

10.7. Notices. Whenever Escrow Holder or any party hereto shall desire to give or serve upon the other any notice, demand, request or other communication, each such notice, demand, request or other communication shall be in writing and shall be given or served upon the other party by facsimile or United States Mail.

Dated this _____ day of _____, _____.

SELLER

PURCHASER

Jon Amundson, ICMA-CM
City Manager

APPROVED AS TO FORM:

Heather Kintzley
City Attorney

Attachment A
Legal Description and Survey of Property

Parcel 6 and Parcel 7, Record Survey No. 6182

DRAFT

Attachment B

TRIDEC Quitclaim Deed (Deed Restrictions)
&
First Amendment to TRIDEC Quitclaim Deed (Deed Restrictions)

DRAFT

A PORTION OF SECTIONS 3, 4, 9, 10, 15, & 16 T.10N., R.28E., W.M.
AND PORTIONS OF SECTIONS 33 & 34 T.11N., R.28E., W.M.

EXISTING LEGAL DESCRIPTION

THAT PORTION OF TRACT 37 OF THE BLM DEPENDENT RESURVEY OF PORTIONS OF TOWNSHIP 10 AND 11 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF, APPROVED FEBRUARY 6, 2018, BY THE BLM OFFICE OF CADASTRAL SURVEYS, PORTLAND, OREGON. SAID PORTION OF TRACT 37 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A BLM MONUMENT MARKING ANGLE POINT 20 (AP20), TRACT 37 OF SAID SURVEY (SAID POINT BEING IDENTICAL WITH ANGLE POINT 3 (AP3) OF TRACT 38 OF SAID SURVEY, WHICH POINT BEARS SOUTH 00°15'59" EAST, 4101.78 FEET FROM ANGLE POINT 19 (AP19) OF SAID TRACT 37);
THENCE SOUTH 45°45'03" EAST 1801.02 FEET ALONG THE SOUTHWESTERLY LINE OF TRACT 38 OF SAID SURVEY;
THENCE SOUTH 01°18'33" EAST 428.46 FEET;
THENCE SOUTH 45°45'03" EAST 299.12 FEET;
THENCE SOUTH 45°44'49" EAST 2801.04 FEET;
THENCE SOUTH 00°50'27" EAST 120.03 FEET;
THENCE SOUTH 89°43'58" WEST 2169.91 FEET;
THENCE SOUTH 01°18'27" EAST 935.17 FEET TO A BLM ALUMINUM MONUMENT MARKING THE SOUTH QUARTER CORNER OF SECTION 10 OF SAID TOWNSHIP 10 NORTH, RANGE 28 EAST;
THENCE CONTINUING SOUTH 01°18'31" EAST 709.42 FEET TO A 3 INCH BRASS CAP, SAID BRASS CAP ON LINE AP3-AP4 OF TRACT 37 OF SAID SURVEY;
THENCE SOUTH 89°59'57" WEST 1117.97 FEET ALONG SAID LINE TO A BLM MONUMENT MARKING ANGLE POINT 4 (AP4) OF SAID TRACT;
THENCE SOUTH 00°00'14" WEST 1860.73 FEET TO A BLM MONUMENT MARKING ANGLE POINT 5 (AP5) OF SAID TRACT;
THENCE SOUTH 89°43'55" WEST 1604.94 FEET TO A BLM MONUMENT MARKING ANGLE POINT 6 (AP6) OF SAID TRACT;
THENCE NORTH 01°18'01" EAST 1436.06 FEET TO A BLM MONUMENT MARKING ANGLE POINT 7 (AP7) OF SAID TRACT;
THENCE SOUTH 89°54'27" WEST 1612.56 FEET TO A BLM MONUMENT MARKING ANGLE POINT 8 (AP8) OF SAID TRACT;
THENCE SOUTH 01°12'17" EAST 1440.92 FEET TO A BLM MONUMENT MARKING ANGLE POINT 9 (AP9) OF SAID TRACT;
THENCE SOUTH 89°44'16" WEST 889.48 FEET TO A BLM MONUMENT MARKING ANGLE POINT 10 (AP10) OF SAID TRACT;
THENCE NORTH 01°03'43" WEST 503.20 FEET TO A BLM MONUMENT MARKING ANGLE POINT 11 (AP11) OF SAID TRACT;
THENCE NORTH 89°59'43" WEST 823.01 FEET TO A BLM MONUMENT MARKING ANGLE POINT 12 (AP12) OF SAID TRACT;
THENCE NORTH 0°00'36" WEST 2032.02 FEET TO A BLM MONUMENT MARKING ANGLE POINT 13 (AP13) OF SAID TRACT;
THENCE NORTH 0°00'38" EAST 446.43 FEET TO A BLM MONUMENT MARKING ANGLE POINT 14 (AP14) OF SAID TRACT;
THENCE SOUTH 88°51'16" EAST 3129.85 FEET TO A BLM MONUMENT MARKING ANGLE POINT 15 (AP15) ON THE WEST BOUNDARY OF SAID TRACT;
THENCE NORTH 00°21'49" WEST, 2470.20 FEET ALONG SAID WEST BOUNDARY TO A BLM MONUMENT STAMPED "WP1";
THENCE CONTINUING ALONG SAID BOUNDARY, NORTH 00°21'50" WEST, 2480.17 FEET TO A BLM MONUMENT STAMPED "WP2";
THENCE NORTH 00°21'53" WEST 3410.37 FEET TO A BLM MONUMENT STAMPED "WP3";
THENCE NORTH 00°21'43" WEST 323.04 FEET;
THENCE NORTH 89°56'08" EAST 1562.04 FEET TO A BLM MONUMENT MARKING ANGLE POINT 19 (AP19);
THENCE SOUTH 00°15'58" EAST 4101.78 FEET TO SAID BLM MONUMENT MARKING ANGLE POINT 20 (AP20) BEING THE POINT OF BEGINNING.

SITUATE IN BENTON COUNTY, WASHINGTON.

SURVEYOR'S NARRATIVE:

THE PURPOSE OF THIS SURVEY IS TO ESTABLISH AND MONUMENT THE CORNERS OF NEW PARCELS SHOWN AND DESCRIBED HEREON. BASED ON THAT LAND DIVISION EXEMPTION APPROVED BY THE CITY OF RICHLAND. APPLICATION NO. PLN-T1-2025-00285. ANY EASEMENTS, RESTRICTION, OR RESERVATION WHICH WOULD BE DISCLOSED BY A CURRENT TITLE REPORT MAY EXIST BUT ARE NOT SHOWN HEREON.

PARCEL 1

THAT PORTION OF TRACT 37 OF THE BLM DEPENDENT RESURVEY OF PORTIONS OF TOWNSHIP 10 AND 11 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF, APPROVED FEBRUARY 6, 2018, BY THE BLM OFFICE OF CADASTRAL SURVEYS, PORTLAND, OREGON. SAID PORTION OF TRACT 37 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BLM MONUMENT MARKING THE MOST SOUTHEASTERLY CORNER OF SAID TRACT 37 (ALSO KNOWN AS ANGLE POINT 1 (AP1) OF SAID TRACT 37) SAID POINT ALSO BEING THE SOUTHEAST CORNER OF A PARCEL DESCRIBED AS PARCEL "C" IN DEED RECORDED UNDER AUDITOR'S FILE NUMBER 2019-018734 AND FURTHER DEPICTED ON RECORD OF SURVEY 5069, RECORDED IN VOLUME 1 OF SURVEYS AT PAGE 5069, UNDER AUDITOR'S FILE NUMBER 2018-029107, BOTH BEING RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°46'43" WEST 77.68 FEET ALONG THE SOUTH LINE OF SAID TRACT 37 TO A 3" BLM MONUMENT, MARKED "WP TR37 SEC. 15";
THENCE SOUTH 89°43'55" WEST 195.17 FEET TO THE SOUTHWEST CORNER OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°43'55" WEST 1617.39 FEET TO A BLM MONUMENT MARKING ANGLE POINT 2 (AP2) OF SAID TRACT 37;
THENCE NORTH 00°00'32" WEST 1853.05 FEET TO A BLM MONUMENT MARKING ANGLE POINT 3 (AP 3);
THENCE SOUTH 89°59'57" WEST 566.33 FEET TO A 3" BRASS CAP;
THENCE NORTH 01°18'31" WEST 709.42 FEET TO A BLM MONUMENT MARKING THE NORTH ONE-QUARTER CORNER OF SAID SECTION 15 OF SAID TOWNSHIP 10 NORTH, RANGE 28 EAST;
THENCE NORTH 01°18'33" WEST 522.21 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 88°51'16" WEST 2689.71 FEET;
THENCE NORTH 00°21'49" WEST 1125.41 FEET;
THENCE SOUTH 88°51'16" EAST 4291.04 FEET TO THE SOUTHWESTERLY LINE OF SAID TRACT C;
THENCE SOUTH 45°44'49" EAST ALONG SAID LINE 788.56 FEET TO AN ANGLE POINT IN THE WESTERLY LINE OF SAID TRACT C;
THENCE SOUTH 00°50'27" EAST ALONG THE WESTERLY LINE OF SAID TRACT C 120.12 FEET;
THENCE SOUTH 89°43'58" WEST 2169.91 FEET;
THENCE SOUTH 01°18'33" EAST 412.97 FEET TO THE POINT OF BEGINNING.

SITUATE IN BENTON COUNTY, WASHINGTON.

PARCEL 2

THAT PORTION OF TRACT 37 OF THE BLM DEPENDENT RESURVEY OF PORTIONS OF TOWNSHIP 10 AND 11 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF, APPROVED FEBRUARY 6, 2018, BY THE BLM OFFICE OF CADASTRAL SURVEYS, PORTLAND, OREGON. SAID PORTION OF TRACT 37 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BLM MONUMENT MARKING THE MOST SOUTHEASTERLY CORNER OF SAID TRACT 37 (ALSO KNOWN AS ANGLE POINT 1 (AP1) OF SAID TRACT 37) SAID POINT ALSO BEING THE SOUTHEAST CORNER OF A PARCEL DESCRIBED AS PARCEL "C" IN DEED RECORDED UNDER AUDITOR'S FILE NUMBER 2019-018734 AND FURTHER DEPICTED ON RECORD OF SURVEY 5069, RECORDED IN VOLUME 1 OF SURVEYS AT PAGE 5069, UNDER AUDITOR'S FILE NUMBER 2018-029107, BOTH BEING RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°46'43" WEST 77.68 FEET ALONG THE SOUTH LINE OF SAID TRACT 37 TO A 3" BLM MONUMENT, MARKED "WP TR37 SEC. 15";
THENCE SOUTH 89°43'55" WEST 195.17 FEET TO THE SOUTHWEST CORNER OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°43'55" WEST 1617.39 FEET TO A BLM MONUMENT MARKING ANGLE POINT 2 (AP2) OF SAID TRACT 37;
THENCE NORTH 00°00'32" WEST 1853.05 FEET TO A BLM MONUMENT MARKING ANGLE POINT 3 (AP 3);
THENCE SOUTH 89°59'57" WEST 566.33 FEET TO A 3" BRASS CAP;
THENCE NORTH 01°18'31" WEST 709.42 FEET TO A BLM MONUMENT MARKING THE NORTH ONE-QUARTER CORNER OF SAID SECTION 15 OF SAID TOWNSHIP 10 NORTH, RANGE 28 EAST;
THENCE NORTH 01°18'33" WEST 522.21 FEET;
THENCE NORTH 88°51'16" WEST 2689.71 FEET;
THENCE NORTH 00°21'49" WEST 1125.41 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 0°21'49" WEST 1099.97 FEET;

SURVEYOR'S CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF CITY OF RICHLAND IN AUGUST, 2025.

CERTIFICATE NO: 33/32

NEW LEGAL DESCRIPTIONS:

THENCE NORTH 0°21'50" WEST 380.89 FEET;
THENCE SOUTH 88°51'16" EAST 2748.51 FEET TO THE SOUTHWESTERLY LINE OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 45°45'03" EAST ALONG SAID SOUTHWESTERLY LINE OF TRACT C, 153.87 FEET;
THENCE SOUTH 45°44'49" EAST ALONG SAID LINE 2012.40 FEET;
THENCE NORTH 88°51'16" WEST 4291.04 FEET TO THE POINT OF BEGINNING.

SITUATE IN BENTON COUNTY, WASHINGTON.

PARCEL 3

THAT PORTION OF TRACT 37 OF THE BLM DEPENDENT RESURVEY OF PORTIONS OF TOWNSHIP 10 AND 11 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF, APPROVED FEBRUARY 6, 2018, BY THE BLM OFFICE OF CADASTRAL SURVEYS, PORTLAND, OREGON. SAID PORTION OF TRACT 37 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BLM MONUMENT MARKING THE MOST SOUTHEASTERLY CORNER OF SAID TRACT 37 (ALSO KNOWN AS ANGLE POINT 1 (AP1) OF SAID TRACT 37) SAID POINT ALSO BEING THE SOUTHEAST CORNER OF A PARCEL DESCRIBED AS PARCEL "C" IN DEED RECORDED UNDER AUDITOR'S FILE NUMBER 2019-018734 AND FURTHER DEPICTED ON RECORD OF SURVEY 5069, RECORDED IN VOLUME 1 OF SURVEYS AT PAGE 5069, UNDER AUDITOR'S FILE NUMBER 2018-029107, BOTH BEING RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°46'43" WEST 77.68 FEET ALONG THE SOUTH LINE OF SAID TRACT 37 TO A 3" BLM MONUMENT, MARKED "WP TR37 SEC. 15";
THENCE SOUTH 89°43'55" WEST 195.17 FEET TO THE SOUTHWEST CORNER OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°43'55" WEST 1617.39 FEET TO A BLM MONUMENT MARKING ANGLE POINT 2 (AP2) OF SAID TRACT 37;
THENCE NORTH 00°00'32" WEST 1853.05 FEET TO A BLM MONUMENT MARKING ANGLE POINT 3 (AP 3);
THENCE SOUTH 89°59'57" WEST 566.33 FEET TO A 3" BRASS CAP;
THENCE NORTH 01°18'31" WEST 709.42 FEET TO A BLM MONUMENT MARKING THE NORTH ONE-QUARTER CORNER OF SAID SECTION 15 OF SAID TOWNSHIP 10 NORTH, RANGE 28 EAST;
THENCE NORTH 01°18'33" WEST 522.21 FEET;
THENCE NORTH 88°51'16" WEST 2689.71 FEET;
THENCE NORTH 0°21'49" WEST 2235.38 FEET;
THENCE NORTH 0°21'50" WEST 380.89 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 0°21'50" WEST 2099.28 FEET;
THENCE NORTH 0°21'53" WEST 3410.37 FEET;
THENCE NORTH 0°21'43" WEST 322.02 FEET TO THE SOUTH LINE OF TRACT E AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE NORTH 89°55'49" EAST ALONG SAID SOUTH LINE 1282.04 FEET;
THENCE SOUTH 01°15'59" EAST 4135.58 FEET;
THENCE SOUTH 45°45'03" EAST 1916.13 FEET TO THE WESTERLY LINE OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 01°18'33" EAST ALONG SAID WESTERLY LINE 314.20 FEET TO AN ANGLE POINT IN THE WESTERLY LINE OF SAID TRACT C;
THENCE SOUTH 45°45'03" EAST ALONG THE SOUTHWESTERLY LINE OF SAID TRACT C 145.25 FEET;
THENCE NORTH 88°51'16" WEST 2748.51 FEET TO THE POINT OF BEGINNING.

SITUATE IN BENTON COUNTY, WASHINGTON.

PARCEL 4

THAT PORTION OF TRACT 37 OF THE BLM DEPENDENT RESURVEY OF PORTIONS OF TOWNSHIP 10 AND 11 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF, APPROVED FEBRUARY 6, 2018, BY THE BLM OFFICE OF CADASTRAL SURVEYS, PORTLAND, OREGON. SAID PORTION OF TRACT 37 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BLM MONUMENT MARKING THE MOST SOUTHEASTERLY CORNER OF SAID TRACT 37 (ALSO KNOWN AS ANGLE POINT 1 (AP1) OF SAID TRACT 37) SAID POINT ALSO BEING THE SOUTHEAST CORNER OF A PARCEL DESCRIBED AS PARCEL "C" IN DEED RECORDED UNDER AUDITOR'S FILE NUMBER 2019-018734 AND FURTHER DEPICTED ON

RECORD OF SURVEY 5069, RECORDED IN VOLUME 1 OF SURVEYS AT PAGE 5069, UNDER AUDITOR'S FILE NUMBER 2018-029107, BOTH BEING RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°46'43" WEST 77.68 FEET ALONG THE SOUTH LINE OF SAID TRACT 37 TO A 3" BLM MONUMENT, MARKED "WP TR37 SEC. 15";
THENCE SOUTH 89°43'55" WEST 195.17 FEET TO THE SOUTHWEST CORNER OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°43'55" WEST 1617.39 FEET TO A BLM MONUMENT MARKING ANGLE POINT 2 (AP2) OF SAID TRACT 37;
THENCE NORTH 00°00'32" WEST 1853.05 FEET TO A BLM MONUMENT MARKING ANGLE POINT 3 (AP 3);
THENCE SOUTH 89°59'57" WEST 566.33 FEET TO A 3" BRASS CAP;
THENCE SOUTH 89°59'57" WEST 1117.97 FEET TO BLM MONUMENT MARKING ANGLE POINT 4 (AP 4);
THENCE SOUTH 0°00'14" WEST 1860.98 FEET TO A BLM MONUMENT MARKING ANGLE POINT 5 (AP 5);
THENCE SOUTH 89°43'55" WEST 1504.90 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 01°18'01" EAST 1442.10 FEET;
THENCE NORTH 07°45'01" WEST 1375.21 FEET;
THENCE SOUTH 88°51'16" EAST 2781.33 FEET;
THENCE NORTH 01°18'33" WEST 350.32 FEET;
THENCE NORTH 88°51'16" WEST 2689.71 FEET;
THENCE NORTH 00°21'49" WEST 2225.38 FEET;
THENCE NORTH 00°21'50" WEST 2480.17 FEET;
THENCE NORTH 00°21'53" WEST 3410.37 FEET;
THENCE NORTH 00°21'43" WEST 322.02 FEET TO THE SOUTH LINE OF TRACT E AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°55'49" WEST ALONG SAID SOUTH LINE 200.00 FEET;
THENCE SOUTH 00°21'43" EAST 323.04 FEET TO A BLM MONUMENT, MARKED (WP3);
THENCE SOUTH 00°21'53" EAST 3410.37 FEET TO A BLM MONUMENT, MARKED (WP2);
THENCE SOUTH 00°21'50" WEST 2480.17 FEET TO A BLM MONUMENT, MARKED (WP1);
THENCE SOUTH 00°21'49" EAST 2470.20 FEET TO BLM MONUMENT MARKING ANGLE POINT 15 (AP15);
THENCE NORTH 88°51'16" WEST 3129.85 FEET TO A BLM MONUMENT MARKING ANGLE POINT 14 (AP14);
THENCE SOUTH 00°00'38" WEST, ALONG THE WEST LINE OF SAID TRACT 37, 100.02 FEET;
THENCE SOUTH 88°51'16" EAST 3143.52 FEET;
THENCE SOUTH 07°45'01" EAST 1383.82 FEET TO A BLM MONUMENT MARKING ANGLE POINT 7 (AP7);
THENCE SOUTH 00°18'01" WEST 1436.06 FEET TO A BLM MONUMENT MARKING ANGLE POINT 6 (AP6);
THENCE NORTH 89°43'55" EAST 100.00 FEET TO THE POINT OF BEGINNING.

SITUATE IN BENTON COUNTY, WASHINGTON.

NOTE:

NEW LEGAL DESCRIPTIONS CONTINUED ON PAGE 2

AUDITOR'S CERTIFICATE

FILED FOR RECORD THIS 15 DAY OF August, 2025 A.D., AT 35 MINUTES PAST 8 A.M. RECORDED IN VOLUME 1 OF SURVEYS, PAGE 6182, AT THE REQUEST OF HLA ENGINEERING AND LAND SURVEYING, INC.

BENTON COUNTY AUDITOR

FEE NUMBER

RECORD SURVEY NUMBER

LAND DIVISION EXEMPTION
RECORD OF SURVEY
for, CITY OF RICHLAND
BENTON COUNTY, WASHINGTON

DATE OF FIELD SURVEY: 11-14-2024
FIELD BOOK: RICHLAND #1
JOB NO. 24190
FILE NAME: 24190 LDE.DWG
DRAWN BY: DLW
DATE: 08-11-2025
REVIEWED BY: ETH
DATE: 08-11-2025

T.10N., R.28E.,WM

SHEET 1 OF 4

COPY

2025-018941 B: 01 P: 6182 SUR
08/15/2025 09:08:35 AM Pages: 4 Fee: \$438.50
HLA Engineering and Land Surveying, Inc.
Benton County Auditor's Office
111 N. Main Street, Suite 200
Benton, Oregon 97001
www.hlaengineers.com

2803 River Road
Yakima, WA 98902
(509) 966-7000
www.hlaengineers.com



A PORTION OF SECTIONS 3, 4, 9, 10, 15, & 16 T.10N., R.28E., W.M.
AND PORTIONS OF SECTIONS 33 & 34 T.11N., R.28E., W.M.

NEW LEGAL DESCRIPTIONS CONTINUED:

PARCEL 5

THAT PORTION OF TRACT 37 OF THE BLM DEPENDENT RESURVEY OF PORTIONS OF TOWNSHIP 10 AND 11 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF, APPROVED FEBRUARY 6, 2018, BY THE BLM OFFICE OF CADASTRAL SURVEYS, PORTLAND, OREGON. SAID PORTION OF TRACT 37 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BLM MONUMENT MARKING THE MOST SOUTHEASTERLY CORNER OF SAID TRACT 37 (ALSO KNOWN AS ANGLE POINT 1 (AP1) OF SAID TRACT 37) SAID POINT ALSO BEING THE SOUTHEAST CORNER OF A PARCEL DESCRIBED AS PARCEL "C" IN DEED RECORDED UNDER AUDITOR'S FILE NUMBER 2019-018734 AND FURTHER DEPICTED ON RECORD OF SURVEY 5069, RECORDED IN VOLUME 1 OF SURVEYS AT PAGE 5069, UNDER AUDITOR'S FILE NUMBER 2018-029107, BOTH BEING RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°46'43" WEST 77.68 FEET ALONG THE SOUTH LINE OF SAID TRACT 37 TO A 3" BLM MONUMENT, MARKED "WP TR37 SEC. 15";
THENCE SOUTH 89°43'55" WEST 195.17 FEET TO THE SOUTHWEST CORNER OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°43'55" WEST 1617.39 FEET TO A BLM MONUMENT MARKING ANGLE POINT 2 (AP 2) OF SAID TRACT 37;
THENCE NORTH 00°00'32" WEST 1853.05 FEET TO A BLM MONUMENT MARKING ANGLE POINT 3 (AP 3);
THENCE SOUTH 89°59'57" WEST 566.33 FEET TO A 3" BRASS CAP;
THENCE NORTH 01°18'31" WEST 709.42 FEET TO A BLM MONUMENT MARKING THE NORTH ONE-QUARTER CORNER OF SAID SECTION 15 OF SAID TOWNSHIP 10 NORTH, RANGE 28 EAST;
THENCE NORTH 01°18'33" WEST 935.18 FEET;
THENCE NORTH 89°43'58" EAST 2169.91 FEET TO THE WEST LINE OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE NORTH 00°50'27" WEST ALONG THE WEST LINE OF SAID TRACT C 120.03 FEET TO AN ANGLE POINT IN THE WESTERLY LINE OF SAID TRACT C;
THENCE NORTH 45°44'49" WEST CONTINUING ALONG THE WESTERLY LINE OF SAID TRACT C 2801.04 FEET TO AN ANGLE POINT IN THE WESTERLY LINE OF SAID TRACT C;
THENCE NORTH 45°45'03" WEST CONTINUING ALONG THE WESTERLY LINE OF SAID TRACT C 299.12 FEET TO AN ANGLE POINT OF SAID TRACT C;
THENCE NORTH 01°18'33" WEST ALONG THE WEST LINE OF SAID TRACT C 314.20 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 45°45'03" WEST 1916.13 FEET;
THENCE NORTH 00°15'59" WEST 4135.58 FEET TO THE SOUTH LINE OF TRACT E AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE NORTH 89°55'49" EAST ALONG SAID SOUTH LINE 80.00 FEET TO A BLM MONUMENT MARKING ANGLE POINT 19 (AP19) ALSO BEING THE SOUTHEAST CORNER OF SAID TRACT E AND THE NORTHEAST CORNER OF TRACT D AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 00°15'59" EAST ALONG THE EAST LINE OF SAID TRACT D 4101.78 FEET TO A BLM MONUMENT MARKING ANGLE POINT 20 (AP20);
THENCE SOUTH 45°45'03" EAST ALONG THE EASTERLY LINE OF SAID TRACT D 1801.02 FEET TO A 3" BRASS CAP;
THENCE SOUTH 01°18'33" EAST 114.26 FEET TO THE POINT OF BEGINNING.

SITUATE IN BENTON COUNTY, WASHINGTON.

PARCEL 6

THAT PORTION OF TRACT 37 OF THE BLM DEPENDENT RESURVEY OF PORTIONS OF TOWNSHIP 10 AND 11 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF, APPROVED FEBRUARY 6, 2018, BY THE BLM OFFICE OF CADASTRAL SURVEYS, PORTLAND, OREGON. SAID PORTION OF TRACT 37 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BLM MONUMENT MARKING THE MOST SOUTHEASTERLY CORNER OF SAID TRACT 37 (ALSO KNOWN AS ANGLE POINT 1 (AP1) OF SAID TRACT 37) SAID POINT ALSO BEING THE SOUTHEAST CORNER OF A PARCEL DESCRIBED AS PARCEL "C" IN DEED RECORDED UNDER AUDITOR'S FILE NUMBER 2019-018734 AND FURTHER DEPICTED ON RECORD OF SURVEY 5069, RECORDED IN VOLUME 1 OF SURVEYS AT PAGE 5069, UNDER AUDITOR'S FILE NUMBER 2018-029107, BOTH

BEING RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°46'43" WEST 77.68 FEET ALONG THE SOUTH LINE OF SAID TRACT 37 TO A 3" BLM MONUMENT, MARKED "WP TR37 SEC. 15";
THENCE SOUTH 89°43'55" WEST 195.17 FEET TO THE SOUTHWEST CORNER OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°43'55" WEST 1617.39 FEET TO A BLM MONUMENT MARKING ANGLE POINT 2 (AP2) OF SAID TRACT 37;
THENCE NORTH 00°00'32" WEST 1853.05 FEET TO A BLM MONUMENT MARKING ANGLE POINT 3 (AP 3);
THENCE SOUTH 89°59'57" WEST 566.33 FEET TO A 3" BRASS CAP;
THENCE SOUTH 89°59'57" WEST 1117.97 FEET TO BLM MONUMENT MARKING ANGLE POINT 4 (AP 4);
THENCE SOUTH 0°00'10" WEST 1860.98 FEET TO A BLM MONUMENT MARKING ANGLE POINT 5 (AP 5);
THENCE SOUTH 89°43'55" WEST 1604.90 FEET TO A BLM MONUMENT MARKING ANGLE POINT 6 (AP 6);
THENCE NORTH 0°18'01" EAST 1436.06 FEET TO A BLM MONUMENT MARKING ANGLE POINT 7 (AP 7) AND THE POINT OF BEGINNING;
THENCE SOUTH 89°54'27" WEST 1612.56 FEET TO A BLM MONUMENT MARKING ANGLE POINT 8 (AP 8);
THENCE SOUTH 0°12'17" EAST 1440.92 FEET TO A BLM MONUMENT MARKING ANGLE POINT 9 (AP 9);
THENCE SOUTH 89°44'16" WEST 889.48 FEET TO A BLM MONUMENT MARKING ANGLE POINT 10 (AP 10);
THENCE NORTH 0°03'43" WEST 503.20 FEET TO A BLM MONUMENT MARKING ANGLE POINT 11 (AP 11);
THENCE NORTH 89°59'43" WEST 823.01 FEET TO A BLM MONUMENT MARKING ANGLE POINT 12 (AP 12);
THENCE NORTH 0°00'36" WEST 2032.02 FEET TO A BLM MONUMENT MARKING ANGLE POINT 13 (AP 13);
THENCE NORTH 0°00'38" EAST 346.41 FEET;
THENCE SOUTH 88°51'16" EAST 3143.52 FEET;
THENCE SOUTH 07°45'01" EAST 1383.82 FEET TO THE POINT OF BEGINNING.

SITUATE IN BENTON COUNTY, WASHINGTON.

PARCEL 7

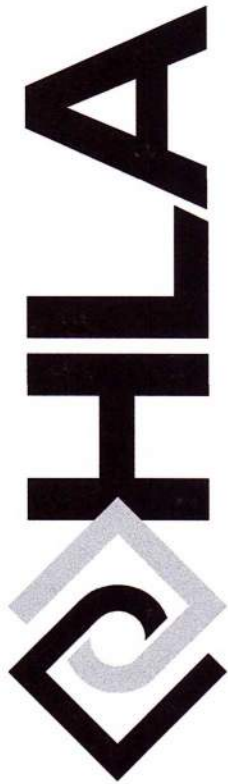
THAT PORTION OF TRACT 37 OF THE BLM DEPENDENT RESURVEY OF PORTIONS OF TOWNSHIP 10 AND 11 NORTH, RANGE 28 EAST, W.M., BENTON COUNTY, WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF, APPROVED FEBRUARY 6, 2018, BY THE BLM OFFICE OF CADASTRAL SURVEYS, PORTLAND, OREGON. SAID PORTION OF TRACT 37 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A BLM MONUMENT MARKING THE MOST SOUTHEASTERLY CORNER OF SAID TRACT 37 (ALSO KNOWN AS ANGLE POINT 1 (AP1) OF SAID TRACT 37) SAID POINT ALSO BEING THE SOUTHEAST CORNER OF A PARCEL DESCRIBED AS PARCEL "C" IN DEED RECORDED UNDER AUDITOR'S FILE NUMBER 2019-018734 AND FURTHER DEPICTED ON RECORD OF SURVEY 5069, RECORDED IN VOLUME 1 OF SURVEYS AT PAGE 5069, UNDER AUDITOR'S FILE NUMBER 2018-029107, BOTH BEING RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°46'43" WEST 77.68 FEET ALONG THE SOUTH LINE OF SAID TRACT 37 TO A 3" BLM MONUMENT, MARKED "WP TR37 SEC. 15";
THENCE SOUTH 89°43'55" WEST 195.17 FEET TO THE SOUTHWEST CORNER OF TRACT C AS DESCRIBED IN THAT QUIT CLAIM DEED 2024-019145, RECORDED UNDER AUDITOR'S FILE, RECORDS OF BENTON COUNTY, WASHINGTON;
THENCE SOUTH 89°43'55" WEST 1617.39 FEET TO A BLM MONUMENT MARKING ANGLE POINT 2 (AP2) OF SAID TRACT 37;
THENCE NORTH 00°00'32" WEST 1853.05 FEET TO A BLM MONUMENT MARKING ANGLE POINT 3 (AP 3);
THENCE SOUTH 89°59'57" WEST 566.33 FEET TO A 3" BRASS CAP BEING THE POINT OF BEGINNING;
THENCE SOUTH 89°59'57" WEST 1117.97 FEET TO BLM MONUMENT MARKING ANGLE POINT 4 (AP 4);
THENCE SOUTH 0°00'14" WEST 1860.98 FEET TO A BLM MONUMENT MARKING ANGLE POINT 5 (AP 5);
THENCE SOUTH 89°43'55" WEST 1504.90 FEET TO THE POINT OF BEGINNING;
THENCE NORTH 0°18'01" EAST 1442.10 FEET;
THENCE NORTH 07°45'01" WEST 1375.21 FEET;
THENCE SOUTH 88°51'16" EAST 2781.33 FEET;
THENCE SOUTH 01°18'33" EAST 171.89 FEET TO A BLM MONUMENT MARKING THE NORTH ONE-QUARTER CORNER OF SAID SECTION 15 OF SAID TOWNSHIP 10 NORTH, RANGE 28 EAST;
THENCE SOUTH 01°18'31" EAST 709.42 FEET TO THE POINT OF BEGINNING.

SITUATE IN BENTON COUNTY, WASHINGTON.



2803 River Road
Yakima, WA 98902
(509) 966-7000
www.hlacivil.com



LAND DIVISION EXEMPTION
RECORD OF SURVEY
for, CITY OF RICHLAND
BENTON COUNTY, WASHINGTON

DATE OF FIELD SURVEY: 11-14-2024
FIELD BOOK: RICHLAND #1
JOB NO. 24190
FILE NAME: 24190 LDE.DWG
DRAWN BY: DLW
DATE: 08-11-2025
REVIEWED BY: ETH
DATE: 08-11-2025

T.10N., R.28E., WM
SHEET 2 OF 4

COPY

A PORTION OF SECTIONS 3, 4, 9, 10, 15, & 16 T.10N., R.28E., W.M.
AND PORTIONS OF SECTIONS 33 & 34 T.11N., R.28E., W.M.

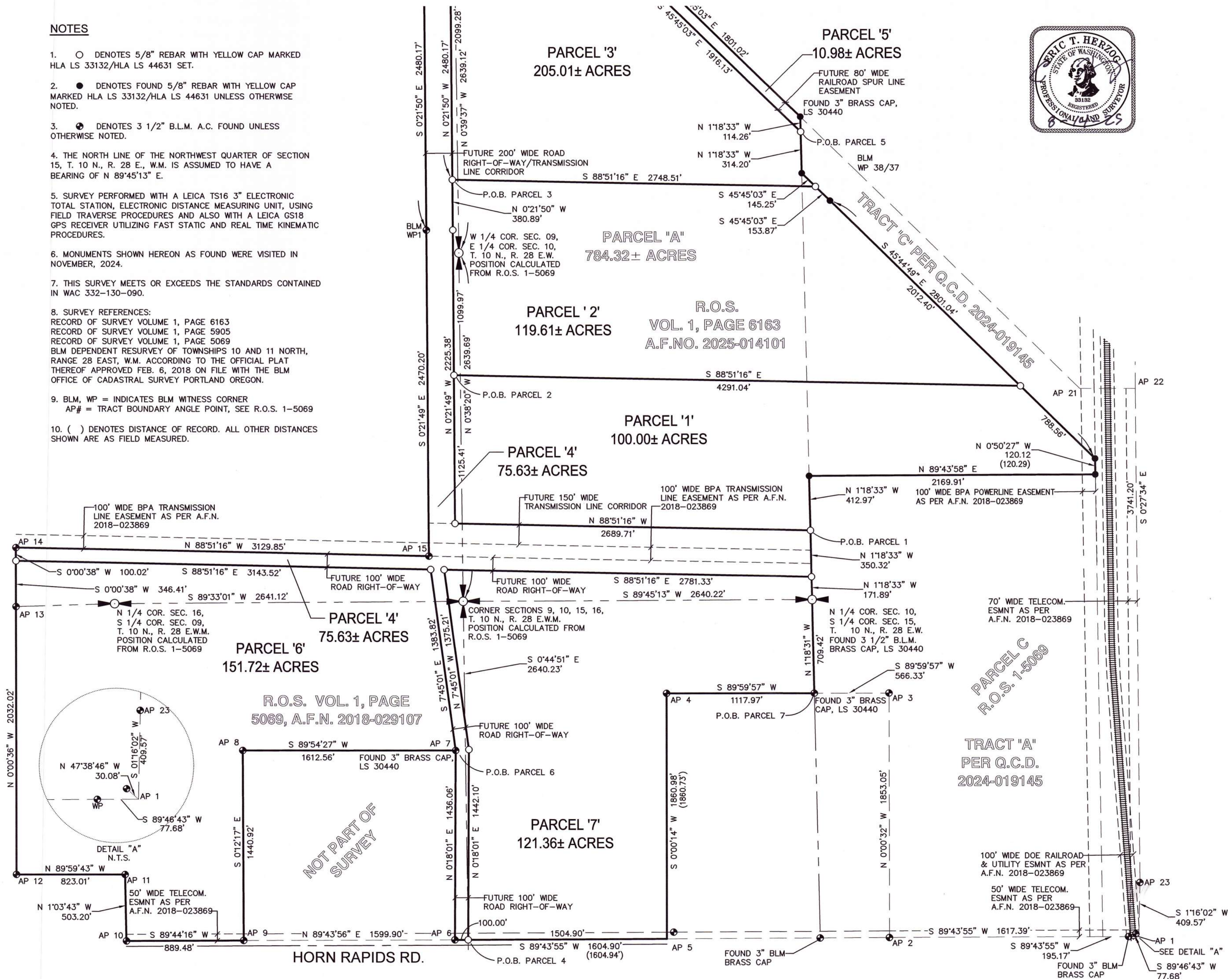
CORNER SECTIONS 3, 4, 9, 10,
T. 10 N., R. 28 E.W.M.
POSITION CALCULATED FROM
R.O.S. 1-5069

MATCH LINE SEE SHEET 4



NOTES

- DENOTES 5/8" REBAR WITH YELLOW CAP MARKED HLA LS 33132/HLA LS 44631 SET.
- DENOTES FOUND 5/8" REBAR WITH YELLOW CAP MARKED HLA LS 33132/HLA LS 44631 UNLESS OTHERWISE NOTED.
- ⊕ DENOTES 3 1/2" B.L.M. A.C. FOUND UNLESS OTHERWISE NOTED.
- THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 15, T. 10 N., R. 28 E., W.M. IS ASSUMED TO HAVE A BEARING OF N 89°45'13" E.
- SURVEY PERFORMED WITH A LEICA TS16 3" ELECTRONIC TOTAL STATION, ELECTRONIC DISTANCE MEASURING UNIT, USING FIELD TRAVERSE PROCEDURES AND ALSO WITH A LEICA GS18 GPS RECEIVER UTILIZING FAST STATIC AND REAL TIME KINEMATIC PROCEDURES.
- MONUMENTS SHOWN HEREON AS FOUND WERE VISITED IN NOVEMBER, 2024.
- THIS SURVEY MEETS OR EXCEEDS THE STANDARDS CONTAINED IN WAC 332-130-090.
- SURVEY REFERENCES:
RECORD OF SURVEY VOLUME 1, PAGE 6163
RECORD OF SURVEY VOLUME 1, PAGE 5905
RECORD OF SURVEY VOLUME 1, PAGE 5069
BLM DEPENDENT RESURVEY OF TOWNSHIPS 10 AND 11 NORTH, RANGE 28 EAST, W.M. ACCORDING TO THE OFFICIAL PLAT THEREOF APPROVED FEB. 6, 2018 ON FILE WITH THE BLM OFFICE OF CADASTRAL SURVEY PORTLAND OREGON.
- BLM, WP = INDICATES BLM WITNESS CORNER
AP# = TRACT BOUNDARY ANGLE POINT, SEE R.O.S. 1-5069
- () DENOTES DISTANCE OF RECORD. ALL OTHER DISTANCES SHOWN ARE AS FIELD MEASURED.



COPY

2803 River Road
Yakima, WA 98902
(509) 966-7000
www.hlacivil.com



LAND DIVISION EXEMPTION
RECORD OF SURVEY
for, CITY OF RICHLAND
BENTON COUNTY, WASHINGTON

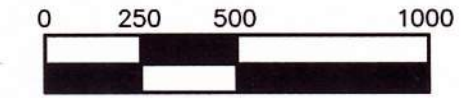
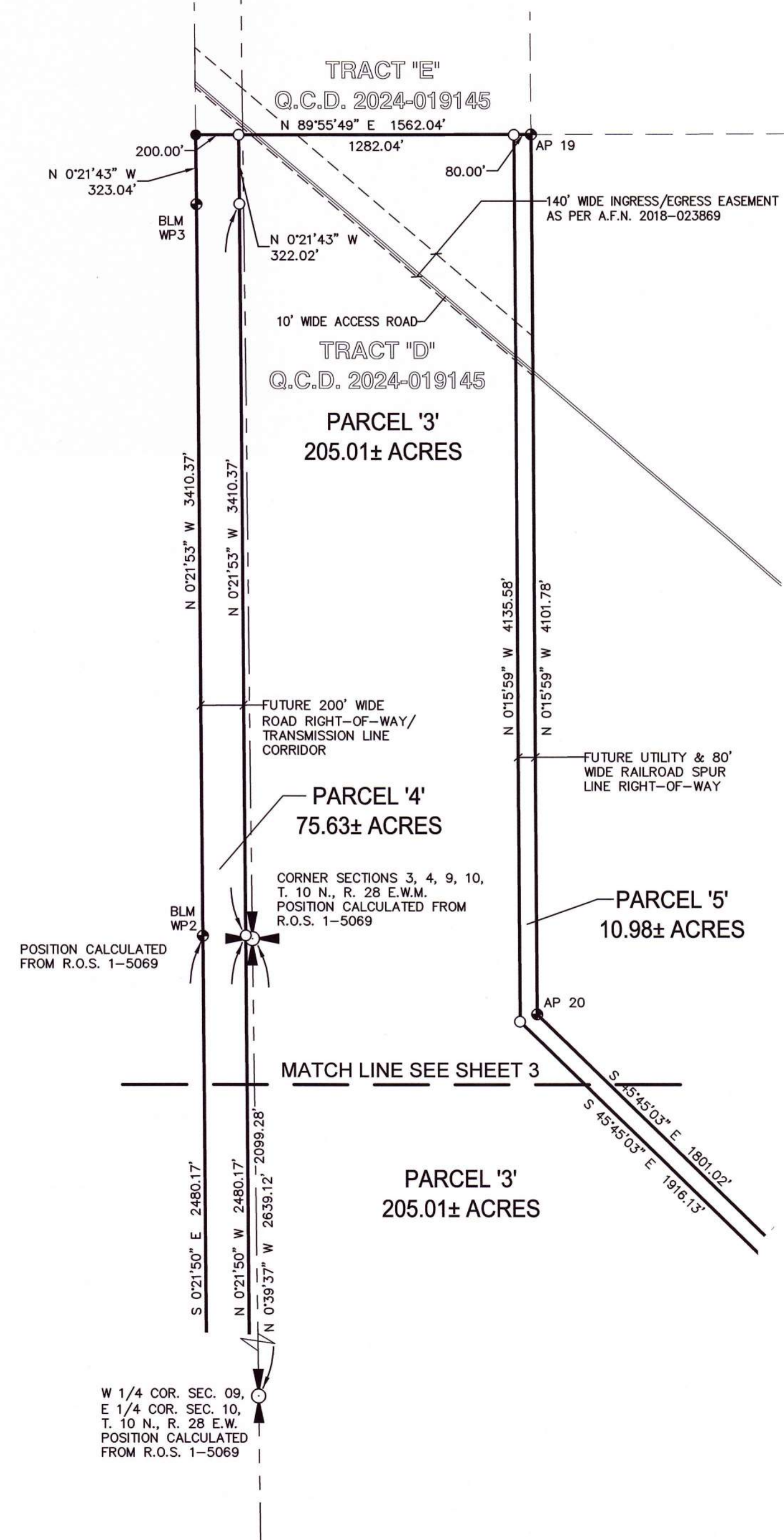
DATE OF FIELD SURVEY: 11-14-2024
FIELD BOOK: RICHLAND #1
JOB NO. 24190
FILE NAME: 24190 LDE.DWG
DRAWN BY: DLW
DATE: 08-11-2025
REVIEWED BY: ETH
DATE: 08-11-2025

T.10N., R.28E., W.M.
SHEET 3 OF 4

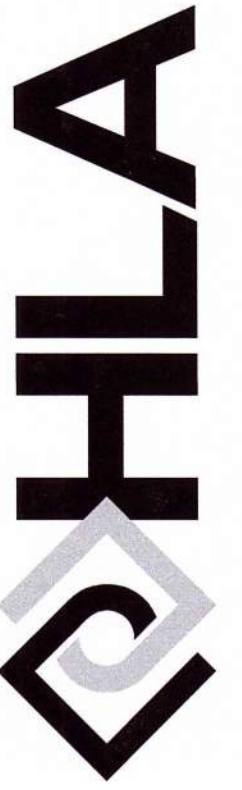
COPY

A PORTION OF SECTIONS 3, 4, 9, 10, 15, & 16 T.10N., R.28E., W.M.
AND PORTIONS OF SECTIONS 33 & 34 T.11N., R.28E., W.M.

CORNER OF SECTIONS 3, 4,
T. 10 N., R. 28 E.W.M.
& SECTIONS 33, 34,
T. 11 N., R. 28 E.W.M.
FOUND 3" BLM BRASS CAP



2803 River Road
Yakima, WA 98902
(509) 966-7000
www.hlacivil.com



LAND DIVISION EXEMPTION
RECORD OF SURVEY
for, CITY OF RICHLAND
BENTON COUNTY, WASHINGTON

DATE OF FIELD SURVEY:
11-14-2024
FIELD BOOK: RICHLAND #1
JOB NO. 24190
FILE NAME: 24190 LDE.DWG
DRAWN BY: DLW
DATE: 08-11-2025
REVIEWED BY: ETH
DATE: 08-11-2025



T.10N., R.28E.,WM
SHEET 4 OF 4

COPY

2015-029457 D

09/30/2015 04:47:14 PM Pages 38 Fee: \$109.00
Boyd Hathaway, Realty Officer
Benton County, Benton County Auditor's Office



When recorded return to:

ATTACHMENT B

Boyd Hathaway
Realty Officer
U.S. Department of Energy
MS: A2-15
825 Jadwin Avenue
Richland, WA 99352

EXCISE TAX PAID
SP 30 15 R 05409
BENTON COUNTY WA

Portion of: PID# 1-0208-000-0000-000 / 1-0308-000-0000-000 / 1-0408-000-0000-000 / 1-0908-000-0000-000 / 1-1008-000-0000-000 / 1-1108-000-0000-000 / ~~1-1508-000-0001-001 / 1-1608-000-0001-000~~

Flex
9-30-15

QUITCLAIM DEED

The Grantor, the United States of America, by and through the Secretary of the Department of Energy ("DOE"), for and in consideration of \$10.00, receipt of which is hereby acknowledged, and in accordance with the Section 3013 of the Carl Levin and Howard P. "Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 ("NDAA"), Public Law 113-291, December 19, 2014, does hereby remise, release, convey and quitclaim to the Grantee, Tri-City Development Council ("TRIDEC"), of Kennewick, Benton County, Washington, a non-profit organization pursuant to 26 U.S.C. 501(c)(6) of the Internal Revenue Code, and organized under the laws of the State of Washington, all the rights, titles, interest, claim or demands which the Grantor has or may have had in the real property described in Exhibit A, attached hereto and made part hereof, situated in the County of Benton, State of Washington, subject to the reservations, terms, conditions, covenants and restrictions set forth herein and in Exhibits B, C, D, E, F, G, and H, attached hereto and made a part hereof.

Abbreviated Legal: A Portion of Tract 37, Comprising 1,641 Acres (More or Less), T. 10 N., R. 28 E., T. 11 N., R. 28 E., Records of Benton County, Washington.
Commonly Known As: Hanford Parcel 37 or "HP-37."

Transaction Designator: NDAA.HANFORD.DOE.TRIDEC.2015

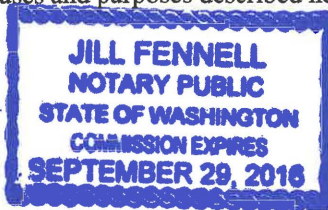
DATED: September 30, 2015.

Boyd Hathaway

Boyd Hathaway
Realty Officer
U.S. Department of Energy

State of Washington)
) ss.
County of Benton)

I, Jill Fennell, a Notary Public, hereby certify that I know or have satisfactory evidence that Boyd Hathaway, who appeared before me, is the duly appointed and authorized Real Estate Officer of the Grantor, with a duly authorized warrant, and said person duly acknowledged this instrument to be his voluntary and free act for the uses and purposes described herein.



Jill Fennell 9-30-15
Notary name printed or typed Jill Fennell
Notary Public in and for the State of Washington,
residing at Richland, WA.
My appointment expires: Sept. 29, 2016.

ACKNOWLEDGEMENT BY GRANTEE

I, GARY R. PETERSEN the duly authorized Representative of the Grantee herein, Tri-City Development Council (TRIDEC), certify that I have examined this Quitclaim Deed, including all exhibits hereto (Exhibits A, B, C, D, E, F, G, and H).

Grantee certifies that the Quitclaim Deed, including all exhibits hereto, represents the conveyance of title of the Premises from Grantor to Grantee.

Grantee accepts the Quitclaim Deed, including all exhibits.

COPY

Grantee acknowledges that the Quitclaim Deed, including all exhibits, represents a legal and binding obligation on the part of the Grantee.

Grantee certifies that it will comply with the terms and conditions, covenants and restrictions set forth in the Quitclaim Deed, including all exhibits.

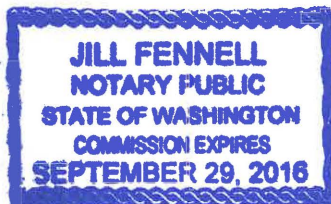
Grantee certifies that execution of this Quitclaim Deed by Grantee, and acceptance of title, is in accordance with its own charter as a Community Reuse Organization, laws of the State of Washington and other applicable laws.

DATED: Sept 30, 2015, 2015.

Gary R. Petersen
Position: Vice President
Grantee: TRIDEC

State of Washington)
County of Benton) ss.

I, Jill Fennell, a Notary Public, hereby certify that I know or have satisfactory evidence that Gary Petersen, who appeared before me, is the duly appointed and authorized representative of the Grantee, and said person duly acknowledged this instrument to be his/her voluntary and free act for the uses and purposes described herein.



Jill Fennell 9-30-15
Notary name printed or typed Jill Fennell
Notary Public in and for the State of Washington,
residing at Richland, WA.
My appointment expires: Sept. 29, 2016.

TABLE OF CONTENTS

<u>EXHIBIT</u>	<u>Page</u>
QUITCLAIM DEED	1
ACKNOWLEDGEMENT BY GRANTEE	2
TABLE OF CONTENTS	3
EXHIBIT A – LEGAL DESCRIPTION AND MAPS	4
EXHIBIT B – MATTERS OF RECORD	18
EXHIBIT C – RESERVATION OF EASEMENTS	19
EXHIBIT D – ROADS, ACCESS ROUTES OR EASEMENTS	26
EXHIBIT E – RAILROAD	27
EXHIBIT F – CERCLA	29
EXHIBIT G – TERMS, CONDITIONS AND COVENANTS	33
EXHIBIT H – RESTRICTIONS	37
ATTACHMENT A – CULTURAL RESOURCE PROTECTION PROTOCOL	47

COPY

**EXHIBIT A
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)**

LEGAL DESCRIPTION AND MAPS

COPY

The parcel of real estate conveyed by this Quitclaim Deed is referred to as “the Premises,” and is legally described as follows and as shown on Map 1 and Map 2 of Exhibit A:

A parcel of land situated in a portion of T. 10 N., R. 28 E. and T. 11 N., R. 28 E., Willamette Meridian, Benton County, Washington, identified as Tract 37 in the 2015 Bureau of Land Management cadastral survey, and more particularly described as follows:

Beginning at a point at intersection with the north right-of-way line of Horn Rapids Road, 40.00 feet distant north from and parallel with the center line thereof, as described in a quit claim deed, recorded in Auditors File Number 621762, Records of Benton County, Washington, and an offset from the westerly edge of pavement of Stevens Drive (Route-4S), being 30.00 feet distance and west therefrom, in section 15, T. 10 N., R. 28 E., Willamette Meridian, Washington, from which National Geodetic Survey (NGS) control station B324 bears N. 70° 48’ 52” E., a distance of 280.40 feet,

thence N. 89° 13’ 09” W., on the north right-of-way line of said Horn Rapids Road, a distance of 1900.00 feet,

thence leaving said right-of-way line, N. 0° 46’ 51” E., a distance of 1885.00 feet,

thence parallel with said right-of-way line, N. 89° 13’ 09” W., a distance of 1680.00 feet,

thence S. 0° 46’ 34” W., a distance of 1885.00 feet to a point on said right-of-way line,

thence on said right-of-way line, N. 89° 13’ 09” W., a distance of 1600.00 feet,

thence leaving said right-of-way line, N. 0° 46' 51" E., a distance of 1450.00 feet,

thence on a line parallel with said right-of-way line, N. 89° 13' 09" W., a distance of 1600.00 feet,

thence S. 0° 46' 35" W., a distance of 1450.00 feet to a point on said right-of-way line,

thence on said right-of-way line, N. 89° 13' 09" W., a distance of 927.25 feet to a point at intersection with the east boundary line of the Cold Test Facility, from which a brass cap monument with a brass disk in top marking the center line of aforementioned Horn Rapids Road bears S. 86° 51' 44" W., a distance of 585.35 feet, and an iron rod marking the easterly boundary of said Cold Test Facility bears N. 0° 11' 43" W., a distance of 6.44 feet,

thence leaving said right-of-way line and on the east boundary line of said Cold Test Facility, N. 0° 11' 43" W., a distance of 486.55 feet to an iron rod in the concrete support of a chain link fence post,

thence on the north boundary of said Cold Test Facility, marked with a chain link fence, and parallel with the north right-of-way line of said Horn Rapids Road, N. 89° 13' 09" W., a distance of 786.09 feet to the point of intersection with the east boundary line of the National Utility Training Services, Inc. (NUTS) property, as described in a quit claim deed, Auditors File Number 2005-013181, records of Benton County, Washington,

thence on said east boundary line, N. 0° 51' 40" E., a distance of 2056.13 feet to an iron rod marking the northeast corner of said parcel,

thence N. 0° 51' 40" E., a distance of 446.49 feet to a point on the southerly right-of-way line of the Bonneville Power Administration power line, from which the section corner of 8, 9, 16 and 17 bears S. 77° 36' 49" W., a distance of 1945.30 feet,

thence on said southerly right-of-way line S. 87° 59' 07" E., a distance of 3125.92 feet to a point, from which the corner of sections 9, 10, 15 and 16 bears S. 36° 47' 49" E., a distance of 431.05 feet,

thence N. 0° 31' 33" E., a distance of 13,813.70 feet to the angle point of a fence in Section 33, T. 11 N., R 28E., Willamette Meridian, Washington,

COPY

marking the easterly boundary of the Hanford Patrol Training Academy firing range,

thence N. $87^{\circ} 12' 50''$ E., a distance of 5345.21 feet to the 30.00 foot offset line west of the westerly edge of pavement of Stevens Drive (Route-4S), from which NGS control station N523 bears N. $5^{\circ} 5' 29''$ W., a distance of 2263.85 feet,

thence S. $0^{\circ} 06' 20''$ W., on said the 30.00 foot offset line, a distance of 5433.00 feet to a point identical with the northeast corner of Tract 38,

thence leaving said 30.00 foot offset line and on a line identical with the boundary of Tract 38 the following courses:

WEST, a distance of 3799.66 feet,

thence SOUTH, a distance of 4100.00 feet,

thence S. $45^{\circ} 00' 00''$ E., a distance of 3300.00 feet,

thence SOUTH, a distance of 550.00 feet,

thence EAST, a distance of 400.00 feet,

thence S. $50^{\circ} 11' 52''$ E., a distance of 732.35 feet,

thence EAST, a distance of 420.00 feet to a point on the 30.00 offset line west of the westerly edge of pavement of Stevens Drive and the southerly most corner of Tract 38,

thence leaving the boundary line of said Tract 38 and on said 30.00 foot offset line, S. $0^{\circ} 30' 19''$ W., a distance of 3850.01 feet,

thence S. $1^{\circ} 36' 41''$ W., a distance of 332.68 feet to the **Point of Beginning**.

Said parcel of land is subject to any and all easements or rights-of-ways of record or implied.

Containing 1,641 acres, more or less.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

COPY

Exhibit A - Map 1

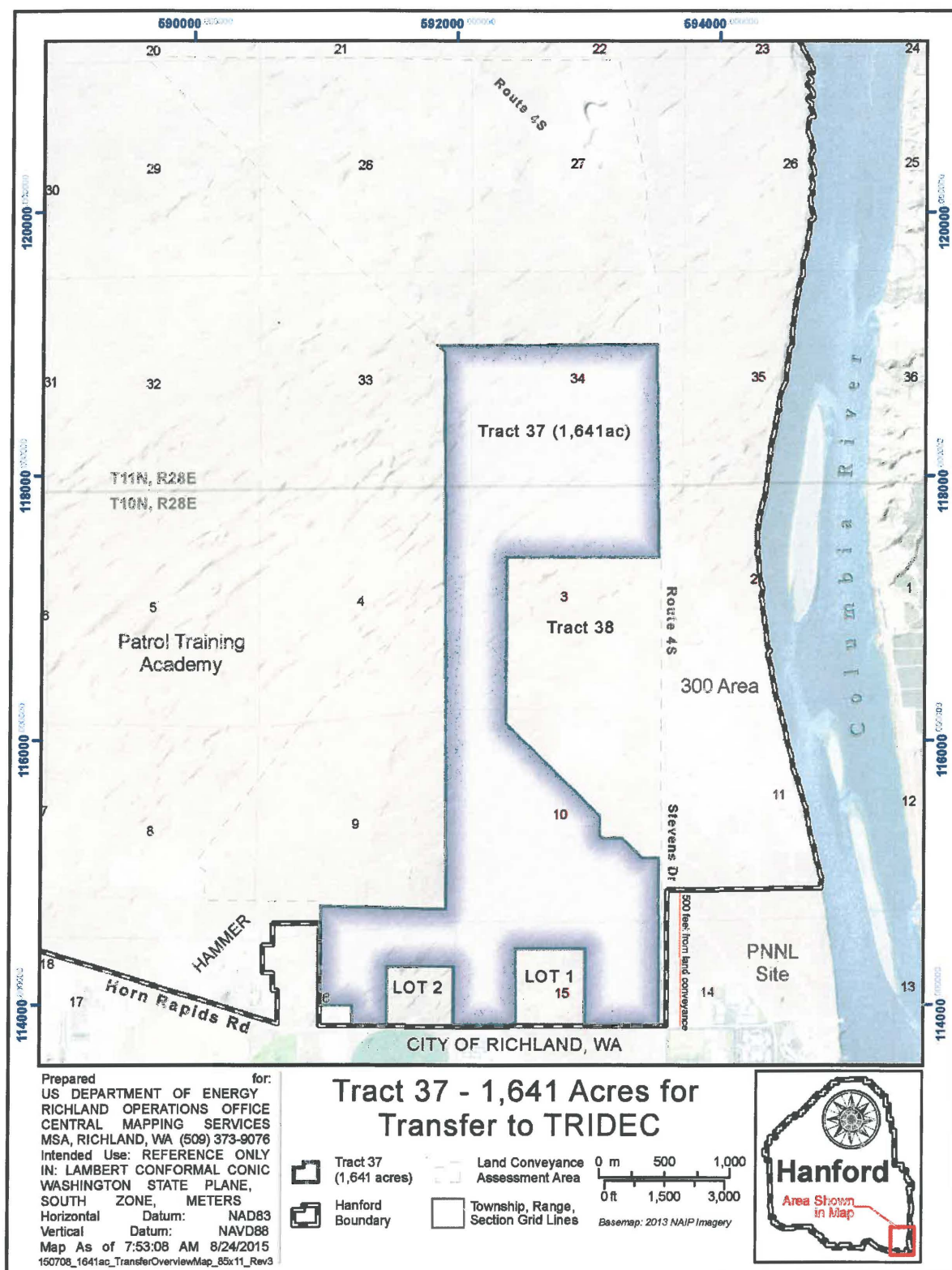


Exhibit A -Map 2
TRIDEC Parcel (Tract 37-1641 Acres)
Tps. 10 & 11 N., R. 28 E., W.M., WA

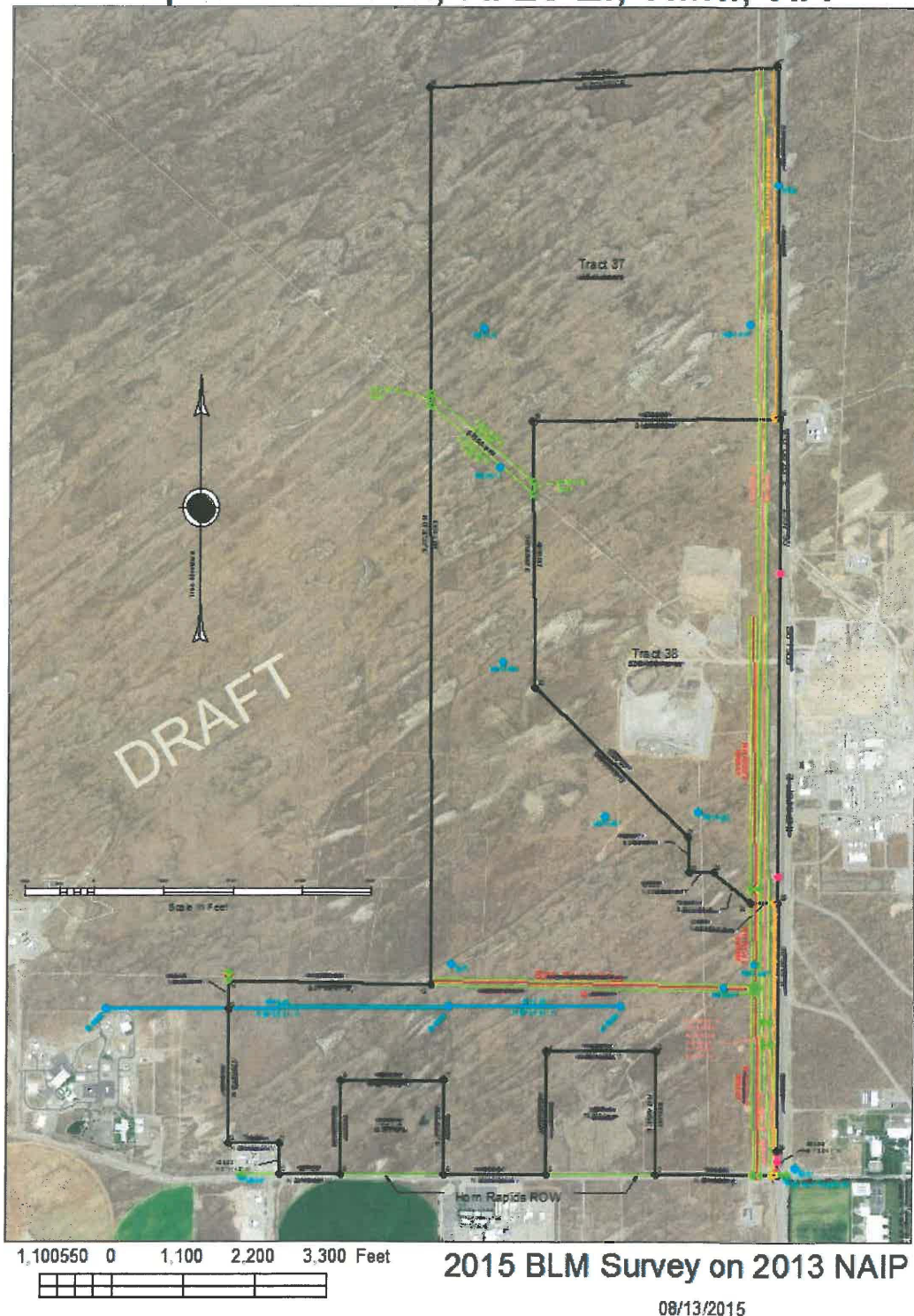


Exhibit A - Map 3

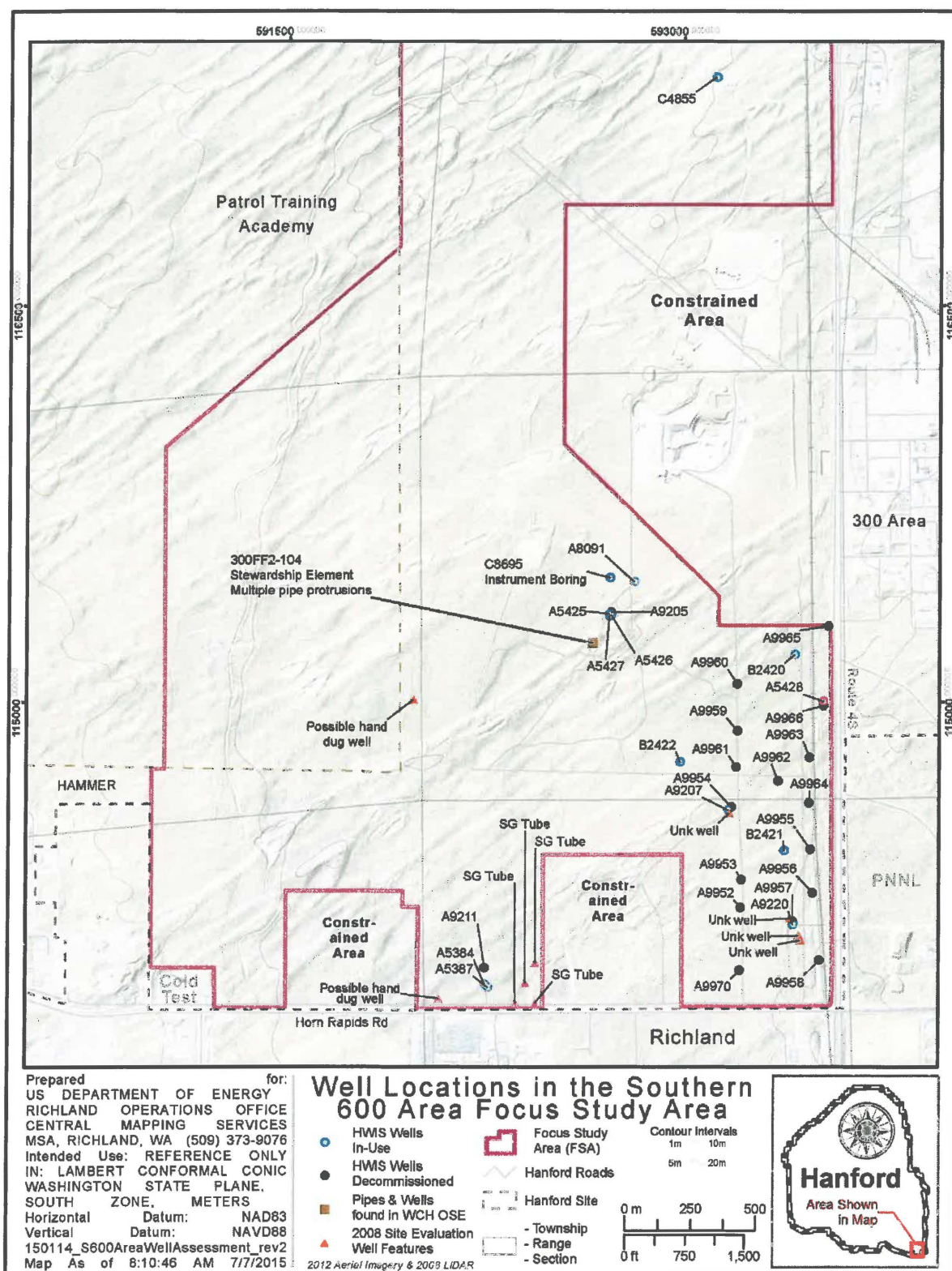


Exhibit A - Map 4

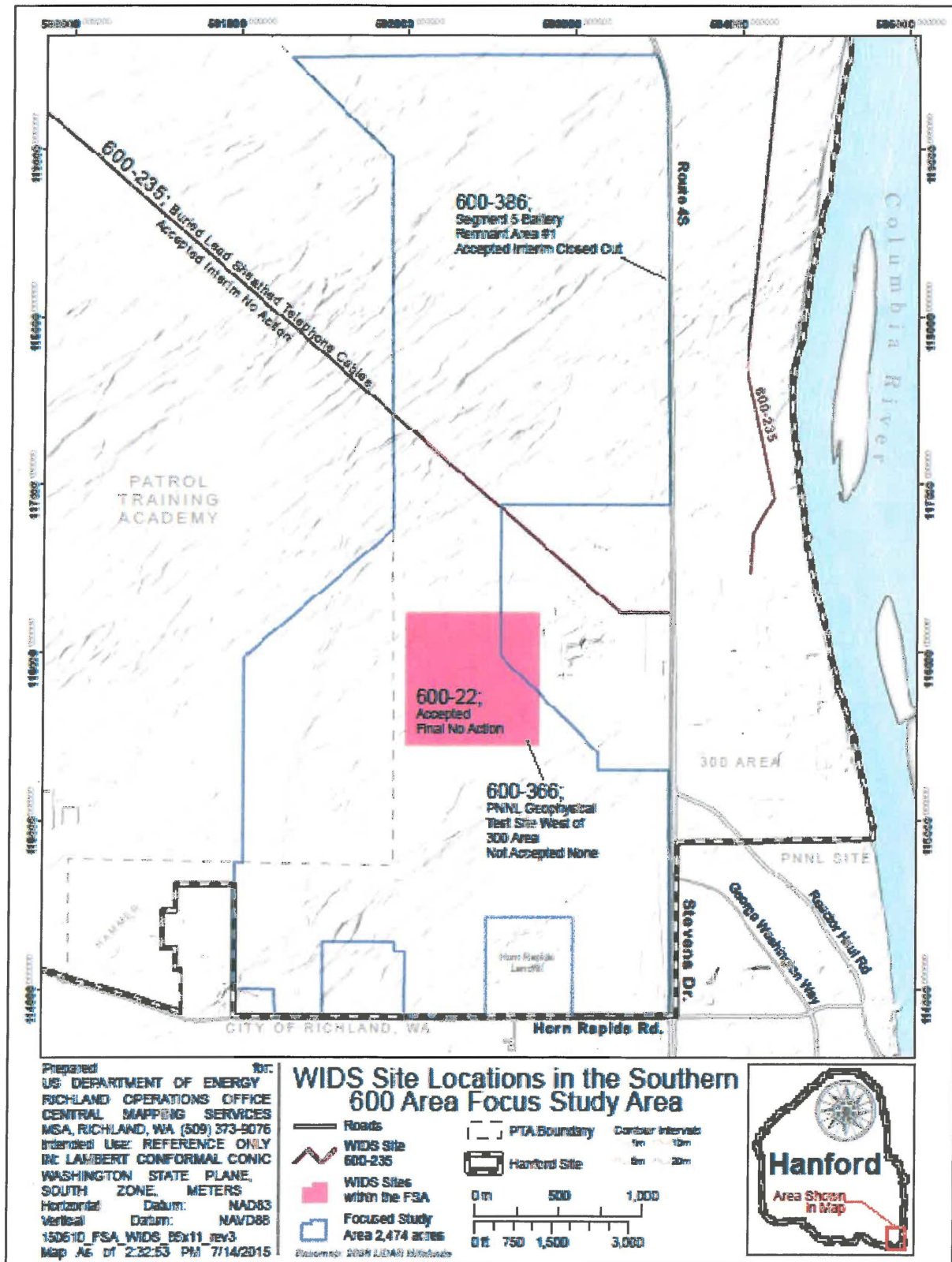


Exhibit A-Map 5

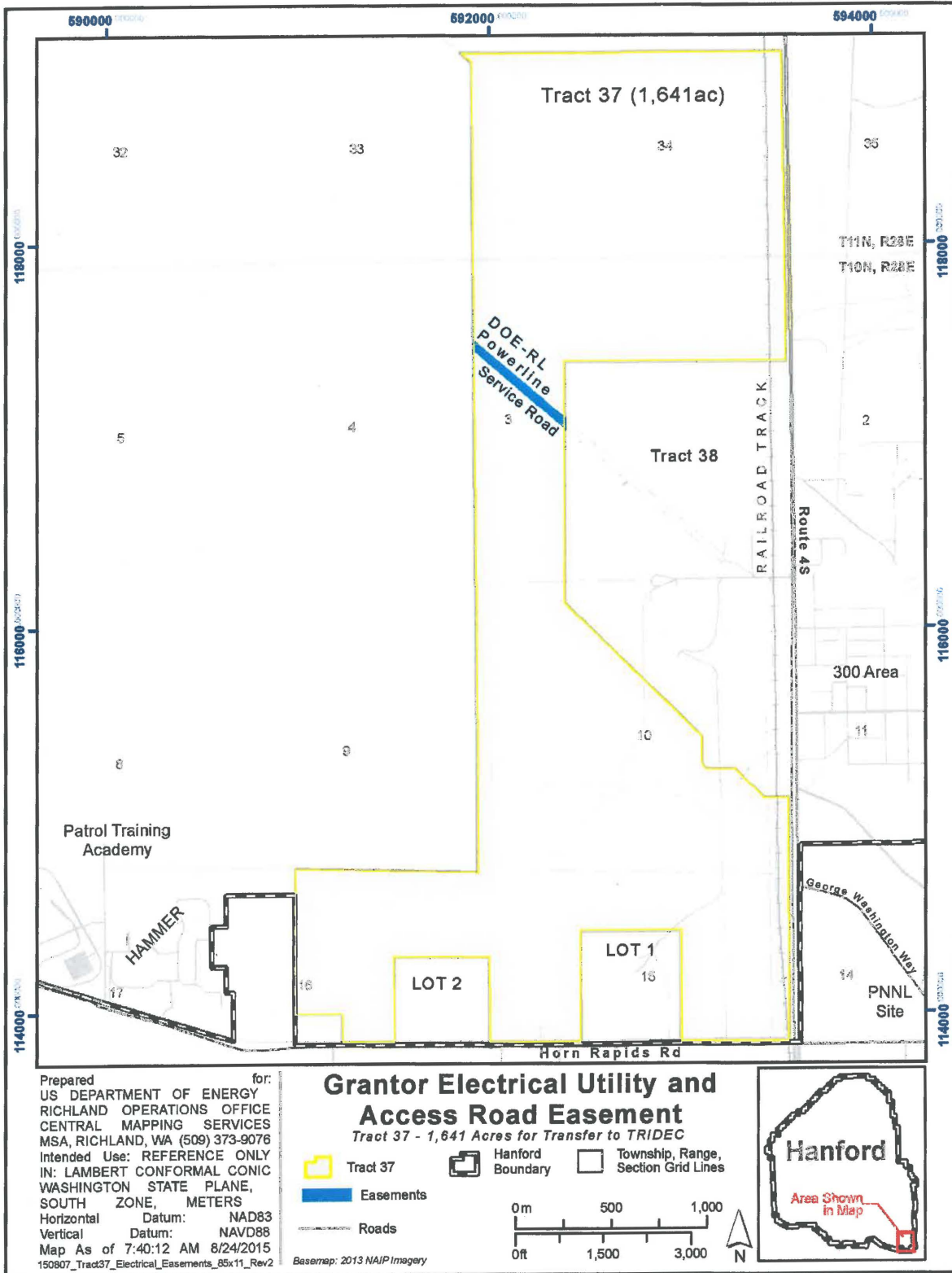


Exhibit A-Map 6

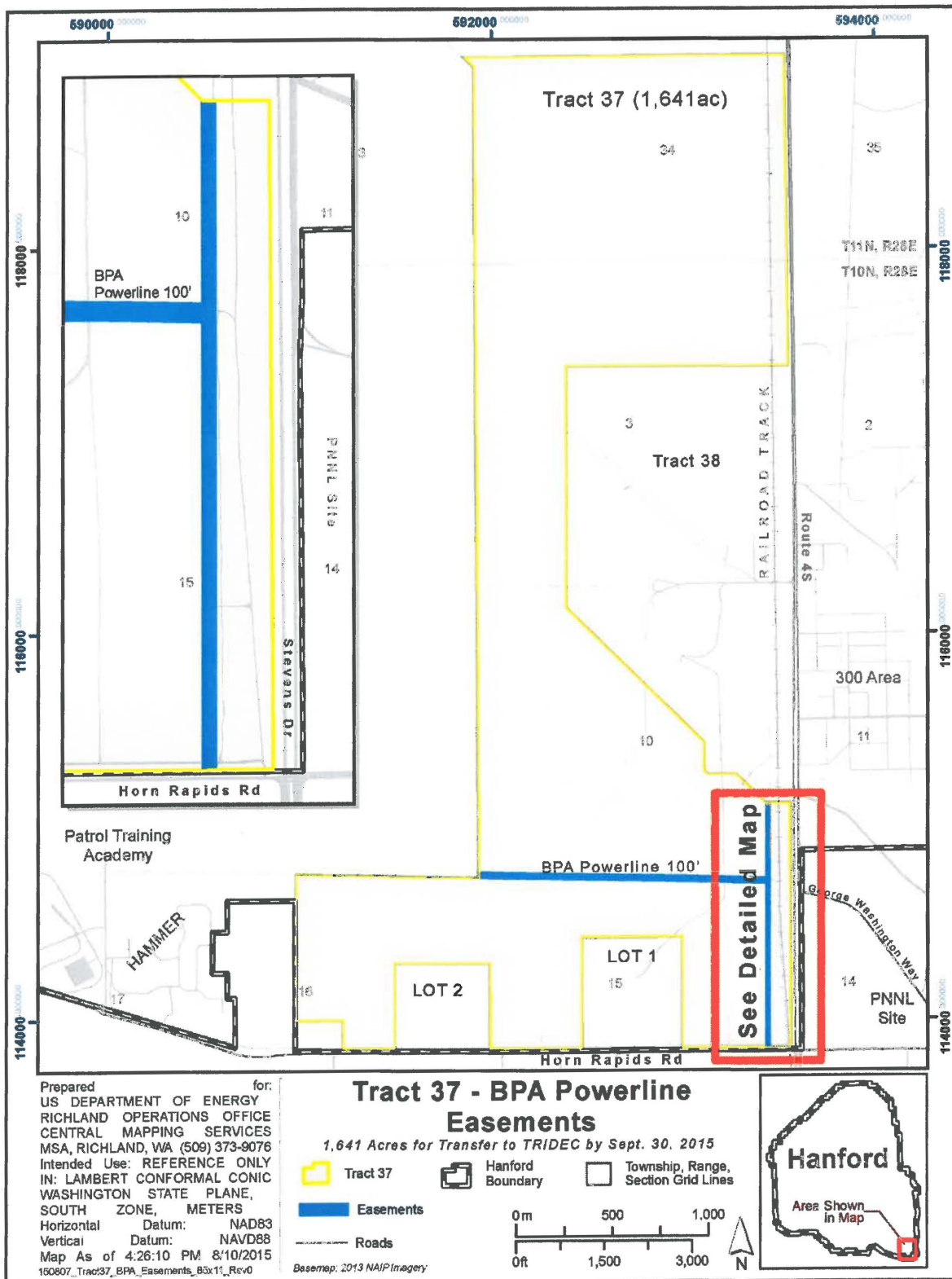


Exhibit A-Map 7

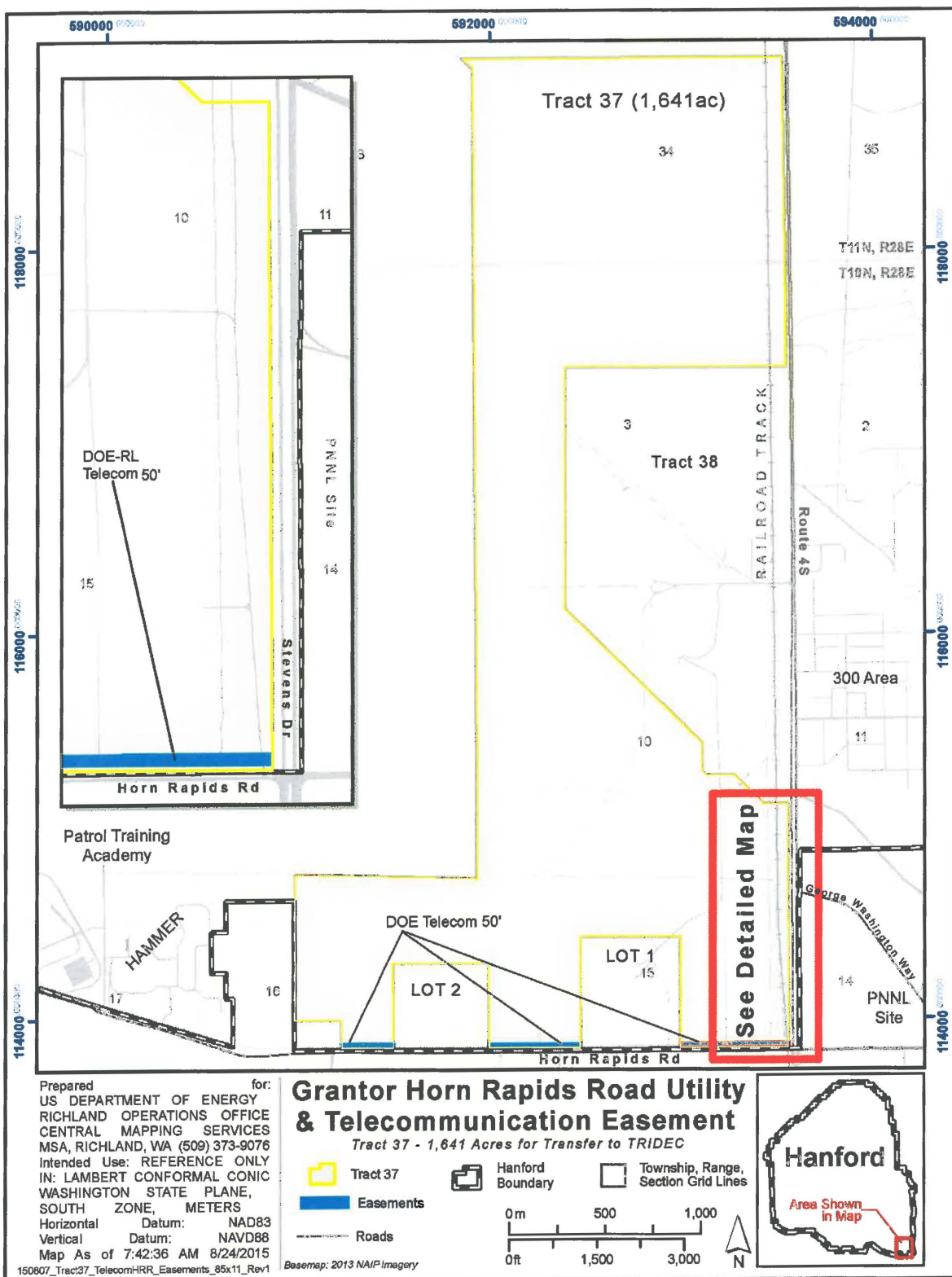


Exhibit A-Map 8

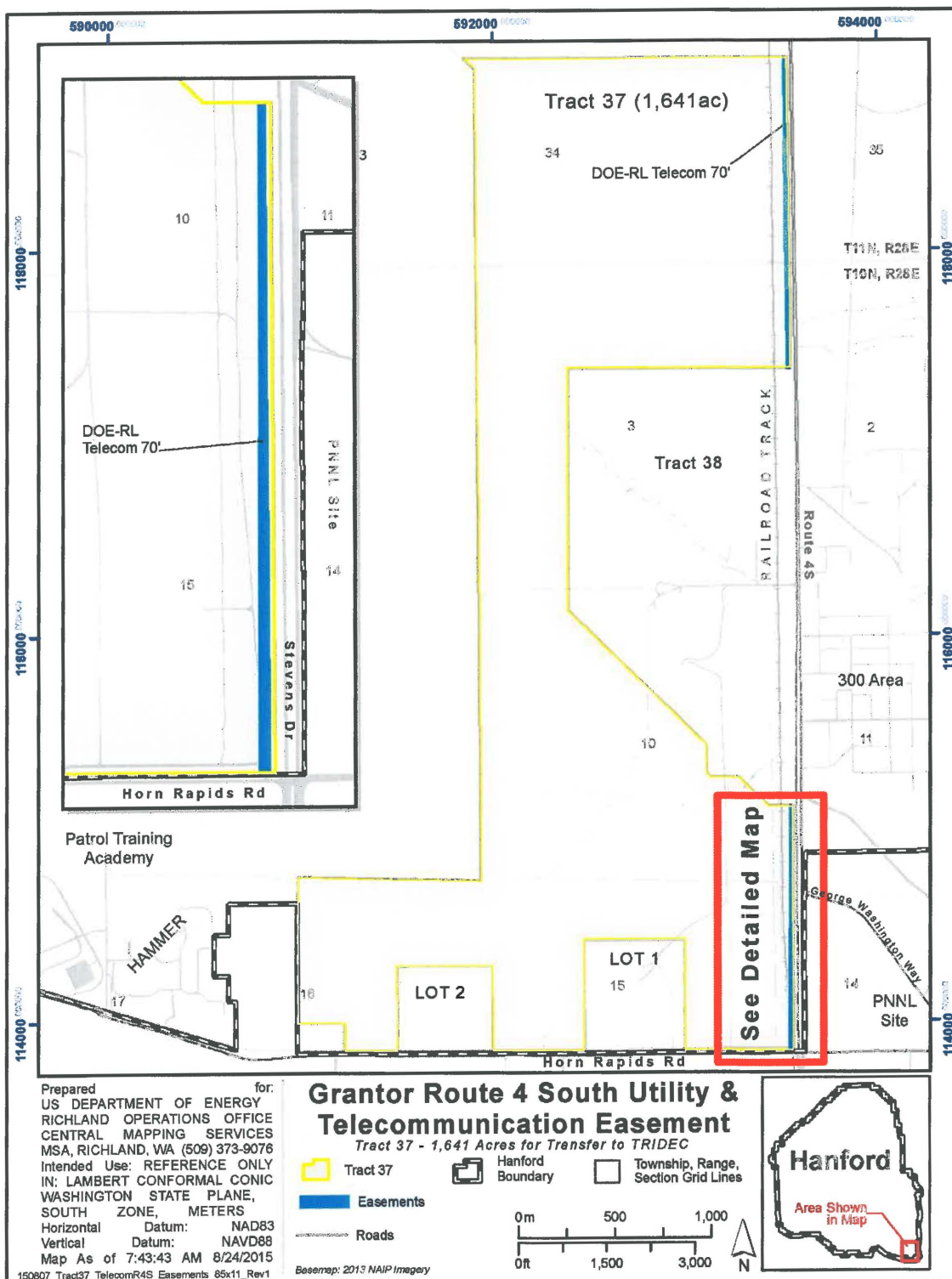
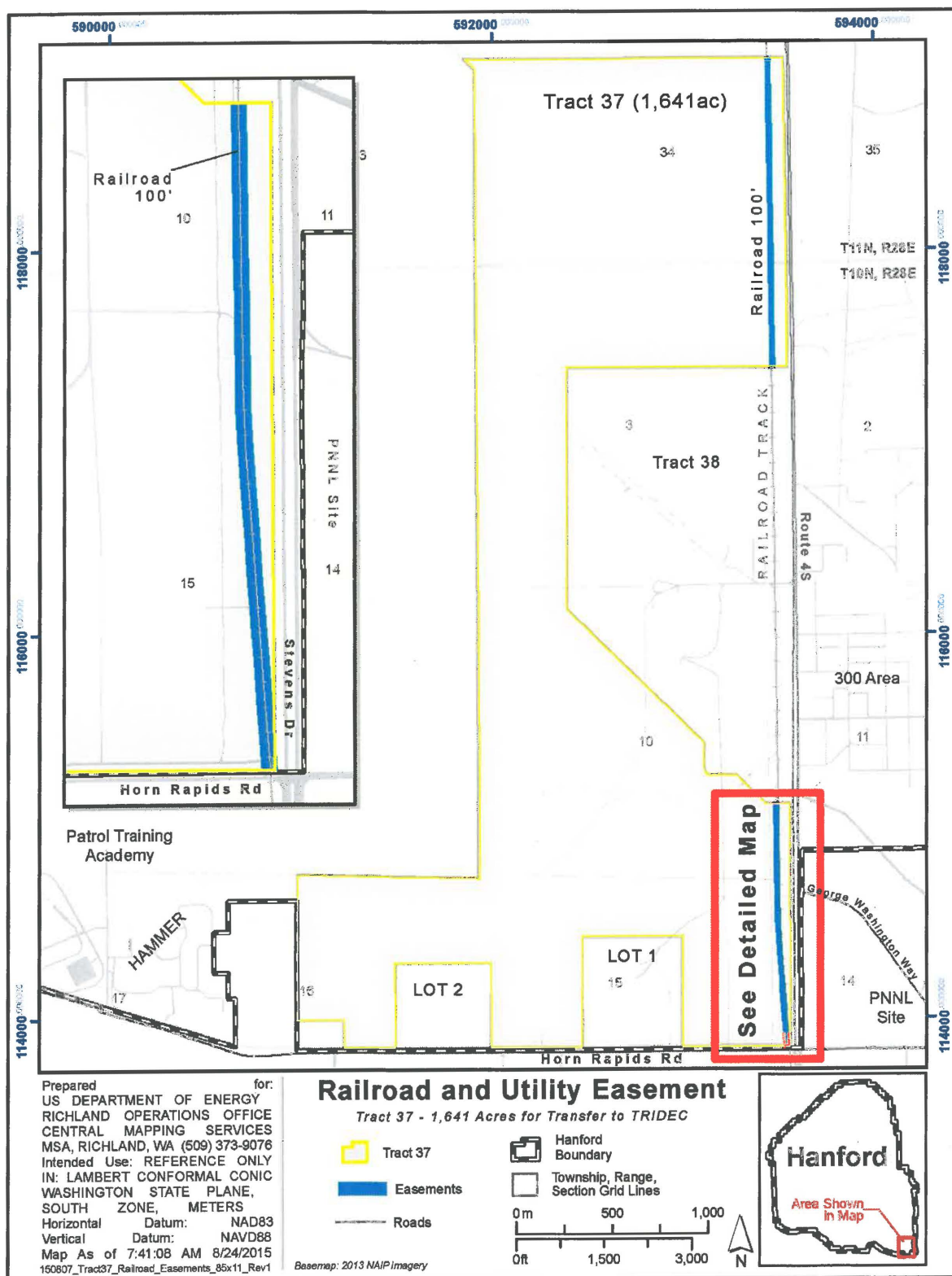


Exhibit A-Map 9



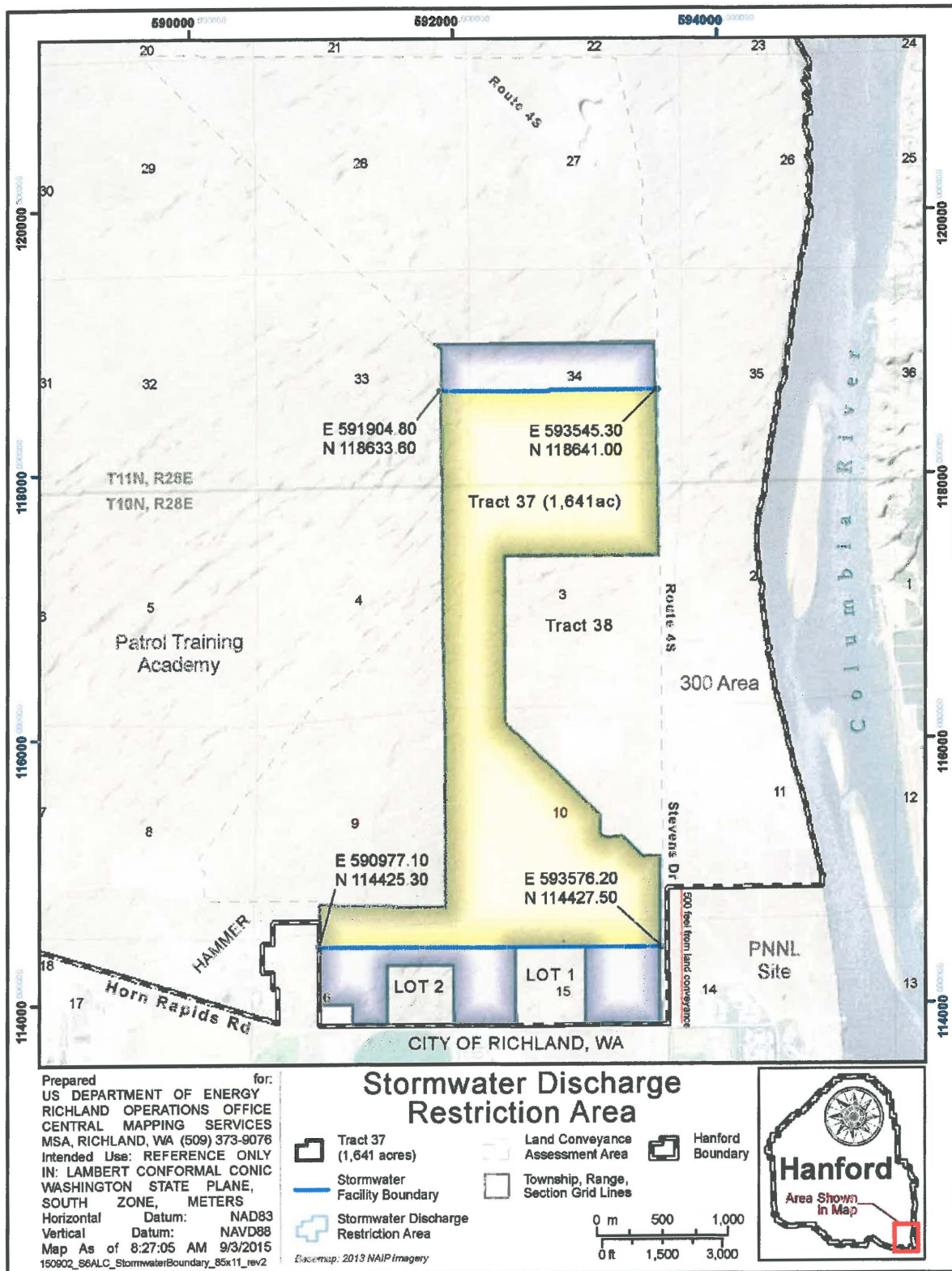
Prepared for:
US DEPARTMENT OF ENERGY
RICHLAND OPERATIONS OFFICE
CENTRAL MAPPING SERVICES
MSA, RICHLAND, WA (509) 373-9076
Intended Use: REFERENCE ONLY
IN: LAMBERT CONFORMAL CONIC
WASHINGTON STATE PLANE,
SOUTH ZONE, METERS
Horizontal Datum: NAD83
Vertical Datum: NAVD88
Map As of 4:28:47 PM 8/10/2015
150807_Tract37_Easements_86x11_Rev0

Tract 37 - Easements
1,641 Acres for Transfer to TRIDEC by Sept. 30, 2015

Legend:
Tract 37
Easements
Roads
Hanford Boundary
Township, Range, Section Grid Lines
Scale: 0m, 500, 1,000, 1,500, 3,000
North Arrow

Map As of 4:28:47 PM 8/10/2015
150807_Tract37_Easements_86x11_Rev0

Exhibit A – Map 11



**EXHIBIT B
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)**

MATTERS OF RECORD

1. Reported Matters of Record.

This Quitclaim Deed, including Exhibits A, B, C, D, E, F, G, and H, which are incorporated herein, is subject to all easements, encumbrances, codes, conditions, covenants, restrictions and other matters duly recorded for the Premises in the real estate records of Benton County, Washington.

COPY

**EXHIBIT C
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)**

RESERVATION OF EASEMENTS

COPY

1. Grantor Electrical Utility and Access Road Easement.

- A. Reservation. Grantor reserves an exclusive easement, referred to herein as “Grantor Electrical Utility and Access Road Easement,” over, under and upon the Grantor Electrical Utility and Access Road Easement, described in paragraph G below (“Legal Description”), for Grantor’s electrical utility transmission and distribution systems, including, but not limited to, infrastructure, lines, junction boxes, equipment and related improvements.
- B. Duration. This Grantor Electrical Utility and Access Road Easement shall commence on the effective date of this Quitclaim Deed, shall run with the land and will continue in full force and effect unless and until Grantor has abandoned its utility transmission and distribution systems for a period of all days in two consecutive calendar years.
- C. Exclusive. Grantee may not make any use of the Grantor Electrical Utility and Access Road Easement without the express written consent of Grantor, which Grantor may withhold in Grantor’s sole and absolute discretion.
- D. Operation and Maintenance. Grantor reserves the right to operate and otherwise maintain all improvements in the Grantor Electrical Utility and Access Road Easement, and construct improvements.
- E. Dimension. This Grantor Electrical Utility and Access Road Easement has a one-hundred-eighty-five (185) foot width, which shall be legally construed, and is mutually agreed to by the parties hereto, as described in the legal description set forth below in paragraph G of this Article and as depicted on Map 2 and Map 5 of Exhibit A.
- F. Access. Grantor reserves a right to access the Grantor Electrical Utility and Access Road Easement at all times without notice to the Grantee.
- G. Legal Description. The legal description of this Grantor Electrical Utility and Access Road Easement is set forth as follows:

An easement for ingress/egress from Tract 38, through Tract 37, situated in sections 3 and 4, T. 10 N., R. 28 E., Willamette Meridian, Benton County, Washington, more particularly described as follows:

Beginning at a point on the westerly boundary of Tract 38, identical with a portion of the easterly boundary of Tract 37, from which Army Corp of Engineers control station HSM-014 bears N. 65° 02' 07" W., a distance of 581.85 feet and AEC tri station ANT bears N. 54° 35' 52" E, a distance of 116.95 feet, thence on the line between Tract 37 and Tract 38, S. 0° 00' 00" E., a distance of 185.00 feet, thence leaving said line N. 48° 32' 07" W., a distance of 2101.50 feet to a point on the west boundary line of said Tract 37, thence on said west boundary line N. 0° 31' 33" E., a distance of 185.00 feet, thence leaving said west boundary line S. 48° 30' 16" E., a distance of 2102.79 feet to the **Point of Beginning**.

Said easement contains 6.72 acres more or less, and is subject to any and all easements of record or implied.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

2. Bonneville Power Administration (BPA) Powerline Easement Areas

- A. **Reservation.** Grantor, acting by and through the Bonneville Power Administration (BPA), reserves permanent easements, referred to herein as "BPA Powerline Easements," over, under and upon the property described in paragraph G below (the "BPA Powerline Easement Areas") for the use of Grantor, including BPA's assigns or their successors in interest, for electrical utility transmission and distribution systems operated and otherwise maintained by BPA.
- B. **Duration.** The BPA Powerline Easements shall commence on the effective date of this Quitclaim Deed, shall run with the land in perpetuity and continue in full force and effect unless and until Grantor determines that the BPA Powerline Easements are no longer needed, in which case, the Grantor shall furnish Grantee with a statement in recordable form confirming termination of the BPA Powerline Easements.
- C. **Non-Exclusive.** The BPA Powerline Easements are non-exclusive, and Grantee may access and make use of the BPA Powerline Easement Areas so long as such use does not interfere with the rights reserved herein. Provided however, that Grantee may not construct any improvement within the BPA Powerline Easement Areas without the express written consent of the Grantor.

- D. Operation and Maintenance. Grantor reserves the right to construct, reconstruct, operate, maintain, repair, rebuild, upgrade, remove, inspect and patrol transmission lines consisting of one or more lines of poles or structures and appurtenances thereto, supporting conductors of one or more electric circuits of any voltage and appurtenances for communication facilities.
- E. Dimension. The BPA Powerline Easements have a one-hundred (100) foot width, which shall be legally construed, and is mutually agreed to by the parties hereto, as fifty (50) feet on each side of the centerline of the legal description set forth below in paragraph G of this Article and as depicted on Map 2 and Map 6 of Exhibit A.
- F. Access. Grantor, for and on behalf of Grantor and third-parties, reserves a full right of access over, upon and under the BPA Powerline Easement Areas in perpetuity.
- G. Legal Description. The legal description of the BPA Powerline Easement Areas are set forth, as follows:

(1) Bonneville Power Administration Powerline Easement – East – West

A 100.00 foot wide easement situated in T. 10 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

Beginning at a point in section 10, T. 10 N., R. 28 E., from which NGS control station B324 bears S. 11° 53' 55" E., a distance of 2837.27 feet and BPA control station TROLLEY bears N. 2° 11' 28" E, a distance of 362.10 feet, thence 50.00 feet on each side of the following described line:

N. 87° 59' 07 "W., a distance of 8151.00 feet to the terminus of said line.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

(2) Bonneville Power Administration Powerline Easement – North-South

A 100.00 foot wide easement situated in T. 10 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

Beginning at a point on the south line of Tract 37, identical with the north right-of-way line of Horn Rapids Road, from which NGS control station B324

COPY

bears N. 81° 04' 20" E., a distance of 593.52 feet, thence 50.00 feet on each side of the following described line:

N 0° 01' 33" E, a distance of 2868.42 feet, from which Bonneville Power Administration control station "TROLLEY" bears N. 2° 11' 28" W., a distance of 362.10 feet,
thence N. 0° 01' 54" E., a distance of 1518.89 feet,
thence N. 0° 06' 22" E., a distance of 4240.43 feet to the terminus of said line.

The side lines of which to be extended or contracted to form a closed area.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

COPY

3. Grantor Horn Rapids Road Utility/Telecommunication Easement

- A. Reservation. Grantor reserves an exclusive easement, referred to herein as "Grantor Horn Rapids Road Utility/Telecommunication Easement," over, under and upon the property described in paragraph F below (the "Grantor Horn Rapids Road Utility/Telecommunication Easement") for Grantor's construction, maintenance, repair, and operation of fiber optic cable lines, copper wire telecommunication line(s), or other similar high-speed communication device(s) which is, or may become available with the advancement of technology. This includes the construction, maintenance, repair and operation of future utilities as deemed necessary by the Grantor. Grantee may use the surface of the easement, provided such use does not interfere with Grantor's rights contained in this easement. Grantee may also use the subsurface portions of the Grantor Horn Rapids Road Utility/Telecommunication Easement, provided such use: (1) does not interfere with Grantor's rights and uses under this subsection; and (2) Grantee maintains a distance of at least ten (10) feet from Grantor's Telecommunication Line(s), unless otherwise agreed to in writing by Grantor. Grantee's surface use shall be limited and restricted to a road or other access route, and other uses on the surface are prohibited. Grantee's subsurface use shall not interfere with Grantor's rights and uses under this subsection. In the event that Grantee makes a surface or subsurface improvement which impedes or restricts Grantor's access to the subject Easement, Grantee will reimburse Grantor for additional costs which Grantor incurs to access its fiber optic cable lines, copper wire telecommunication line(s), or other similar high-speed communication device(s).
- B. Duration. This Easement shall commence on the effective date of this Quitclaim Deed, shall run with the land and continue in full force and effect unless and until Grantor has

abandoned its telecommunication line(s) or other constructed utilities for a period of all days in two consecutive calendar years.

- C. Operation and Maintenance. Grantor reserves the right to operate and maintain all improvements located within the Grantor Horn Rapids Road Utility/Telecommunication Easement, and additionally to construct improvements reasonably related to the purpose of this easement. Grantor reserves the right to upgrade or modify these lines and all related improvements with new equipment, infrastructure and appurtenances.
- D. Dimension. This Grantor Horn Rapids Utility/Telecommunication Easement has a fifty (50) foot width, which shall be legally construed, and is mutually agreed to by the parties hereto, as on the southerly fifty (50) feet of the portions of the conveyed property that lie adjacent to the north right-of-way line of Horn Rapids Road, as described in paragraph G below and depicted on Map 2 and Map 7 of Exhibit A.
- E. Grantee Permission and Notification of Proposed Improvements. Grantee shall notify Grantor prior to construction of any improvements in the Grantor Horn Rapids Road Utility/Telecommunication Easement in such a manner that Grantor is provided ample notice and opportunity to comment on such improvements. Such notice shall be provided at least 120 days prior to undertaking such projects.
- F. Legal Description. The legal description of this Grantor Horn Rapids Utility/Telecommunication Easement is set forth, as follows:

Horn Rapids Road Utility/Telecommunication Easement

A 50.00 foot wide easement situated in Tract 37 and along the south boundary line thereof, T. 10 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

A 50.00 feet wide strip of land, **Beginning** at a point at intersection with the north right-of-way line of Horn Rapids Road, 40.00 feet distant north from and parallel with the center line thereof, as described in a quit claim deed, recorded in Auditors File Number 621762, Records of Benton County, Washington, and offset from the westerly edge of pavement of Stevens Road, being 30.00 feet distance and west therefrom, in section 15, T. 10 N., R. 28 E., Willamette Meridian, Washington, from which NGS control station B324 bears N. 70° 48' 52" E., a distance of 280.40 feet, lying 50.00 feet north of and parallel with the following described line;

thence N. 89° 13' 09" W., a distance of 7707.24 feet to the terminus of said line.

COPY

Said easement is subject to any and all easements on record or implied.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

COPY

4. Grantor Route 4 South Utility/Telecommunication Easement

- A. Reservation. Grantor reserves an exclusive easement, referred to herein as “Grantor Route 4 South Utility/Telecommunication Easement,” over, under and upon the Grantor Route 4 South Utility/Telecommunication Easement for Grantor’s construction, maintenance, repair, and operation of a fiber optic cable line(s).
- B. Duration. This Grantor Route 4 South Utility/Telecommunication Easement shall commence on the effective date of this Quitclaim Deed, shall run with the land in perpetuity and continue in full force and effect unless and until Grantor has abandoned its fiber optic line for a period of all days in two consecutive calendar years.
- C. Exclusive. Grantee may not make any use of the Grantor Route 4S Utility/Telecommunication Easement without the express written consent of the Grantor, which Grantor may withhold in Grantor sole and absolute discretion as the Easement is exclusively for Grantor’s use.
- D. Operation and Maintenance. Grantor reserves the right to operate and otherwise maintain all improvements in the Grantor Route 4 South Utility/Telecommunication Easement, and additionally to construct improvements reasonably related to the purpose of this easement. Grantor reserves the right to upgrade this line with new fiber optic cable and related infrastructure and appurtenances.
- E. Dimension. This Grantor Route 4 South Utility/Telecommunication Easement has a seventy (70) foot width, which shall be legally construed, and is mutually agreed to by the parties hereto, as beginning at the eastern boundary of the conveyed property and extending seventy (70) feet west as described in the legal description set forth in this Article, at paragraph G below and depicted on Map 2 and Map 8 of Exhibit A.
- F. Access. Grantor reserves a full right of access over, upon and under the Grantor Route 4 South Utility/Telecommunication Easement for access in perpetuity to the Grantor Route 4 South Utility/Telecommunication Easement described herein.
- G. Legal Description. The legal description of this Grantor Route 4 South Utility/Telecommunication Easement is set forth, as follows:

Telecommunications Easement:

A 70.00 foot wide easement situated in Tract 37 and along the east boundary line thereof, T. 10 & 11 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

A 70 foot wide strip of land, **Beginning** at a point at intersection with the north right-of-way line of Horn Rapids Road, 40.00 feet distant north from and parallel with the center line thereof, as described in a quit claim deed, recorded in Auditors File Number 621762, Records of Benton County, Washington, and an offset from the westerly edge of pavement of Stevens Road, being 30.00 feet distance and west therefrom, in sections 3, 10 and 15, T. 10 N., R. 28 E., and section 34, T. 11 N., R. 28 E., Willamette Meridian, Washington, from which NGS control station B324 bears N. 70° 48' 52" E., a distance of 280.40 feet;

the side line of said easement lies 70.00 feet west of and parallel with the following described line;

N. 1° 36' 41" E., a distance of 332.68 feet;
thence N. 0° 30' 19" E., a distance of 4251.13 feet;
thence N. 0° 56' 42" E., a distance of 4653.83 feet;
thence N. 0° 06' 20" E., a distance of 7769.90 feet, to the terminus of said line, from which NGS control station N523 bears N. 3° 13' 43" E., a distance of 2322.25 feet in section 34, T. 11 N., R. 28 E.;

The sidelines of which are to be extended or contracted to create a closed figure on itself and the boundary of Tract 37, at the North and South ends.

Said easement is subject to any and all easements on record or implied.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

COPY

EXHIBIT D
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)

ROADS, ACCESS ROUTES OR EASEMENTS

COPY

1. The eastern boundary of the parcel of land designated as the Premises (see: Map 1 and Map 2 of Exhibit A) is located approximately thirty (30) feet west from the westerly edge of the pavement of a North-South road, commonly known as the west right-of-way line of Route 4 South. This road is also known as Stevens Drive in the immediate vicinity of the Premises.
2. Grantee must seek approval from Grantor prior to constructing any roads connected to Route 4 South. Such approval remains Grantor's sole discretion. In the event that Grantor approves any such roads or intersection(s), such approval does not constitute an agreement to partner in the design, development, construction, permitting or maintenance of such a road or intersection(s) as such obligations, and any and all obligations arising from Grantor's approval remain the sole obligation of Grantee. Grantor's approval in no way constitutes a permit and Grantee remains liable for obtaining any and all applicable permissions from all local, state and federal governing bodies. Grantor does however agree, that in the future, the Grantee may request permission for a minimum of two access roads to the conveyed parcel from Route 4 South. The access roads would be entry points to the conveyed parcel from the east side of the property and would require a formal written request by the Grantee in advance of easement consideration and execution. Grantor's consideration of any such request will be subject to Grantor's completion of all National Environmental Policy Act and other applicable environmental reviews and compliance with other applicable regulations. Grantor's consideration of any such request may also be subject to negotiation of fees that may be required for use of Grantor's Route 4 South. The Grantee's request for an access road will not be unreasonably withheld.
3. Grantor reserves the right to close Route 4 South, at any time and for any reason, including waste shipments. If Route 4 South is closed for any reason, ingress and egress via any roads which may be connected to Route 4 South may be temporarily impacted. The Grantor shall give such advance notice of the closure as circumstances allow. Ideally, twenty-four (24) hours advanced notice will be provided. The Grantor's determination that such action is necessary shall be conclusive and the Grantor shall not be liable for any loss or damage caused by such an action.
4. The rights herein reserved by Grantor are permanent, and shall not be forfeited through non-use.

**EXHIBIT E
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)

RAILROAD**

COPY

1. Railroad and Utility Easement

- A. Reservation. Grantor reserves an exclusive Railroad and Utility Easement with a width of one hundred (100) feet, fifty (50) feet from each side of the centerline of said Railroad, for the linear length of the subject easement on the Premises as legally described in paragraph F of this exhibit (the "Easement Premises"). The subject easement includes access rights for certain third-parties.
- B. Exclusive. This Railroad and Utility Easement is exclusive; use of the same is reserved by Grantor for utilization only by: (a) Grantor; and (b) third-parties with access rights derived solely from Grantor, or otherwise provided by Grantor's written permission. Grantee shall not access the subject easement, except for access across certain crossing points on the subject easement when the railroad is not in active operation.
- C. Duration. The rights herein reserved by Grantor are permanent, and shall not be forfeited through non-use.
- D. Operation and Maintenance. This Railroad and Utility Easement has been reserved by Grantor to enable Grantor's railroad operations on the Premises to continue. Grantor reserves the right to operate and otherwise maintain all improvements in the Railroad and Utility Easement, and additionally to construct improvements and make upgrades to related infrastructure and appurtenances and otherwise to engage in activities reasonably related to the purpose of this easement. Should Grantee develop an objective to place utilities and related infrastructure upon, under or across the designated easement, Grantee agrees to obtain Grantor's written authorization before proceeding.
- E. Access. Grantor reserves a full right of access upon, under and across the Easement Premises for access to the designated Railroad and Utility Easement.

Grantee's use of the aforesaid Railroad and Utility Easement is subject to, and otherwise limited and restricted by, Grantor's paramount and superior right to control access to the identified easement in a manner consistent with Grantor's needs.

Grantee shall, either by the acquisition and retention of easements and other interests in or rights for the use of land or by adoption and enforcement of zoning regulations,

prevent the construction, erection or alteration of any structure in the access roads or access routes to and from the subject Railroad and Utility Easement.

Grantor reserves the right of access to those portions of the designated Railroad and Utility Easement for the purpose of constructing, installing, maintaining, repairing, operating and/or removing railroad and railway appurtenances, equipment, utility, telecommunications and/or well monitoring equipment upon, under or across the easement identified herein, as depicted on Map 9 of Exhibit A.

F. Legal Description. The legal description for centerline of said Railroad and Utility Easement is set forth, as follows:

A 100.00 foot wide easement situated in T. 10 N., R. 28 E., and T. 11 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

Beginning at a point on the south line of Tract 37, identical with the north right-of-way line of Horn Rapids Road, situated in section 15, T. 10 N., R. 28 E., Willamette Meridian, from which NGS control station B324 bears N. 73° 26' 39" E., a distance of 318.65 feet, thence 50.00 feet on each side of the following described line:

N. 3° 22' 08" W., a distance of 2000.10 feet to a point of curvature, thence N. 1° 35' 46" W., a distance of 345.80 feet when measured on a chord, on the arc of a 5220.98 foot radius curve to the right, having a central angle of 3° 47' 44", a length of 345.86 feet to the point of tangency, thence N. 0° 02' 59" E., a distance of 14,652.07 feet to the north line of Tract 37, in T. 11 N., R. 28 E., and the terminus of said line, from which NGS control station N523 bears N. 2° 15' 47" E, a distance of 2328.68 feet.

The side lines of said easement to be extended or contracted to form a closed area.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

COPY

**EXHIBIT F
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)

CERCLA**

COPY

Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended:

1. **Identification of Uncontaminated Property.** With the exception of the hazardous substances identified in Section 2 below, Grantor has determined in accordance with CERCLA 120(h)(4) that no hazardous substances and no petroleum products or their derivatives were known to have been released or disposed of on the Premises.
2. **Notice Regarding Hazardous Substances.**

The information contained in this notice is required under the authority of regulations promulgated under section 120(h) of the Comprehensive Environmental Response, Liability, and Compensation Act (CERCLA or “Superfund”) 42 U.S.C. Section 9620(h).

In accordance with CERCLA Section 120(h)(3) and 40 CFR 373, and based upon a complete search of agency files, Grantor provides notice of the following:

- A. **Notice Regarding Waste Information Data System (WIDS) Site 600-386.** The Grantor provides notice that lead was released as an abandoned dry cell battery. The waste site was identified in November, 2011 (release is assumed to have occurred prior to that date). The location of the release, known as WIDS site 600-386 is shown on Map 4, Exhibit A of this Quitclaim Deed. The waste site was remediated under EPA/ROD/R-10-01/119 on May 30, 2012, and is classified as interim closed out. Documentation of the remedial action and interim closure at WIDS site 600-386 is provided in Waste Site Reclassification Form 2012-061. Waste Site 600-386 was added to the 300 Area Final Action Record of Decision (ROD) as “no further action required” through EPA’s *Explanation of Significant Differences for the Hanford Site 300 Area Record of Decisions for 330-FF-2 and 300-FF-5, and Record of Decision Amendment for 300-FF-1*, September 25, 2015.

Hazardous Substance	CASRN	CERCLA Statutory Code	40 CFR 261.30 Hazardous Waste Number	Released Quantity (Estimated)	
				Pounds	Kilograms
Lead	7439-92-1	2 ¹	N/A	21	9.53

¹Designated as hazardous substance under Section 307(a) of the Clean Water Act.

3. Notice of Other Environmental Conditions.

COPY

- A. **Notice Regarding WIDS Site 600-235.** The Grantor provides notice that WIDS Site 600-235 is a lead sheathed communications cable which traverses the Hanford Site. Portions of this cable are present on the Premises. WIDS site 600-235 has been designated as “No Action” pursuant to Waste Site Reclassification Form 2001-091. The “No Action” WIDS status indicates that the site does not require any cleanup or remedial action. The 600-235 waste site was designated as a “No additional action needed to meet selected remedy requirements” in the CERCLA Final Action ROD for the 100-FR-1, 100-FR-2, 100-FR-3, 100-IU-2, and 100-IU-6 Operable Units. If it becomes necessary to remove or disturb all or any portion of the cable on the Premises, the Grantee is required to follow applicable federal state, and local requirements in managing the lead sheathed cable and/or related wastes.
- B. **Notice Regarding WIDS Site 600-22.** The Grantor provides notice of WIDS Site 600-22, a sparsely vegetated area with several steel posts and pieces of scrap metal. This waste site has been designated as “No Action”. The “No Action” status in WIDS indicates that the site does not require any cleanup or remedial action. The 600-22 waste site was designated as “No additional action needed to meet selected remedy requirements” in the CERCLA Final Action ROD for the 300 Area, with no institutional controls required.
- C. **Notice Regarding Offsite Elevated Levels of Nitrate in Groundwater Plume.** The Grantor provides notice that nitrate concentrations are above Drinking Water Standards, 45 mg/L, throughout much of the 1100-EM-1 Operable Unit (OU) and Richland North area, including the southern portion of the Premises; however, nitrate concentrations within these areas have been declining since 2010. These elevated nitrate levels originate from industrial and agricultural uses off-site and are not the result of Hanford activities. Agricultural uses include fertilizer applications to the irrigated fields south and west of the Premises. Nitrate is not listed as a hazardous substance under CERCLA and the nitrate contamination underlying the Premises is not subject to remediation under the 300 Area Final ROD.
- D. **Notice Regarding Offsite Elevated Levels of Uranium in Groundwater Plume.** The Grantor provides notice that elevated levels of uranium are migrating in concentrations above the Drinking Water Standard (DWS) down gradient of the AREVA facility located on the southern boundary of the Premises. This uranium plume is not subject to CERCLA remediation under the 300 Area ROD and its source is off Premises. The maximum uranium concentration in an AREVA well was reported in 2013, as 36.5 µg/L. DWS are 30 µg/L. In November 2014, Uranium levels within the plume were reported below DWS. Uranium concentrations in the area adjacent to the Premises will be monitored through the AREVA groundwater monitoring program throughout the foreseeable future.

- E. **Notice Regarding Detection of Trichloroethene (TCE) in Groundwater.** The Grantor provides notice that concentrations of TCE below Drinking Water Standards (DWS) have been found in groundwater underneath or adjacent to the southern boundary of the Premises. During January 2014, TCE concentrations in network wells located on and off the Premises near the Horn Rapids Landfill continued to be less than or near the usual detection limit of 1.0 µg/L and have declined since the 1990s. The maximum concentration was 0.71 µg/L in well 699-S31-E10A. Potential breakdown products of TCE (1,1-dichloroethene and vinyl chloride) remained below the detection limit of 1.0 µg/L. The concentration of TCE is well below the maximum contamination level of 5 µg/l for TCE in drinking water set by the EPA. Monitoring will continue to evaluate performance of the remedial action.
- F. **Notice Regarding Detection of Tritium in Groundwater.** The Grantor provides notice that concentrations of tritium below DWS have been detected in groundwater wells on the Premises.

COPY

4. **CERCLA Covenants.**

- A. Grantor warrants that all remedial action necessary to protect human health and the environment with respect to any hazardous substance remaining on the Premises has been taken before the date of this conveyance.
- B. Grantor warrants that any additional remedial action found to be necessary on the Premises after the date of this conveyance shall be conducted by the Grantor. This covenant shall not apply in any case in which Grantee or entity to whom the Premises is transferred is a Potentially Responsible Party (PRP) with respect to the Premises pursuant to CERCLA.
- C. Grantor warrants that any response action or corrective action found to be necessary on the Premises after the conveyance date shall be conducted by the Grantor. The obligation of Grantor under this warranty will be limited to the extent that a response action or corrective action is required by an act or omission of any Grantee which either:
- (1) introduces new contamination; or
 - (2) increases the cost or scope of the required response action or corrective action by negligently managing any contamination present on or under the Premises at the time of the initial conveyance by Grantor.
5. **Additional Response Action.** In the event Grantee seeks to have Grantor conduct any additional remedial action for hazardous substances or Grantee becomes aware of other conditions after the date of this conveyance, Grantee, as a condition precedent to the Grantor incurring any additional cleanup obligation or related expenses, shall provide the Grantor at least forty-five (45) days written notice of such a claim. To commence the forty-five (45) day period, the notice must include credible evidence that:

- A. the associated contamination existed prior to the date of this conveyance; and
 - B. the need to conduct any additional remedial or response action or part thereof was not the result of any act or failure to act by the Grantee or any party in possession.
6. **Reservation of Access pursuant to CERCLA.** Grantor reserves a right of access to the Premises in any case in which a remedial action, response action or corrective action is found to be necessary after the date of conveyance on the Premises, or such access is necessary to carry out a remedial action, response action or corrective action on adjoining property.
- Such right of access includes without limitation, the right to perform any environmental investigation, survey, monitoring, sampling, testing, drilling, boring, coring, testpitting, installing monitoring or pumping wells or other treatment facilities, response action, corrective action, or any other action which Grantor determines is necessary for the Grantor to meet its responsibilities under applicable laws and as provided for in this Quitclaim Deed.

COPY

**EXHIBIT G
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)**

TERMS, CONDITIONS AND COVENANTS

COPY

1. Consideration.

The subject conveyance amount, \$10.00, is less than the estimated fair market value of the Premises. Less than fair market value consideration is present because the Grantee, in compliance with the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, has agreed that any net proceeds will be used to support economic redevelopment of, or related to the Hanford Site.

2. National Defense Authorization Act.

The Grantor has the authority to convey the Premises, as legally described herein, to the Grantee pursuant to § 3013 of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, Public Law 113-291, December, 19, 2014.

3. Land Use Planning.

Grantee will comply with all applicable land use planning laws, statutes, regulations, codes, ordinances and provisions, including laws of the State of Washington, Benton County and all applicable municipal authorities, and will obtain all necessary permits.

4. Authorized Uses.

A. Certain commercial and industrial uses proposed by Grantee have been analyzed by Grantor in the *Environmental Assessment, Proposed Conveyance of Land at the Hanford Site, Richland, Washington*, DOE/EA-1915 (2015), as follows:

- (1) Warehousing and distribution (e.g., manufactured parts and materials distribution, food and agriculture; refrigerated warehousing and storage; material handling, packaging and crating; and logistics);
- (2) Research and development (e.g., scientific research; software; data security; computation; energy technology; environmental; and biotechnology);
- (3) Technology manufacturing (e.g., defense manufacturing; sensor manufacturing; medical device manufacturing; food processing; machinery manufacturing; advanced materials manufacturing; and carbon fiber manufacturing);
- (4) Food processing and agriculture (e.g., wine processing; food processing; agricultural products; and craft beer production);

- (5) Back office (e.g., call centers; administrative processing; data processing; information technology; remote sensing; professional services; and training); and
- (6) Energy (e.g., solar energy production; smart grid; and biofuels manufacturing).

Grantor and Grantee agree that the above-described six (6) commercial and industrial use categories, as proposed by Grantee and analyzed in the described *Environmental Assessment*, constitute authorized commercial and industrial uses of the Premises, Nuclear reactor operations are not permissible under section 4.A.(6).

5. Cooperation.

The Grantor and the Grantee agree to cooperate in good faith to minimize any conflict regarding necessary environmental investigation, monitoring, surveillance, reporting and remediation activities and Grantee's operations.

The Grantor and the Grantee agree that any inspection, monitoring, surveillance, reporting and survey, investigation, or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by the parties.

6. Water Supply.

Grantee agrees that all structures, facilities, and improvements requiring a water supply shall be required to be connected to an appropriate regulatory approved water system for any and all usage.

7. Sale or Lease.

For a seven (7) year period beginning on the date of this conveyance, Grantee will notify Grantor within twenty (20) business days upon sale or lease of all or a portion of the Premises.

8. Run With The Land.

All terms, conditions, covenants and restrictions contained in this Quitclaim Deed, except for those containing a durational limitation, shall run with the land and be binding upon Grantee and Grantee's successors and assigns pursuant to applicable laws.

9. No Waiver.

Grantor's use of or resort to any one or more remedies, or absence or failure thereof to avail itself of those remedies, shall not exclude or be deemed a waiver of any others. In particular, in the event the Grantor fails to exercise one or more enforcement remedies for the Grantee's breach, default or other violation of a covenant, term, condition or restriction, as set forth in this Quitclaim Deed, there shall be no waiver of the Grantor's remedies.

COPY

10. Grantor's Enforcement Mechanisms.

Grantor reserves all enforcement mechanisms and rights to pursue any and all legal, equitable and other remedies for enforcement of the terms, conditions, covenants and restrictions set forth in this Quitclaim Deed, including filing a lawsuit in a court of competent jurisdiction. Grantee agrees that Grantor is empowered and otherwise authorized to pursue any and all legal, equitable and other remedies for enforcement of the subject terms, conditions, covenants and restrictions.

11. Non-Grantor Enforcement Mechanisms.

Grantee acknowledges that persons and entities other than Grantor may pursue enforcement mechanisms concerning the terms, conditions, covenants and restrictions set forth in this Quitclaim Deed.

12. Release.

Grantor reserves the right, at any time after the date of this conveyance, to unilaterally release one or more of the terms, conditions, covenants and restrictions set forth herein.

13. No Liability

In the event the Grantor discretionarily elects not to enforce the breach, default or other violation of a covenant, term, condition or restriction in this Quitclaim Deed, or otherwise fails to do so, Grantor shall not be liable for injuries, damages, fees, costs and any and all other liabilities, of whatsoever nature and to any extent whatsoever, to Grantee or to any other party, entity, person or other claimant.

14. No Warranties.

With the exception of the CERCLA warranty provided by Grantor in Exhibit F, the Premises are transferred by the Grantor on an "as is" basis without warranties of any kind, express or implied.

15. Representatives.

Reference to "Grantor" and "Grantee" includes representatives of each respective party, including employees, agents, officers, contractors, subcontractors and other authorized representatives.

16. Successors in Interest.

Unless otherwise specifically stated in a particular provision of this Quitclaim Deed, reference to "Grantor" and "Grantee" in the Quitclaim Deed and all Exhibits thereto, includes the successors in interest, including assignees and other transferees, of the parties hereto.

17. Anti-deficiency Act.

The responsibilities of Grantor, as described in this Quitclaim Deed, are subject to the availability of appropriated funds for remediation per the Anti-deficiency Act (31 U.S.C. 1341 et. seq.).

COPY

18. Compliance with Applicable Laws.

Grantee covenants that it shall comply with all applicable federal, state and local statutes, regulations, orders, directives, administrative provisions, manuals, municipal codes and other applicable laws and will obtain all necessary permits.

19. Economic Development.

The term “economic development,” as used in this Quitclaim Deed, is defined as the use of transferred real property in a way that enhances the production, distribution or consumption of goods and services in the surrounding region(s) and furthers the public policy objectives of Section 3013 of the NDAA for FY 2015.

20. Real Estate Excise Tax.

In accordance with RCW 82.45.020 and other applicable laws, the Grantor, as the United States government is exempt from the payment of real estate excise tax for the subject conveyance, and from any minimum recording fee payment.

21. Recordation.

Grantee shall pay all taxes, costs and fees imposed on this conveyance and shall obtain at Grantee’s expense and affix to the Quitclaim Deed such revenue and documentary stamps as may be required by Federal, State of Washington and local laws and ordinances. This Quitclaim Deed and any security documents shall be recorded by Grantee in the manner prescribed by the State of Washington and Benton County recording statutes.

22. Bird-Friendly Design.

Grantee covenants that it will incorporate bird-friendly building design into Grantee’s design for buildings, structures and improvements on the Premises to the extent it is reasonably practical to do so.

23. Fire Protection.

Grantee agrees that within the immediate landscaped area (from the structure to approximately 30 feet), special consideration should be given that any combustible materials (e.g., lawn furniture, litter, and construction materials) should be removed or reduced in an effort to protect property (e.g., wildlands, buildings, and equipment) by minimizing fire risk.

COPY

**EXHIBIT H
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)**

RESTRICTIONS

1. Net Proceeds.

- A. Restriction. All net proceeds from sale or lease of the Premises (or any portion thereof) received by Grantee during the seven-year (7) period beginning on the date of this conveyance will be used by Grantee to support the economic redevelopment of, or related to, the Hanford Site.
- B. Definition. For the purposes of application of the “Net Proceeds” usage requirement established by Exhibit H, Section 1.A, the term “Grantee” shall be interpreted to mean DOE’s designated Community Reuse Organization, Tri-City Development Council, “TRIDEC”, and shall include the following partners of TRIDEC: the City of Richland, the County of Benton and the Port of Benton.
- C. Purpose. The purpose of this restriction is to effectuate the purpose, intent and direction of Section 3013 of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015, Public Law 113-291.

2. Boundary Monuments.

- A. Restriction. Grantee is prohibited from disturbing any permanent boundary monument, symbol, stake or other marker designating the property boundary of the Premises transferred by this Quitclaim Deed.
- B. Purpose. The purpose of this restriction is to preserve the integrity of the legal boundary of the Premises.

3. Groundwater.

- A. Restriction. Grantee is prohibited from extracting, permitting to be extracted, consuming or otherwise accessing or utilizing any groundwater below the surface of the Premises.
- B. Purpose. The purpose of this restriction is to prevent disturbance to area hydrologic conditions that might adversely affect the movement or other transportation of groundwater contaminants.

COPY

4. Groundwater Monitoring.

- A. Access. Grantee is prohibited from altering, destroying or otherwise tampering with Grantor's established roads or other access routes to all groundwater monitoring wells, as shown on Map 3 of Exhibit A of this Quitclaim Deed.
- B. Alternate Access. Grantee is prohibited from developing an alternate access road or other access route to all groundwater monitoring wells without receiving Grantor's written permission, which will not unreasonably be withheld.
- C. Tampering Restriction. Grantee is prohibited from tampering with or damaging Grantor's groundwater monitoring or remediation systems located on the Premises.
- D. Peripheral Clearance Restriction. Grantee is prohibited from access closer than twenty (20) feet around the periphery of Grantor's groundwater monitoring wells and remediation systems, as delineated on the ground by Grantor. The designated twenty (20) feet around each groundwater well and all remediation systems is for Grantor's exclusive access only.
- E. Road or Access Route Width. Grantee is prohibited from narrowing or shortening the minimum required width of ten (10) feet for the full length of all roads or other access routes or approved alternate access routes to Grantor's groundwater wells. The designated roads or access routes to or from Grantor's groundwater wells are non-exclusive in nature such that such roads and routes may be accessed by Grantee, with the exception of the twenty (20) feet radius around each groundwater well which is for Grantor's access only.
- F. Purpose. The purpose of these restrictions is to enable Grantor to conduct long-term groundwater monitoring and operate remediation systems on the Premises.

5. Storm Water Discharge.

COPY

- A. Restriction. Grantee is prohibited from placement of swales, ponds, and other storm water drainage facilities in the area between the following two lines: (a) line 1,969 feet (600 meters) north of the centerline of Horn Rapids Road, and (b) line 15,781 feet (4,810 meters) north of the centerline of Horn Rapids Road as shown on Map 11 in Exhibit A.
- B. Purpose. The purpose of this restriction is to prevent disturbance to water table conditions that might adversely affect the movement or other transportation of groundwater contaminants or changes to the water table under existing landfills and disposal facilities.

6. Excavation.

- A. Restriction. Any ground disturbance performed by the Grantee resulting from construction activities, construction or installation of any piping or utility system component, drilling, digging or other any excavation, of whatsoever nature and type, on

any portion of the Premises is prohibited below a depth of twenty (20) feet (6.1 meters) from the surface of the ground, and prohibited within 6.6 feet (2 meters) of the groundwater whichever is most restrictive, except upon the express written permission of the Grantor.

- B. Definition. The term, “surface of the ground,” as used herein, refers to the ground level on the date of conveyance by this Quitclaim Deed, rather than the ground surface after grading, digging, excavation, construction, development or other ground disturbing activities.
- C. Purpose. The purpose is to prevent disturbance to area hydrologic conditions that might affect transport of contaminants in the groundwater.

7. Mining.

- A. Restriction. Grantee is prohibited from mining the Premises including extraction or production of any coal, oil, gas, geothermal steam, associated geothermal resources, aggregate and any other minerals.
- B. Purpose. The purpose of this restriction is to prevent Grantee from engaging in mineral extraction, and related activities, which have the potential to adversely affect or otherwise disturb contaminated groundwater and other hydrologic conditions, and to carry out specific provisions of the Memorandum of Agreement, September 2015, among the Grantor and Washington State Department of Archaeology and Historic Preservation, the Advisory Council on Historic Preservation, Confederated Tribes and Bands of the Yakama Nation, Confederated Tribes of the Umatilla Indian Reservation, Nez Perce Tribe, and Wanapum regarding the land conveyance, which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.), hereinafter referred to as “MOA”.

COPY

8. Concentrating Solar Power Farm (CSP).

- A. Restriction. Grantee is prohibited from constructing and operating a CSP Solar Farm System on the Premises.
- B. Purpose. The purpose of this restriction is to prevent potential glint and glare hazards, associated with a CSP Solar Farm System, and to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

9. Noise Restrictions

By acceptance of this Deed, the Grantee covenants and agrees to restrict or prohibit activities on the Premises that generate noise in excess of the Noise Generation Standard described below.

- A. PNNL Noise Generation Standard. Grantor requires Grantee's acoustic and noise signature on the Premises will not exceed current Washington State standards and exemptions for Class C Industrial Areas.
- B. Purpose. The purpose of the foregoing noise generation standard is to prevent, reduce or otherwise minimize potential adverse impacts to Grantor's operations at PNNL and activities from Grantee's use of the Premises and to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

10. Vibration Restrictions.

By acceptance of this Deed, the Grantee, its successors and assigns, covenants and agrees to restrict or prohibit activities on the Premises that generate vibration in excess of the Pacific Northwest National Laboratory (PNNL) Vibration Standard and the Laser Interferometer Gravitational Wave Observatory (LIGO) Vibration Standard described below.

A. Vibration and PNNL Operations.

- (1) PNNL Vibration Standard. The parties are in agreement that, after the date of this deed transfer, vibration impacts arising from the Premises shall be limited such that:
- a. Any Heavy Reciprocating Machinery must be at least three (3) kilometers from the PNNL Site boundary
 - b. Any Balanced Non-Reciprocating Industrial Machinery must be at least one (1) kilometer from the PNNL Site boundary
 - c. Activities on the Premises that result in vibrations created by continuous and/or routine blasting are prohibited. To the extent any uncertainty arises with respect to the application of this vibration standard for non-routine blasting, Article 12, Periodic Discussions and Development Plans, of Exhibit H of this Quitclaim Deed shall be utilized to mitigate those non-routine blasting activities.

- B. Purpose. The purpose of the foregoing PNNL vibration standard is to prevent, reduce or otherwise minimize potential adverse impacts to Grantor's PNNL operations and activities from Grantee's use of the Premises, and to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

COPY

C. Vibration and LIGO Operations.

- (1) LIGO Vibration Standard. The parties are in agreement that, after the date of this deed transfer, vibration (dependent on frequency) emanating from the Premises shall be consistent with non-reciprocating power plant machinery or

balanced industrial machinery operating above 300 RPM (5Hz) or must meet the following specifications below 300 RPM (5 Hz):

- COPY
- a. In the frequency range from 0.3 Hz to 1.5 Hz, ground vibration levels as measured 100 meters from the source should not exceed 0.3 micrometers/sec/root (Hz). For example, in the frequency band from 0.5 Hz to 1.5 Hz this would be equivalent to a vibration level of 0.3 micrometers/sec RMS.
 - b. In the frequency range from 1.5 Hz to 2.5 Hz, ground vibration levels as measured 100 meters from the source should not exceed 0.3 micrometers/sec/root (Hz). For example, in the frequency band from 1.5 Hz to 2.5 Hz this would be equivalent to a vibration level of 0.3 micrometers/sec RMS.
 - c. In the frequency range from 2.5 Hz to 3.5 Hz, ground vibration levels as measured 100 meters from the source should not exceed 0.5 micrometers/sec/root (Hz). For example, in the frequency band from 2.5 Hz to 3.5 Hz this would be equivalent to a vibration level of 0.5 micrometers/sec RMS.
 - d. In the frequency range from 3.5 Hz to 5 Hz, ground vibration levels as measured 100 meters from the source should not exceed 2.5 micrometers/sec/root (Hz). For example, in the frequency band from 3.5 Hz to 5 Hz this would be equivalent to a vibration level of 3 micrometers/sec RMS.
 - e. These vibration levels should be compatible with operation of motor vehicles driven on smooth pavement. However trucks driven off-pavement, over pavement in poor repair, or over speed bumps would likely cause these vibration levels to be exceeded.
 - f. Reciprocating power-plant machinery, rock crushers and heavy machinery would likely cause these vibration levels to be exceeded.

(2) Point of Compliance. The point of compliance for the above-described vibration standard is within 100 meters of the source or at the boundary of the Premises, as measured by LIGO's technical staff.

(3) Noncompliance. In the event of Grantee's noncompliance with the vibration standard set forth in Article 9.B.(1) of Exhibit H of this Quitclaim Deed, LIGO will provide a measurement report to Grantee inclusive of third party verification; and (2) Grantee will use its best efforts to cure its noncompliance and come into compliance within twenty (20) business days. In the event that

Grantee fails to cure its noncompliance within twenty (20) business days, Grantor may pursue any available legal or equitable remedies.

- (4) Purpose. The purpose of the foregoing LIGO vibration standard is to prevent, reduce or otherwise minimize potential adverse impacts to LIGO operations and activities from Grantee's use of the Premises, and to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

11. Electric Field and Magnetic Interference.

Grantee agrees to restrict or prohibit activities on the Premises that generate electrical field (EF) and magnetic (M) interferences in excess of the EF/M Interference Standard described below.

- A. EF/M Interference Standard. The parties are in agreement that, after the date of this deed transfer, all Intentional Radiators on the Premises shall not exceed the Federal Communications Commission Standard at 47 CFR Part 15, Subpart C.
- B. Purpose. The purpose of the foregoing electrical field and magnetic interference standard is to prevent, reduce or otherwise minimize potential adverse impacts to sensitive PNNL operations and activities from Grantee's use of the Premises, and to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

12. Radionuclide Emissions.

By acceptance of this Deed, the Grantee covenants and agrees to restrict or prohibit activities on the Premises that cause airborne radionuclide emissions in excess of the Natural Occurrences and Radionuclide Emissions Standards described below.

- A. Radionuclide Emissions Standard. The Grantee is prohibited from activities on the Premises creating or otherwise causing emissions into the airborne environment arising from the possession, use or discharge from any fissionable material, fission products or activation products.
- B. Natural Occurrence. Any and all activities with any of the known (~65) naturally occurring radioactive isotopes found in nature are not prohibited. Naturally occurring radioactive isotopes will generally belong to one of three classes: (1) cosmogenically produced in the atmosphere (e.g., tritium and carbon-14); (2) long-lived unstable nuclides (e.g., potassium-40 in agricultural products, and uranium-238 found in soils); and (3) decay products of long-lived unstable nuclides (e.g., radioactive isotopes of polonium, thorium, and radium).

COPY

- C. Purpose. The purpose of the foregoing radionuclide emissions standard is to prevent, reduce or otherwise minimize potential adverse impacts to PNNL operations and activities from Grantee's use of the Premises.

13. Periodic Discussions and Development Plans.

- A. Periodic Discussions. Grantee will hold periodic discussions with Grantor, PNNL, LIGO, Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes and Bands of the Yakama Nation, the Nez Perce Tribe and the Wanapum Band of Indians (collectively "Tribes"), as may be applicable, concerning the noise, vibration, electromagnetic, and radionuclide emissions set forth in this Quitclaim Deed concerning the continued viability or need for such standards. The discussions will be arranged by Grantee and held at least every five (5) years, with the first such discussions to be held on or before September 30, 2020 and subsequent discussions to be held at least every five (5) years thereafter.
- B. Termination Standards. Termination of these standards will not be unreasonably withheld if the activity requiring the restrictive standard is no longer conducted at PNNL or LIGO for a period of more than three (3) years prior to a request for termination, and the Tribes agree to the removal of a restrictive standard that is contained in the MOA.
- C. Notification of Development Plans. Grantee agrees that it will provide timely notice to PNNL and LIGO of Grantee's plans for development of the Premises, including any and all of Grantees applications, petitions, requests for land use actions and all related matters. The Tribes will be notified of project location planning as stipulated in Attachment A to Exhibit H of this Deed.
- D. Recordation. In the event that Grantee reaches an accord with Grantor, Tribes, PNNL, and/or LIGO that all or certain of such standards need to be terminated, relaxed or otherwise modified, Grantor agrees to execute, and record in the public records of Benton County, Washington, a termination or modification of the affected standards, covenants and restrictions.
- E. Purpose. The purpose of this Article is to establish a process for review and revision of noise, vibration, electromagnetic, and radionuclide emissions standards; and to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

14. Tribal Access.

- A. Restriction. Grantee is required to provide access to the Premises prior to its development to members of the Confederated Tribes and Bands of the Yakama Nation, Confederated Tribes of the Umatilla Indian Reservation, the Nez Perce Tribe and the Wanapum Band of Indians (collectively "Tribes") for tribal activities. An

COPY

access agreement will be developed between the Tribes and the land owners to facilitate access.

- B. Purpose. The purpose is to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

15. Buildings and Natural Landscaping.

A. Restriction.

- (1) The Grantee agrees that the height of buildings that are constructed on the conveyed land will not exceed the height limits that are authorized pursuant to Chapter 23.28.030 of the Richland Municipal Code (RMC); as amended. Grantee agrees that it shall not seek a waiver of the height limitations contained in these provisions of the RMC by utilizing the variance provisions of RMC 23.70.150, or by application of any other process that may allow the Grantee to construct a building with a height greater than that explicitly allowed by RMC Chapter 23.28.030.
- (2) The Grantee agrees that buildings (including roofs) will be finished in colors that are non-reflective and that emulate those of the natural surroundings.
- (3) The Grantee agrees to xeriscaping utilizing native plants to lessen impacts to adjacent plant communities and eliminate need for supplemental watering.

- B. Purpose. The purpose is to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

16. Cultural Resource Protection.

- A. Restriction. Grantee is required to comply with Washington State laws, as amended, for cultural resource protection:

- (1) Indian Graves and Records Act (RCW 27.44);
- (2) Archaeological Sites and Resources Act (RCW 27.53);
- (3) Abandoned and Historic Cemeteries and Historic Graves Act (RCW 68.60);
- (4) Archaeological Excavation and Removal permit process (WAC 25-48); and
- (5) Human Remains (RCW 68.50).

- B. Purpose. The purpose is to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

COPY

17. Pre-Contact Archaeological Materials.

- A. Restriction. Grantor retains ownership of all pre-contact archaeological materials. Grantee is required to return all pre-contact archaeological material to Grantor for relocation in consultation with Tribes.
- B. Purpose. The purpose is to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

18. Contaminated Pre-Contact Artifacts or Human Remains.

- A. Restriction. Grantee is required to return any and all contaminated pre-contact artifacts or human remains found on the Premises to Grantor for Tribal consultation and reburial on the Hanford Site.
- B. Purpose. The purpose is to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

COPY

19. Enforcement of Deed.

- A. Restriction. This restriction has been put in place to set forth the required protocol, in the event that Grantee does not comply with one or more deed restrictions of the Quitclaim Deed.
- B. Annual Report. On an annual basis Grantee shall submit a report to Grantor regarding Grantee's compliance with the deed restrictions set forth in this Quitclaim Deed, and any challenges encountered during the previous year.
- C. Enforcement. In the event of non-compliance with the deed restrictions, the Grantor, may institute a suit for damages and seek to enjoin any non-compliance. In the event of non-compliance with those deed restrictions where the purpose is specifically identified to carry out provisions of the Memorandum of Agreement pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.), the State Historic Preservation Officer, or its authorized representative may institute a suit for damages and seek to enjoin any non-compliance. If such identified party ultimately prevails, it shall be entitled to recover all reasonable costs and expenses incurred in connection with such a suit, including, but not limited to all court costs and reasonable attorney's fees.
- D. Purpose. This deed restriction has been put in place in order to establish an agreed protocol in the event of Grantee's noncompliance with a deed restriction.

20. Cultural Resource Protection Protocol.

- A. Restriction. The Grantee shall implement the attached Cultural Resource Protection Protocol. The Cultural Resource Protection Protocol can be amended as agreed to between Grantee and the Tribes. (See Attachment A to this Exhibit).
- B. Purpose. The purpose is to carry out specific provisions of the MOA which has been effectuated by Grantor pursuant to the National Historic Preservation Act (16 U.S.C. 470 et. seq.).

COPY

**ATTACHMENT A
TO QUITCLAIM DEED
BETWEEN
DEPARTMENT OF ENERGY
AND
TRI-CITY DEVELOPMENT COUNCIL (TRIDEC)

CULTURAL RESOURCE PROTECTION PROTOCOL**

The Inter-Tribal Advisory Board (ITAB) will consist of one representative from the Confederated Tribes and Bands of the Yakama Nation, the Nez Perce Tribe, the Confederated Tribes of the Umatilla Indian Reservation and the Wanapum. ITAB will meet once a month with a designated representative from TRIDEC and/or potential land owners as the land is sold. The purpose of the meeting will be to discuss ground disturbing activities and coordinate how to best comply with the cultural resource protection procedures below. It is noted the land has been transferred with the intent of development. It is not the intent of the ITAB to hold up development projects. The only interest of the ITAB is to ensure the protection of cultural resources through identification, evaluation and relocation.

The land owners are responsible for funding compliance with the protocol.

1. Project Location Planning. Prior to the selection of potential locations the project proponent shall consider the likelihood of the project impacting burial sites and cultural resources that may be within or adjacent to the proposed project's area of potential effect. Methods to be involved in making this assessment may include but not be limited to literature reviews, oral history reviews, archaeological survey and/or testing, and remote sensing as recommended by ITAB.

2. Selected Project Location. Once a preferred project location (area of potential effect) has been chosen, ITAB shall recommend the appropriate level of cultural resource investigation to be conducted. Methods to be involved in this assessment may include but not be limited to literature reviews, archaeological survey and/or testing, monitoring, and/or remote sensing investigation, as recommended by ITAB.

a. Any cultural resources work required must comply with applicable professional standards. All contractors shall comply with the Secretary of Interior professional qualification standards at 36 CFR 61.

b. The associated cultural resource report must be sent to the ITAB and Department of Archaeology and Historic Preservation (DAHP) for review. The ITAB shall review and either concur or not concur with the findings of the report within 30 days.

c. Clearance shall be granted by the ITAB & DAHP if one of the following conditions is satisfied:

i. The action has no potential to cause an effect to cultural resources; or

COPY

- ii. The action has no effect to cultural resources; or
- iii. The action will have no adverse effect to cultural resources; or
- iv. The action will have an adverse effect to cultural resources, then one of the following actions will be taken:
 - a). Avoid the impact to cultural resources;
 - b). Minimize the effects of the project to the cultural resource; or,
 - c). Mitigate through the development of a data recovery plan, as approved by the ITAB, to include relocation of the cultural material to resolve those effects.

3. If items suspected to be cultural resources are observed, cease activities occurring within 100 feet of the discovery in order to protect the integrity of such resources. Reasonable steps shall be taken to secure the area. No cultural resources will be further disturbed or transported from its original location, unless approved by the ITAB. Contact the ITAB to determine the next steps. These may include, but shall not be limited to, documentation, avoidance, excavation, determining site eligibility, or no additional work needed. Activities in the area of the find may resume only after receipt of written approval from the ITAB.

4. These projects may be subject to fees based on clearance work required.

5. For projects meeting the definition of a federal undertaking as defined by 36 CFR 800.16, the National Historic Preservation Act Section 106 process will be followed.

COPY

ATTACHMENT B

2018-023869 D
08/13/2018 04:03:33 PM Pages: 27 Fee: \$125.00
Us Dept Of Energy
Benton County, Benton County Auditor's Office



When recorded return to:

Mike Elsen, Realty Officer PTN. PID# 1-3418-300-0001-000 / 1-3418-300-0002-000
U.S. Department of Energy 1-0308-400-0000-000 / 1-1008-100-0001-001
P.O. Box 550, MS: H5-20 1-1008-100-0001-004 / 1-0308-400-0001-000
Richland, WA 99352 1-1008-100-0001-003 DRJSLPD

FIRST AMENDMENT OF QUITCLAIM DEED

The Grantor, the United States of America, by and through the Secretary of the Department of Energy ("DOE"), remised, released, conveyed and quitclaimed certain real property located in Benton County, Washington to the Grantee, Tri-City Development Council ("TRIDEC"), of Kennewick, Washington, on September 30, 2015, by that certain ^{*}Quitclaim Deed duly recorded in the records of Benton County, Washington in accordance with the Abbreviated Legal and Transaction Designator set forth below. In the intervening period of time the Grantor has reached the conclusion that it is appropriate to amend certain terms, conditions, covenants and restrictions of the aforesaid Quitclaim Deed in order to further economic redevelopment of the Hanford Site. Additionally, the legal description has been modified by the Bureau of Land Management ("BLM") since the date of the original transaction. Now, therefore, the Grantor issues this First Amendment of Quitclaim Deed in order to: (1) amend certain terms, conditions, covenants and restrictions; and (2) modify the legal description in accordance with BLM's surveying work.

Abbreviated Legal: A Portion of Tract 37, Comprising 1,641 Acres (More or Less), T. 10 N., R. 28 E., T. 11 N., R. 28 E., Records of Benton County, Washington. Commonly Known As: Hanford Parcel 37 or "HP-37."

Transaction Designator: NDAA.HANFORD.DOE.TRIDEC.1STAMQ-DEED.2018

DATED: July 17, 2018.

Mike Elsen
Mike Elsen
Realty Officer
U.S. Department of Energy

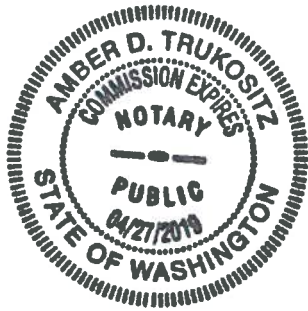
COPY

* AFN 2015-029457

State of Washington)

County of Benton) ss.

I, Amber D. Trukositz, a Notary Public, hereby certify that I know or have satisfactory evidence that Mike Elsen, who appeared before me, is the duly appointed and authorized Realty Officer of the Grantor, with a duly authorized warrant, and said person duly acknowledged this First Amendment of Quitclaim Deed to be his voluntary and free act for the uses and purposes described herein.



Amber D. Trukositz

Notary name printed or typed

Notary Public in and for the State of Washington,
residing at Kenneman, WA.

My appointment expires: 4/26/2019.

COPY

I. Legal Description

1. The legal description has been modified to memorialize that the existing legal description and maps, as set forth in Exhibit A of the above-described Quitclaim Deed, have been replaced with an updated legal description based on the survey and boundary monuments established by the Bureau of Land Management, and updated Exhibit A maps based on the updated legal description.
2. The legal description and maps in Exhibit A of the Quitclaim Deed are updated, superseded and otherwise replaced with the following legal description and maps:

LEGAL DESCRIPTION AND MAPS

The subject parcel of real estate is referred to as “the Premises,” and is legally described as follows and as shown on Map 1 and Map 2 of Exhibit A:

A parcel of land situated in a portion of T. 10 N., R. 28 E., and T. 11 N., R. 28 E., Willamette Meridian, Benton County, Washington, identified as Tract 37 in the Bureau of Land Management (BLM) official survey, accepted February 6, 2018, on file in the BLM office in Portland, Oregon, and more particularly described as follows:

Beginning at the true point for Angle Point No. 1 of Tract 37, at intersection with the north right-of-way line of Horn Rapids Road, 70 feet distant north from and parallel with the center line thereof, as described in Easement Quitclaim Deed, recorded in Auditors File No. 621762, Records of Benton County, Washington, and an offset from the westerly edge of pavement of Stevens Drive (Route 4S), being 30.00 feet distance and west therefrom, in section 15, T. 10 N., R. 28 E., Willamette Meridian, (WM) Washington, (WA) from which the Witness Corner for Angle Point No. 1 of Tract 37 bears N. 46° 53' 46" W., a distance of 30.08 feet,

thence N. 89° 23' 44" W., on Line 1-2 of Tract 37, identical with the north right-of-way line of said Horn Rapids Road, a distance of 77.68 feet to the Witness Point on Line 1-2 of Tract 37, in section 15, T. 10 N., R. 28 E., WM, WA.,

thence N. 89° 23' 44" W., continuing on Line 1-2 of Tract 37, identical with said north right-of-way line, a distance of 1812.53 feet, to Angle Point No. 2 of Tract 37, identical with the SE corner of Lot 1 of section 15, T. 10 N., R. 28 E., WM, WA.,

thence leaving said north right-of-way line, N. 0° 51' 59" E., on line 2-3 of Tract 37, identical with the east boundary of Lot 1 of section 15, a distance of 1853.00 feet, to Angle Point No. 3 of Tract 37, identical with the NE corner of Lot 1 of section 15, T. 10 N., R. 28 E., WM, WA.,

COPY

thence N. 89° 07' 25" W., on Line 3-4 of Tract 37, identical with the north boundary of Lot 1 of section 15, a distance of 1684.24 feet, to Angle Point No. 4 of Tract 37, identical with the NW corner of Lot 1 of section 15, T. 10 N., R. 28 E., WM, WA.,

thence S. 0° 52' 44" W., on Line 4-5 of Tract 37, identical with the west boundary of Lot 1 of section 15, a distance of 1860.71 feet to Angle Point No. 5 of Tract 37, identical with the SW corner of Lot 1 of section 15, and the north right-of-way line of said Horn Rapids Road, T. 10 N., R. 28 E., WM, WA.,

thence N. 89° 23' 44" W., on Line 5-6 of Tract 37, identical with the north right-of-way line of said Horn Rapids Road, a distance of 1604.90 feet, to Angle Point No. 6 of Tract 37, identical with the SE corner of Lot 1 of section 16, T. 10 N., R. 28 E., WM, WA.,

thence leaving said north right-of-way line, N. 1° 09' 55" E., on Line 6-7 of Tract 37, identical with the east boundary of Lot 1 of section 16, a distance of 1436.05 feet, to Angle Point No. 7 of Tract 37, identical with the NE corner of Lot 1 of section 16, T. 10 N., R. 28 E., WM, WA.,

thence N. 89° 13' 32" W., on Line 7-8 of Tract 37, identical with the north boundary of Lot 1 of section 16, a distance of 1612.48 feet, to Angle Point No. 8 of Tract 37, identical with the NW corner of Lot 1 of section 16, T. 10 N., R. 28 E., WM, WA.,

thence S. 0° 39' 40" W., on Line 8-9 of Tract 37, identical with the west boundary of Lot 1 of section 16, a distance of 1440.92 feet to Angle Point No. 9 of Tract 37, identical with the SW corner of Lot 1 of section 16, on the north right-of-way line of said Horn Rapids Road, T. 10 N., R. 28 E., WM, WA.,

thence N. 89° 23' 44" W., on Line 9-10 of Tract 37, identical with the north right-of-way line of said Horn Rapids Road, a distance of 889.46 feet to Angle Point No. 10 of Tract 37, in section 16, T. 10 N., R. 28 E., WM, WA.,

thence leaving said north right-of-way line, N. 0° 11' 48" W., on Line 10-11 of Tract 37, a distance of 503.19 feet to Angle Point No. 11 of Tract 37, in section 16, T. 10 N., R. 28 E., WM, WA.,

thence N. 89° 08' 01" W., on Line 11-12 of Tract 37, a distance of 823.30 feet to Angle Point No. 12 of Tract 37, at intersection with the east boundary line of the National Utility Training Services, Inc., (NUTS) property as described in a quitclaim deed, Auditors File Number 2005-013181, Records of Benton County, Washington, in section 16, T. 10 N., R. 28 E., WM, WA.,

thence N. 0° 51' 23" E., on Line 12-13 of Tract 37, identical with said east boundary line, a distance of 2031.99 feet to Angle Point No. 13 of Tract 37, identical with the NE corner of the NUTS property, in section 16, T. 10 N., R. 28 E., WM, WA., as described in said

COPY

quitclaim deed, and the survey by Daniel L. Strasser, PLS No. 32445, Auditors File Number 2001-028660, records of Benton County, Washington,

thence N. $0^{\circ} 51' 57''$ E., on Line 13-14 of Tract 37, a distance of 446.07 feet to Angle Point No. 14 of Tract 37, on the southerly right-of-way line of the Bonneville Power Administration (BPA) BENTON - WHITE BLUFFS No. 1 transmission line, identical with the south boundary of the Hanford Patrol Training Academy (HPTA) property, in section 9, T. 10 N., R. 28 E., Willamette Meridian, Washington, from which the $1/4$ section corner of sections 9 and 16, bears S. $59^{\circ} 33' 48''$ E., a distance of 859.55 feet,

thence S. $87^{\circ} 59' 38''$ E., on line 14-15 of Tract 37, identical with said southerly right-of-way line and the south boundary of the HPTA property, a distance of 3129.83 feet to Angle Point No. 15 of Tract 37, identical with the southeast corner of the HPTA property, in section 9, T. 10 N., R. 28 E., Willamette Meridian, Washington, from which the corner of sections 9, 10, 15, and 16, bears S. $36^{\circ} 21' 24''$ E., a distance of 428.75 feet,

thence leaving said southerly right-of-way line, N. $0^{\circ} 30' 15''$ E., on Line 15-16 of Tract 37, identical with the east boundary line of the HPTA property, a distance of 2,470.19 feet to Witness Point No. 1 on line 15-16 of Tract 37, in section 9, T. 10 N., R. 28 E., Willamette Meridian, Washington, from which the $1/4$ section corner of sections 9 and 10, bears S. $54^{\circ} 07' 01''$ E., a distance of 299.72 feet,

thence N. $0^{\circ} 30' 15''$ E., continuing on Line 15-16 of Tract 37, identical with said east boundary line, a distance of 2480.26 feet to Witness Point No. 2 on line 15-16 of Tract 37, in section 4, T. 10 N., R. 28 E., Willamette Meridian, Washington, from which the corner of sections 3, 4, 9, and 10, bears S. $85^{\circ} 51' 48''$ E., a distance of 231.22 feet,

thence N. $0^{\circ} 30' 15''$ E., continuing on Line 15-16 of Tract 37, identical with said east boundary line, a distance of 3410.41 feet to Witness Point No. 3 on line 15-16 of Tract 37, in section 4, T. 10 N., R. 28 E., Willamette Meridian, Washington,

thence N. $0^{\circ} 30' 15''$ E., continuing on Line 15-16 of Tract 37, identical with said east boundary line, a distance of 3289.14 feet to Witness Point No. 4 on line 15-16 of Tract 37, in section 33, T. 11 N., R. 28 E., Willamette Meridian, Washington, from which the corner of sections 3, 4, 33, and 34, of Tps. 10 and 11 N., Rs. 28 E., WM, WA., bears S. $8^{\circ} 00' 04''$ E., a distance of 1450.09 feet,

thence N. $0^{\circ} 30' 15''$ E., continuing on Line 15-16 of Tract 37, identical with said east boundary line, a distance of 2163.97 feet to Angle Point No. 16 of Tract 37, in section 33 of T. 11 N., R. 28 E., WM, WA.,

thence leaving said east boundary line, N. $86^{\circ} 19' 33''$ E., on Line 16-17 of Tract 37, a distance of 2675.66 feet to the Witness Point on Line 16-17 of Tract 37, in section 34, T. 11 N., R. 28 E., WM, WA.,

COPY

thence N. 86° 19' 33" E., continuing on Line 16-17 of Tract 37, a distance of 2675.63 feet to Angle Point No. 17 of Tract 37, at an offset from the westerly edge of pavement of Stevens Drive (Route 4S), being 30.00 feet distance and west therefrom, in section 34 of T. 11 N., R. 28 E., WM, WA.,

thence S. 0° 03' 45" W., on Line 17-18 of Tract 37, identical with said 30.00 foot offset line, a distance of 2558.56 feet to the Witness Point on Line 17-18 of Tract 37, in section 34, T. 11 N., R. 28 E., WM, WA.,

thence S. 0° 03' 45" W., continuing on Line 17-18 of Tract 37, a distance of 2990.04 feet to Angle Point No. 18 of Tract 37, identical with Angle Point No. 1 of Tract 38, in section 3 of T. 10 N., R. 28 E., WM, WA.,

thence leaving said 30.00 foot offset line, N. 89° 11' 27" W., on Line 18-19 of Tract 37, identical with Line 1-2 of Tract 38, a distance of 3819.34 feet to Angle Point No. 19 of Tract 37, identical with Angle Point No. 2 of Tract 38, in section 3 of T. 10 N., R. 28 E., WM, WA.,

thence S. 0° 36' 23" W., on Line 19-20 of Tract 37, identical with Line 2-3 of Tract 38, a distance of 4101.77 feet to Angle Point No. 20 of Tract 37, identical with Angle Point No. 3 of Tract 38, in section 10 of T. 10 N., R. 28 E., WM, WA.,

thence S. 44° 52' 17" E., on Line 20-21 of Tract 37, identical with Line 3-4 of Tract 38, a distance of 2376.63 feet to the Witness Point on line 20-21 of Tract 37, identical with line 3-4 of Tract 38, in section 10 of T. 10 N., R. 28 E., WM, WA.,

thence S. 44° 52' 17" E., continuing on Line 20-21 of Tract 37, identical with Line 3-4 of Tract 38, a distance of 2376.75 feet to Angle Point No. 21 of Tract 37, identical with Angle Point No. 4 of Tract 38, in section 10 of T. 10 N., R. 28 E., WM, WA.,

thence S. 89° 08' 46" E., on Line 21-22 of Tract 37, identical with Line 4-5 of Tract 38, a distance of 420.97 feet to Angle Point No. 22 of Tract 37, identical with Angle Point No. 5 of Tract 38, at an offset from the westerly edge of pavement of Stevens Drive (Route 4S), being 30.00 feet distance and west therefrom, in section 10 of T. 10 N., R. 28 E., WM, WA.,

thence leaving Tract 38, S. 0° 25' 27" W., on Line 22-23 of Tract 37, identical with said 30.00 foot offset line, a distance of 3741.27 feet to Angle Point No. 23 of Tract 37, at an offset from the westerly edge of pavement of Stevens Drive (Route 4S), being 30.00 feet distance and west therefrom, in section 10 of T. 10 N., R. 28 E., WM, WA.,

thence S. 2° 08' 49" W., on Line 23-1 of Tract 38, identical with said 30.00 foot offset line, a distance of 409.53 feet to Angle Point No. 1 of Tract 37, the **Point of Beginning**.

COPY

Said parcel of land is subject to any and all easements or rights-of-ways of record or implied.

Containing 1641.25 acres, more or less.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

COPY

Exhibit A – Map 1
This Map Replaces Original Exhibit A – Map 1

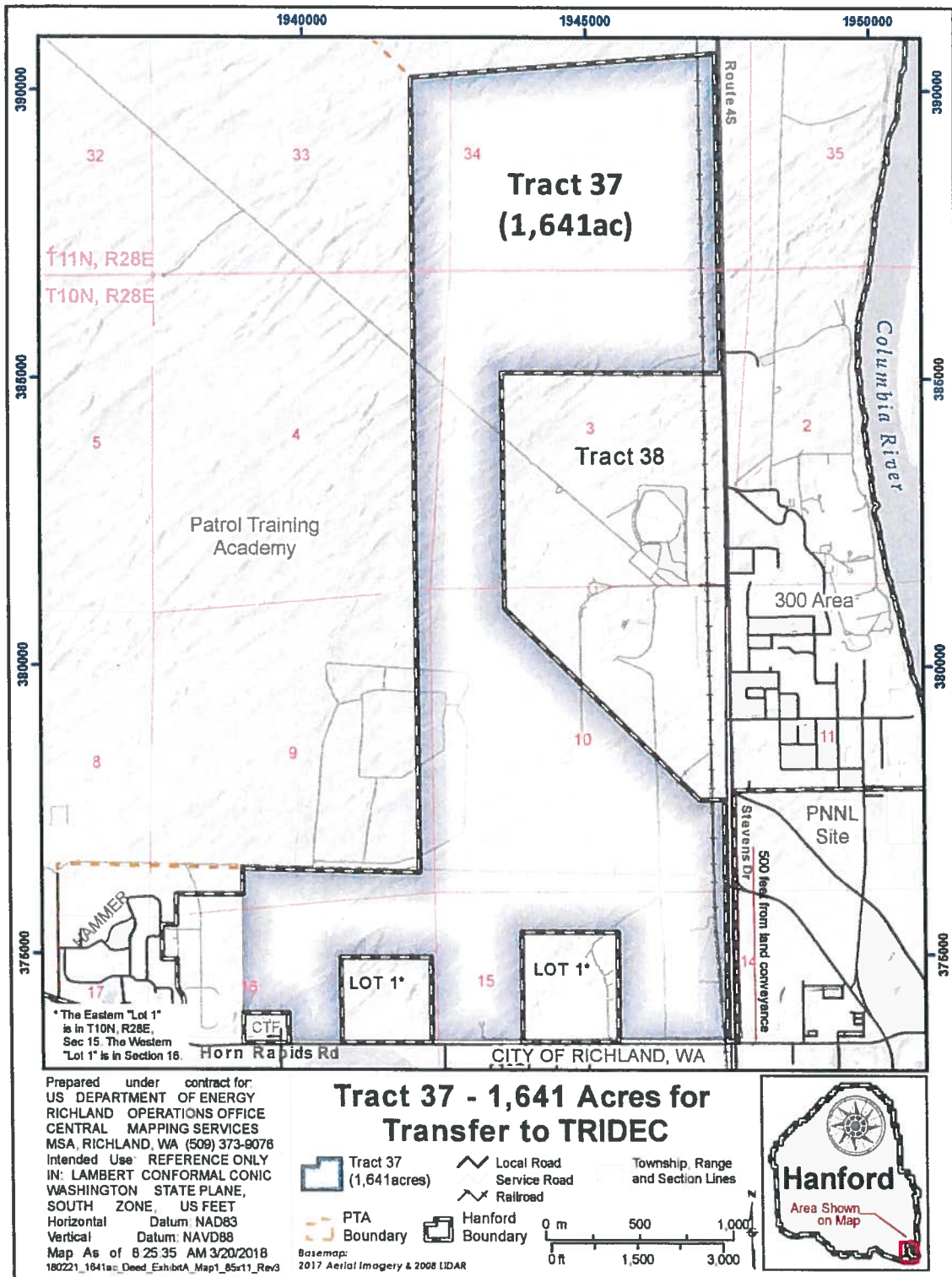


Exhibit A – Map 4
This Map Replaces Original Exhibit A – Map 4

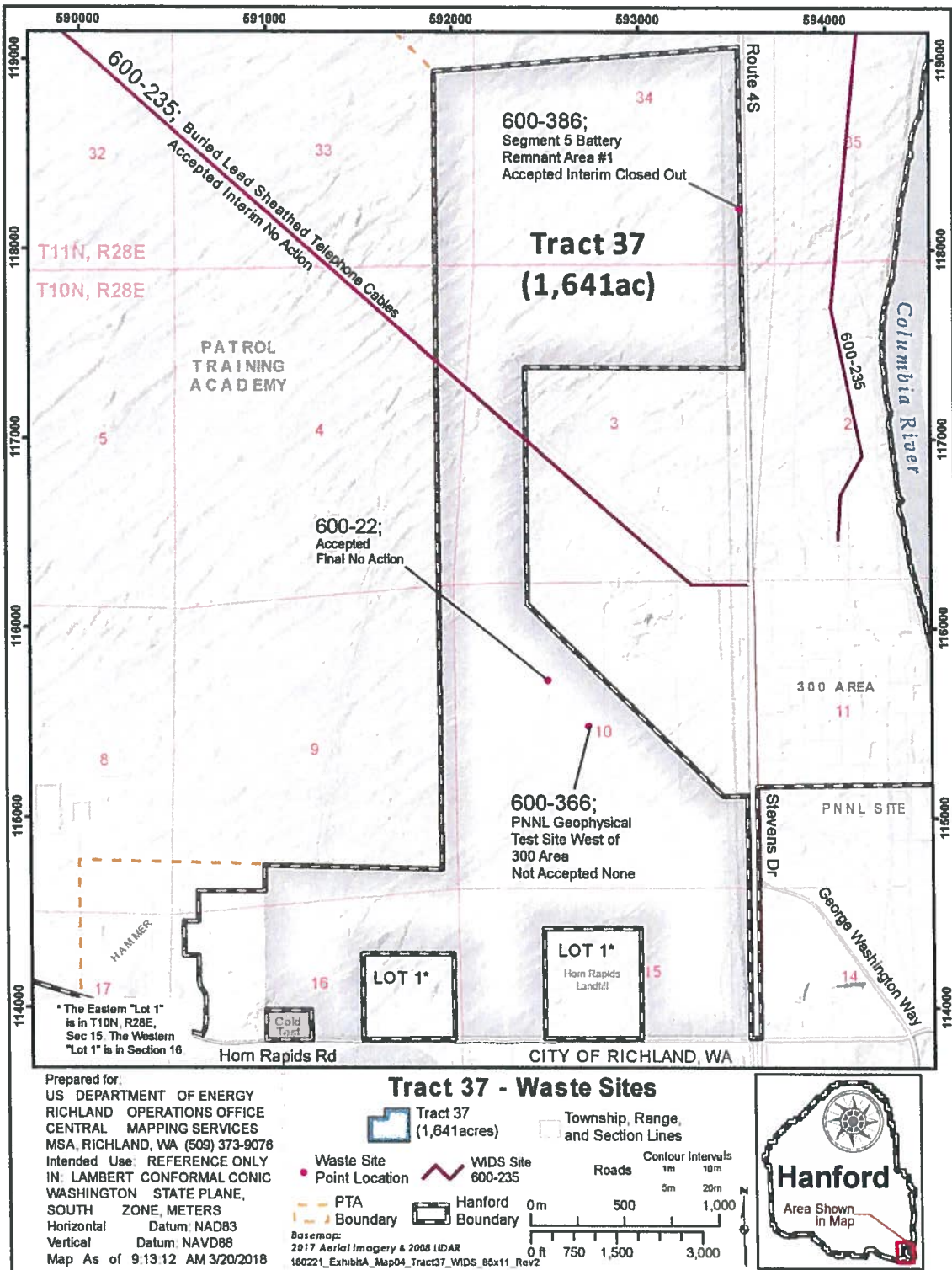


Exhibit A – Map 5
This Map Replaces Original Exhibit A – Map 5

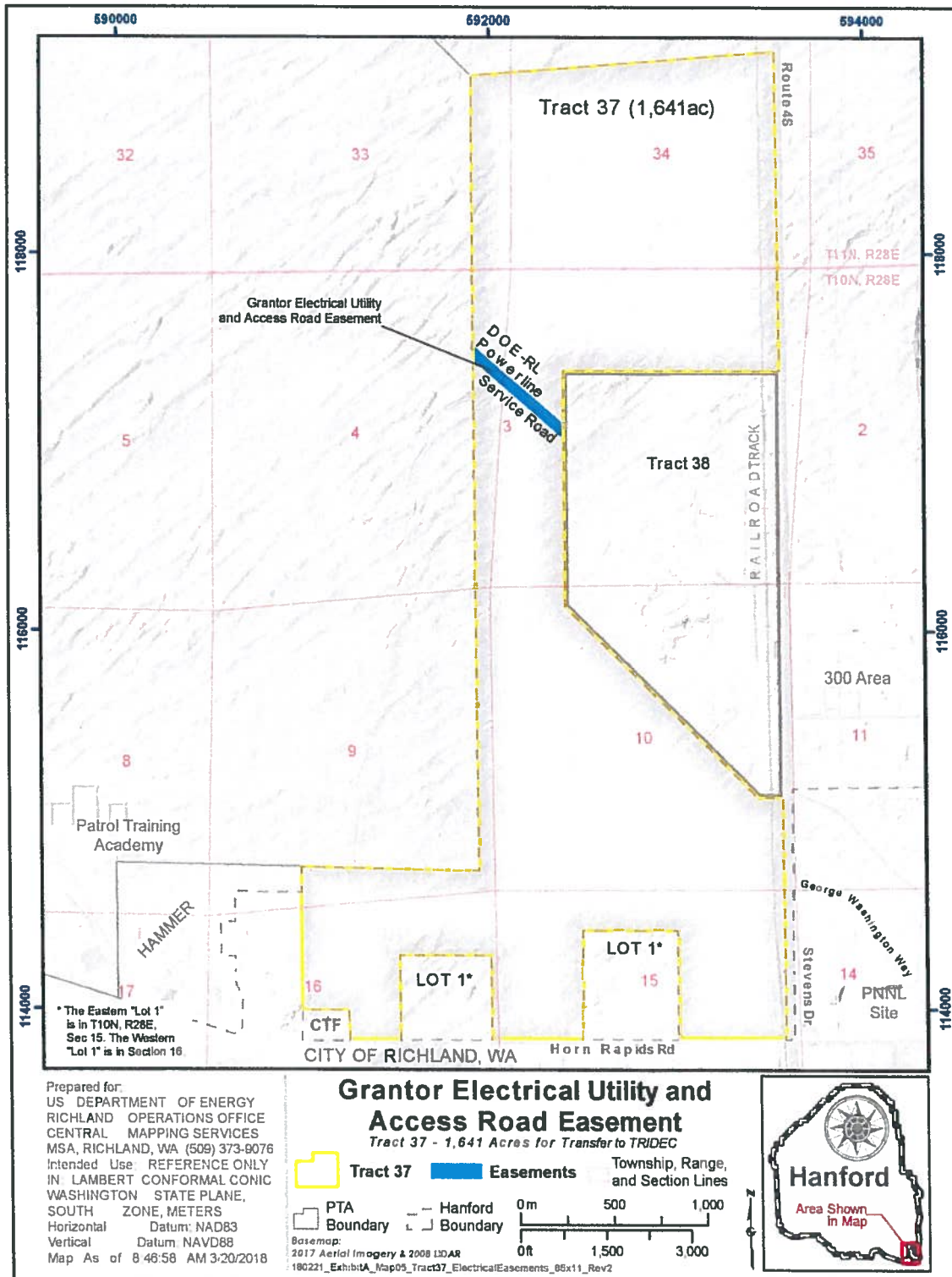


Exhibit A – Map 6
This Map Replaces Original Exhibit A – Map 6

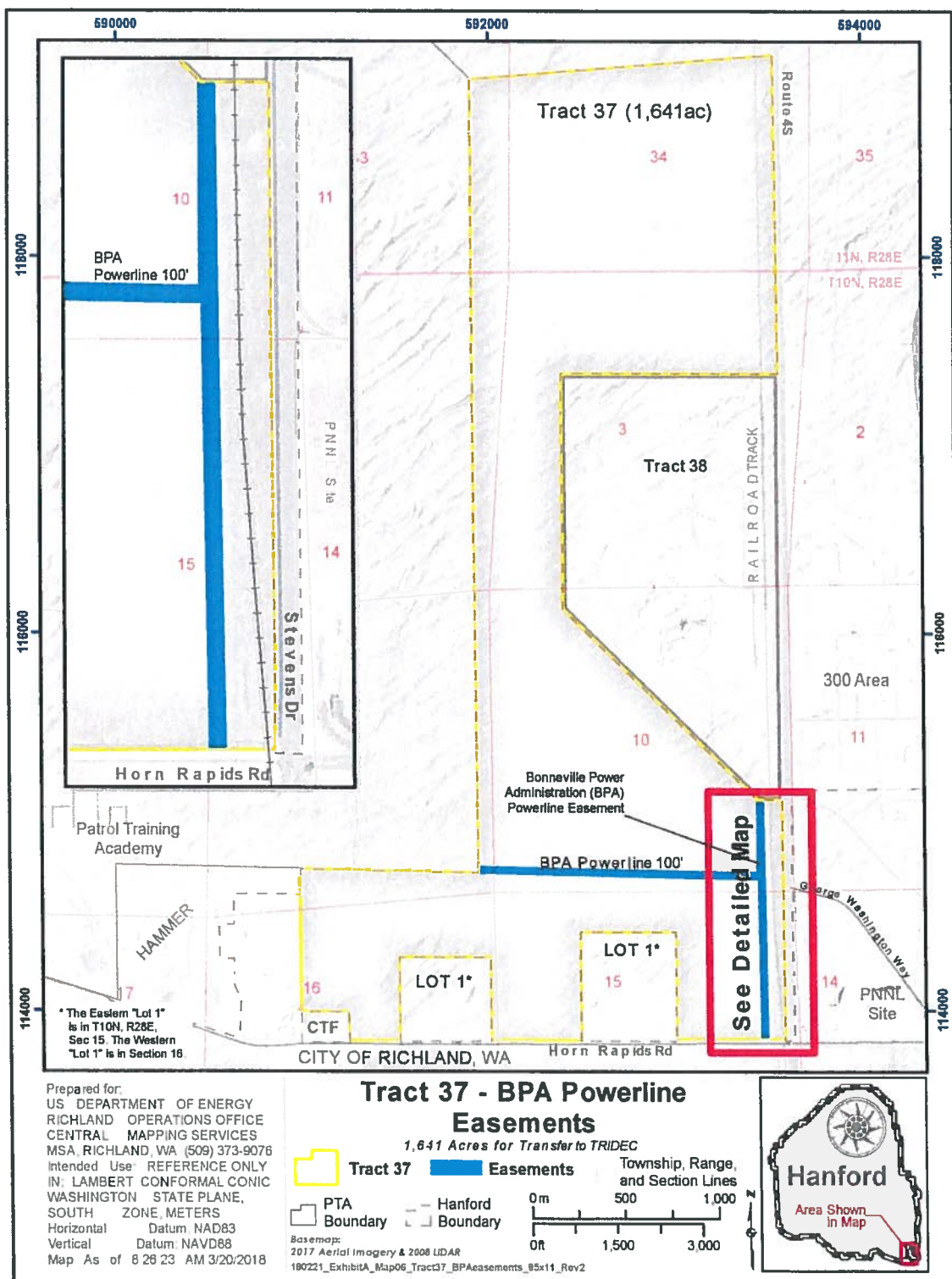


Exhibit A – Map 7
This Map Replaces Original Exhibit A – Map 7

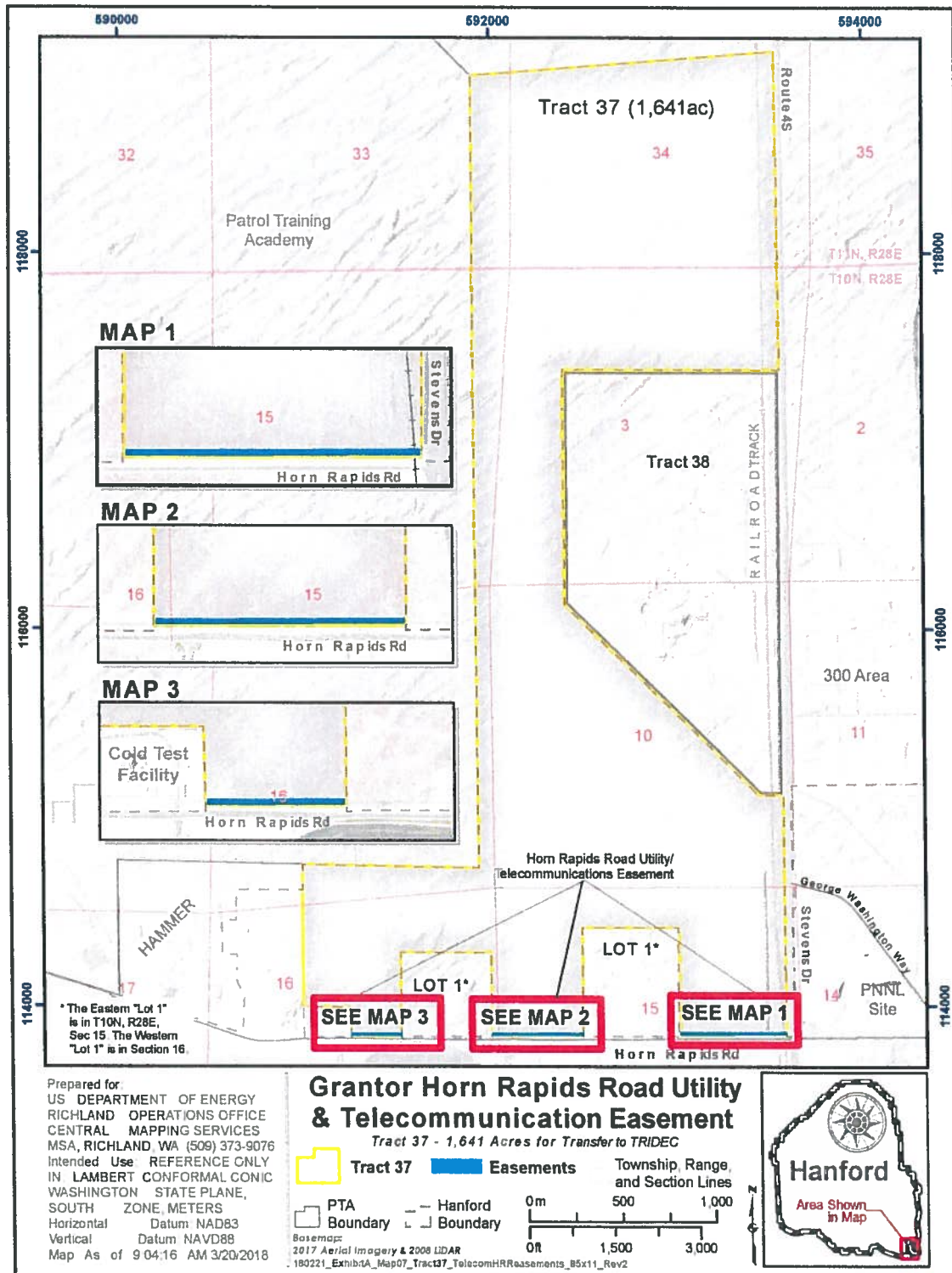


Exhibit A – Map 8
This Map Replaces Original Exhibit A – Map 8

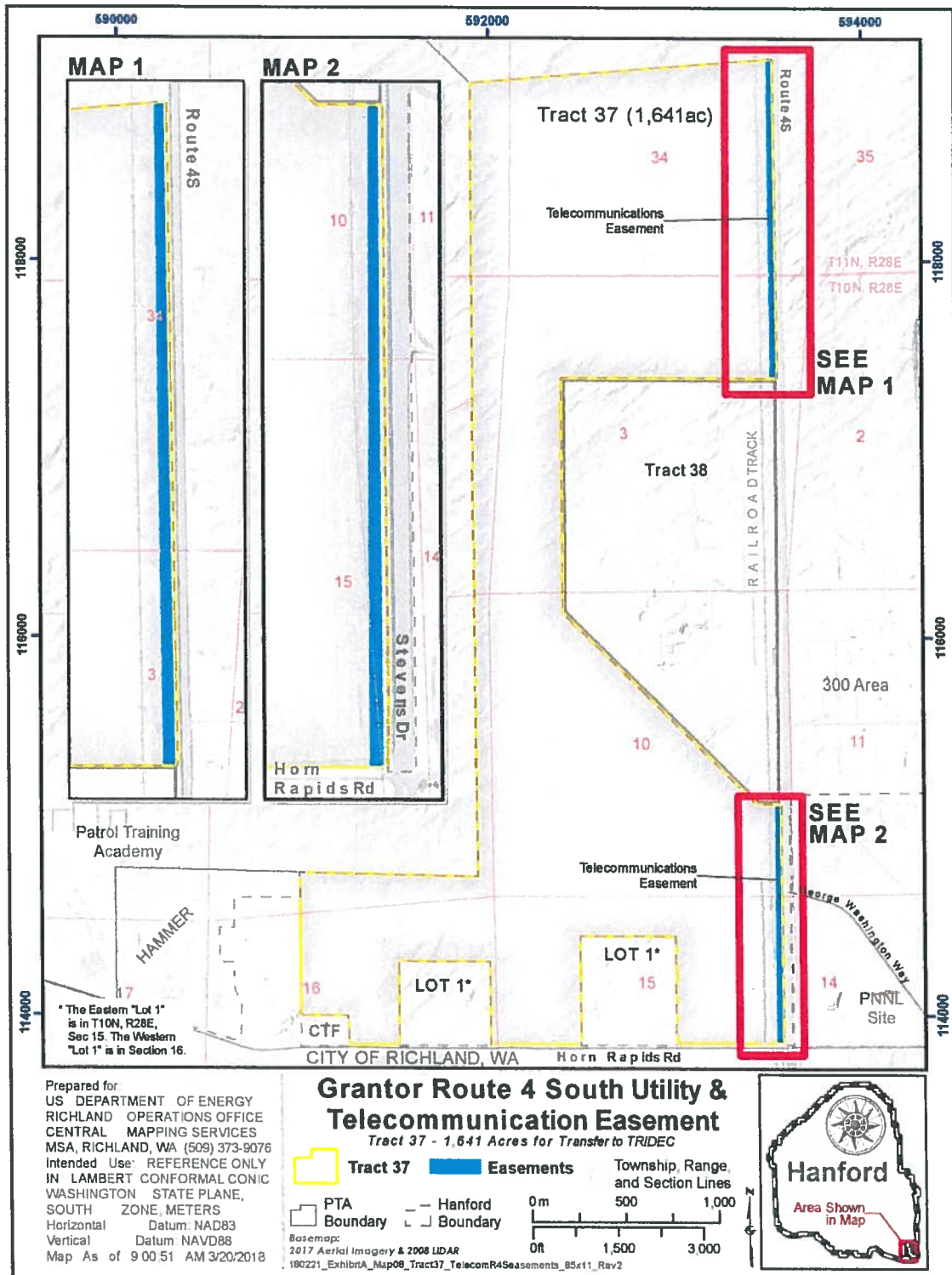


Exhibit A – Map 9
This Map Replaces Original Exhibit A – Map 9

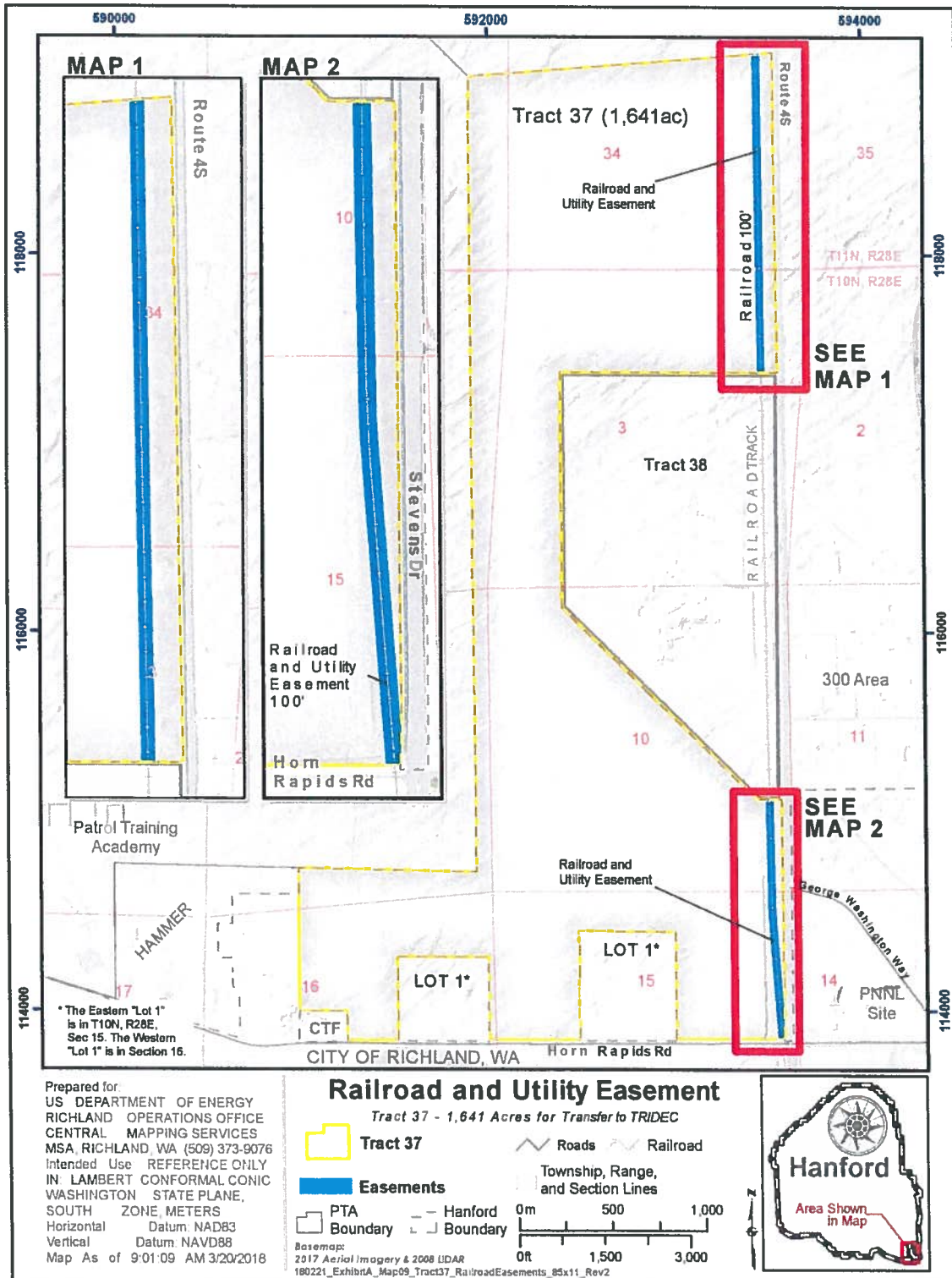


Exhibit A – Map 10
This Map Replaces Original Exhibit A – Map 10

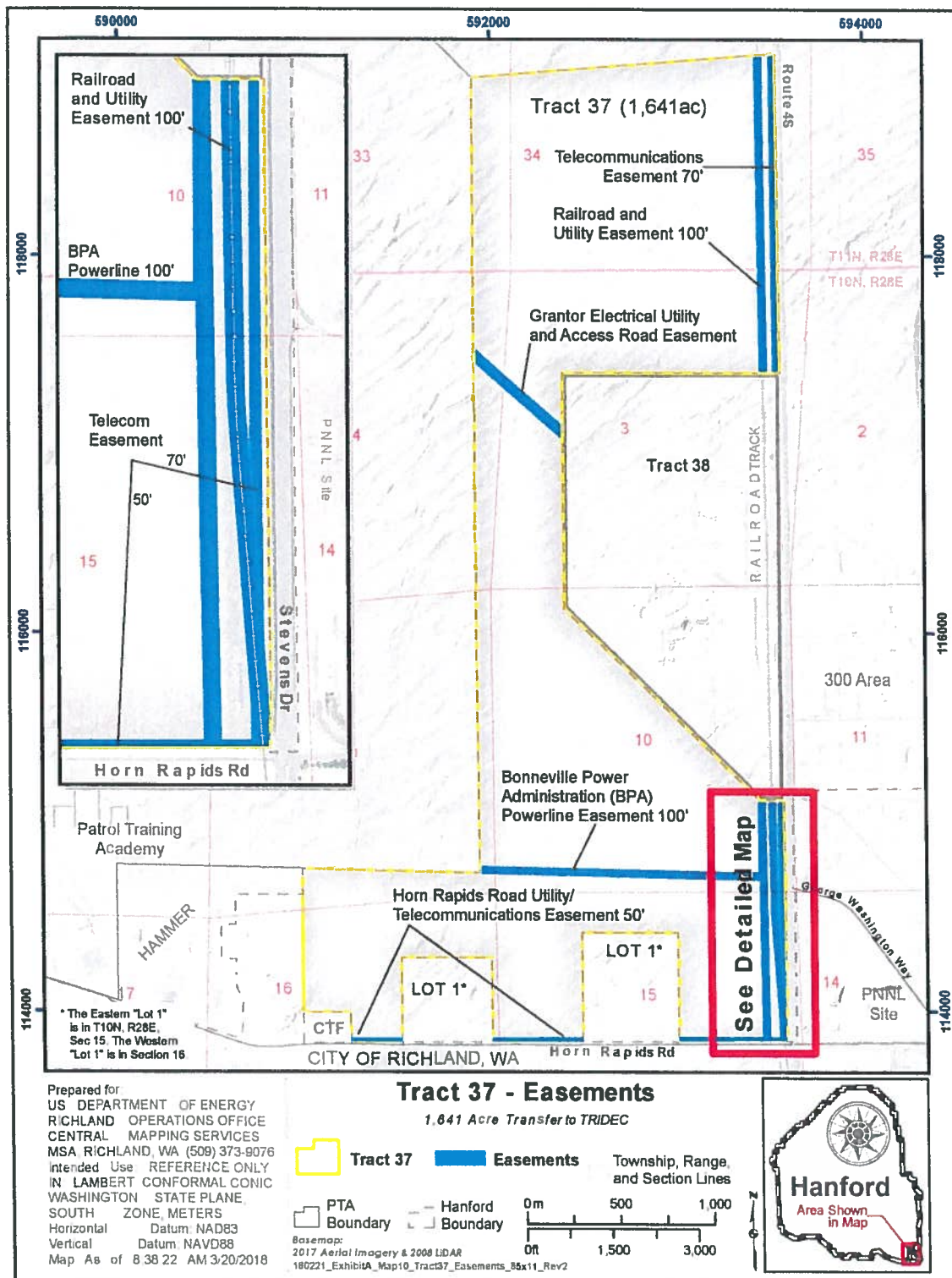


Exhibit A – Map 11
This Page Replaces Original Exhibit A – Map 11

Page intentionally left blank

COPY

II. Decommissioned Wells

1. With this amendment the terms, conditions, and covenants, as set forth in Exhibit G of the above-described Quitclaim Deed, are modified with new Article 24 of Exhibit G in order to memorialize obligations regarding the long-term management of decommissioned wells located on the Premises.
2. Exhibit G is supplemented with the following new Article 24. The parties agree that Articles 1-23 will be unchanged and will remain in place as a result of this Amendment:

24. Decommissioned Wells

Grantee covenants that it shall comply with the applicable State of Washington laws and regulations pertaining to the decommissioned wells located on the Premises, as shown in HWIS Wells Decommissioned, Pipes & Wells found in WCH OSE, and 2008 Site Evaluation Well Features in Exhibit A – Map 3.

III. Groundwater Monitoring

1. With this amendment the restrictions concerning groundwater monitoring, as set forth in Exhibit H, Article 4 of the above-described Quitclaim Deed, will henceforth apply only to in-use groundwater wells rather than all groundwater wells.
2. Exhibit H, Article 4 is updated, superseded and otherwise replaced with the following:
 - A. Access. Grantee is prohibited from altering, destroying or otherwise tampering with Grantor's established roads or other access routes to all in-use groundwater monitoring wells, as shown as HWIS Wells In-Use, on Exhibit A – Map 3 of this First Amendment of Quitclaim Deed.
 - B. Alternate Access. Grantee is prohibited from developing an alternate access road or other access route to all in-use groundwater monitoring wells without receiving Grantor's written permission, which will not unreasonably be withheld.
 - C. Tampering Restriction. Grantee is prohibited from tampering with or damaging Grantor's in-use groundwater monitoring or remediation systems located on the Premises.
 - D. Peripheral Clearance Restriction. Grantee is prohibited from access closer than twenty (20) feet around the periphery of Grantor's in-use groundwater monitoring wells and remediation systems, as delineated on the ground by Grantor. The designated twenty (20) feet around each in-use groundwater well and all remediation systems is for Grantor's exclusive access only.
 - E. Road or Access Route Width. Grantee is prohibited from narrowing or shortening the minimum required width of ten (10) feet for the full length of all roads or other access

routes or approved alternate access routes to Grantor's in-use groundwater wells. The designated roads or access routes to or from Grantor's in-use groundwater wells are non-exclusive in nature so that such roads and routes may be accessed by Grantee, with the exception of the twenty (20) feet radius around each in-use groundwater well which is for Grantor's access only.

- F. Purpose. The purpose of these restrictions is to enable Grantor to conduct long-term in-use groundwater monitoring and operate remediation systems on the Premises.

IV. Storm Water Discharge

1. With this amendment the restrictions concerning groundwater monitoring, as set forth in Exhibit H, Article 5 of the above-described Quitclaim Deed, are modified.
2. Exhibit H, Article 5 is updated, superseded and otherwise replaced with the following:
 - A. Restriction. Grantee shall ensure that development on the Premises follows the eastern Washington storm water guidelines (WA ECY, 2004, Stormwater Management Manual for Eastern Washington, Washington State Department of Ecology, Publication Number 04-10-076).
 - B. Purpose. The purpose of this restriction is to prevent disturbance to water table conditions that might adversely affect the movement or other transportation of groundwater contaminants or change to the water table under existing landfills and disposal facilities.

V. Grantor Electrical Utility and Access Road Easement

1. With this amendment the Grantor Electrical Utility and Access Road Easement, as set forth in Exhibit C, Article 1 of the above-described Quitclaim Deed, is: (a) converted from exclusive to non-exclusive; and (b) otherwise modified to prohibit tampering or damage to Grantors electrical utility system, or obstructions to Grantor's access to the electrical utility system; and (c) to update the applicable legal description of the easement as the result of the update to the legal description in Exhibit A.
2. Exhibit C, Article 1 is updated, superseded and otherwise replaced with the following:

1. Grantor Electrical Utility and Access Road Easement

- A. Reservation. Grantor reserves a non-exclusive easement, referred to herein as "Grantor Electrical Utility and Access Road Easement," over, under and upon the Grantor Electrical Utility and Access Road Easement, described in paragraph G below ("Legal Description"), for Grantor's electrical utility transmission and distribution systems, including, but not limited to, infrastructure, lines, junction boxes, equipment and related improvements.

COPY

- B. Duration. This Grantor Electrical Utility and Access Road Easement, having duly commenced, shall run with the land and will continue in full force and effect unless and until Grantor has abandoned its utility transmission and distribution systems for a period of all days in two consecutive calendar years.
- C. Restrictions. The designated Grantor Electrical Utility and Access Road Easement is non-exclusive in nature such that it may be accessed by Grantee. Grantee is prohibited from tampering with or damaging Grantor's electrical utility system, and shall maintain a minimum 20-foot horizontal boundary from the electrical utility system in order to refrain from obstructing Grantor's access to the electrical utility system.
- D. Operation and Maintenance. Grantor reserves the right to operate and otherwise maintain all improvements in the Grantor Electrical Utility and Access Road Easements, and to construct improvements.
- E. Dimension. This Grantor Electrical Utility and Access Road Easement has a one-hundred-eighty-five (185) foot width, which shall be legally construed, and is mutually agreed to by the parties hereto, as described in the legal description set forth below in paragraph G of this Article and as depicted on Map 2 and Map 5 of Exhibit A.
- F. Access. Grantor reserves a right to access the Grantor Electrical Utility and Access Road Easement at all times without notice to the Grantee.
- G. Legal Description. The legal description of this Grantor Electrical Utility and Access Road Easement is set forth as follows:

An easement for ingress/egress from Tract 38, through Tract 37, situated in sections 3 and 4, T. 10 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

Beginning at a point for the northeast corner of said easement in section 3, on the westerly boundary of Tract 38, identical with a portion of the easterly boundary of Tract 37, from which Angle Point No. 19 of Tract 37, identical with Angle Point No. 2 of Tract 38 bears N. 0° 36' 23" E., a distance of 940.88 feet, thence on the line between Tract 37 and Tract 38, S. 0° 36' 23" W., a distance of 185.13 feet, to the southeast corner of said easement in section 3, thence leaving said line N. 48° 31' 32" W., a distance of 2066.17 feet to a point for the southwest corner of said easement in section 4, on the west boundary line of said Tract 37, identical with the east boundary of the Hanford Patrol Training Academy (HPTA) property, from which Witness Point No. 3 on line 15-16 of Tract 37 bears S. 0° 30' 15" W., a distance of 543.61 feet, thence on said west boundary line, identical with said east boundary line, N. 0° 30' 15" E., a distance of 185.42 feet, to a point for the northwest corner of said easement in section 4, from which Witness Point No. 4 on line 15-16 of Tract 37 bears N. 0° 30' 15" E., a distance of 2560.10 feet, thence leaving said west boundary and east boundary lines S.

48° 31' 32" E., a distance of 2066.60 feet to the northeast corner of said easement and **Point of Beginning**.

Said easement contains 6.64 acres more or less, and is subject to any and all easements of record or implied.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

VI. Bonneville Power Administration (BPA) Powerline Easement Areas

1. With this amendment the legal description of the Bonneville Power Administration (BPA) Powerline Easement Areas, as set forth in Exhibit C, Article 2 of the above-described Quitclaim Deed, has been updated as a result of the update to the legal description in Exhibit A.
2. Exhibit C, Article 2 is updated, superseded and otherwise replaced with the following:

G. Legal Description. The legal description of the BPA Powerline Easement Areas are set forth, as follows:

(1) Bonneville Power Administration (BPA) Powerline Easement – East - West

A 100.00 foot wide easement situated in T. 10 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

Beginning at a point in Tract 37 of section 10, T. 10 N., R. 28 E., from which Army Corps of Engineers (ACE) control station HSM-037 bears N. 89° 46' 43" W., a distance of 484.68 feet and BPA control station "TROLLEY 1973" bears N. 2° 05' 28" W., a distance of 361.98 feet, thence 50.00 feet on each side of the following described line across Tract 37:

N. 87° 59' 38" W., a distance of 5009.20 to the intersection with line 15-16 of Tract 37, on the west boundary of Tract 37, identical with the east boundary of the Hanford Patrol Training Academy (HPTA) property, thence N. 87° 59' 38" W., a distance of 3128.67 feet across the HPTA property to the terminus of said line in section 9, T. 10 N., R. 28 E., from which Angle Point No. 14 of Tract 37, bears S. 2° 00' 22" W., a distance of 50.00 feet.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

COPY

(2) Bonneville Power Administration (BPA) Powerline Easement – North – South

A 100.00 foot wide easement situated in Tracts 37 and 38 of T. 10 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

Beginning at a point on the line 1-2 of Tract 37 on the south boundary of Tract 37, identical with the north right-of-way line of Horn Rapids Road, in section 15, T. 10 N., R. 28 E., from which the Witness Point on line 1-2 of Tract 37 bears S. 89° 23' 44" E., a distance of 244.07 feet, thence 50.00 feet each side of the following described line across Tract 37:

N. 0° 01' 34" E., a distance of 2835.93 feet, to the point of beginning of the BPA powerline easement extending west, from which Bonneville Power Administration control station "TROLLEY 1973" bears N. 2° 05' 28" W., a distance of 361.98 feet, thence N. 0° 01' 54" E., a distance of 1316.24 feet, to the intersection with line 21-22 of Tract 37, identical with line 4-5 of Tract 38,

thence N. 0° 06' 10" E., a distance of 4443.01 feet, across Tract 38, thence N. 89° 58' 28" E., a distance of 408.29 feet, to the terminus of said line at a point on line 1-5 of Tract 38 on the east boundary line of Tract 38, identical with the offset line from the westerly edge of pavement of Stevens Drive (Route 4S), being 30.00 feet distance and west therefrom, in section 3 of T. 10 N., R. 28 E., from which Angle Point No. 1 of Tract 38, identical with Angle Point No. 18 of Tract 37 bears N. 0° 41' 14" E., a distance of 2974.83 feet distance.

The side lines of which to be extended or contracted to form a closed area.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

VII. Grantor Horn Rapids Road Utility/Telecommunications Easement

1. With this amendment the legal description of the Grantor Horn Rapids Road Utility/Telecommunications Easement, as set forth in Exhibit C, Article 3 of the above-described Quitclaim Deed, has been updated as a result of the update to the legal description in Exhibit A.
2. Exhibit C, Article 3 is updated, superseded and otherwise replaced with the following:

F. Legal Description. The legal description of this Grantor Horn Rapids Road Utility/Telecommunications Easement is set forth, as follows:

COPY

Horn Rapids Road Utility/Telecommunications Easement:

A 50.00 foot wide easement, situated in Tract 37 and along the south boundary line thereof in sections 15 and 16, T. 10 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

A 50.00 feet wide strip of land, **Beginning** at the true point for Angle Point No. 1 of Tract 37 in section 15, at intersection with the north right-of-way line of Horn Rapids Road, 70 feet distant from and parallel with the center line thereof, as described in Easement Quitclaim Deed, recorded in Auditors File No. 621762, Records of Benton County, Washington, and an offset from the westerly edge of pavement of Stevens Drive (Route 4S), being 30.00 feet distance and west therefrom, from which the Witness Corner for Angle Point No. 1 of Tract 37 bears N. 46° 53' 46" W., a distance of 30.08 feet, lying 50.00 feet north of and parallel with the following described line;

thence N. 89° 23' 44" W., on the north right-of-way line of Horn Rapids Road a distance of 7669.35 feet to Angle Point No. 10 of Tract 37 in section 16 and the terminus of said line.

Said easement is subject to any and all easements on record or implied.

EXCEPT those portions located in Lot 1 of section 15 and Lot 1 of section 16.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

VIII. Grantor Route 4 South Utility/Telecommunications Easement

1. With this amendment the legal description of the Grantor Route 4 South Utility/Telecommunications Easement, as set forth in Exhibit C, Article 4 of the above-described Quitclaim Deed, has been updated as a result of the update to the legal description in Exhibit A.
2. Exhibit C, Article 4 is updated, superseded and otherwise replaced with the following:

- G. Legal Description. The legal description of this Grantor Route 4 South Utility/Telecommunications Easement is set forth, as follows:

Telecommunications Easement:

A 70.00 foot wide easement situated in Tract 37 along the east boundary line thereof, in sections 3, 10, and 15, T. 10 N., R. 28 E., and section 34, T. 11 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

COPY

A 70 foot wide strip of land, **Beginning** at the true point for Angle Point No. 1 of Tract 37, identical with the southeast corner of Tract 37, at intersection with the north right-of-way line of Horn Rapids Road, 70 feet distant from and parallel with the center line thereof, as described in Easement Quitclaim Deed, recorded in Auditors File No. 621762, Records of Benton County, Washington, and an offset from the westerly edge of pavement of Stevens Drive (Route 4S), being 30.00 feet distance and west therefrom, in section 15, from which the Witness Corner for Angle Point No. 1 of Tract 37 bears N. $46^{\circ} 53' 46''$ W., a distance of 30.08 feet,

the side line of said easement lies 70.00 feet west of and parallel with the following described line across Tract 37;

N. $2^{\circ} 08' 49''$ E., on Line 1-23 of Tract 37, a distance of 409.53 feet, to Angle Point No. 23 of Tract 37,

thence N. $0^{\circ} 25' 27''$ E., on Line 23-22 of Tract 37, a distance of 3741.27 feet, to Angle Point No. 22 of Tract 37, identical with Angle Point No. 5 of Tract 38,

thence N. $0^{\circ} 41' 14''$ E., on Line 5-1 of Tract 38, a distance of 7423.09 feet, across Tract 38 to Angle Point No. 1 of Tract 38, identical with Angle Point No. 18 of Tract 37,

thence N. $0^{\circ} 03' 45''$ E., on Line 18-17 of Tract 37, a distance of 2990.04 feet, across Tract 37 to the Witness Point on line 17-18 of Tract 37,

thence N. $0^{\circ} 03' 45''$ E., continuing on Line 18-17 of Tract 37, a distance of 2558.56 feet, to Angle Point No. 17 of Tract 37, identical with the northeast corner of Tract 37 and the terminus of said line, in section 34, T. 11 N., R. 28 E.

The sidelines of which are to be extended or contracted to create a closed figure on itself and the boundary of Tract 37, at the North and South ends.

EXCEPT that portion lying within Tract 38.

Said easement is subject to any and all easements on record or implied.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

IX. Railroad and Utility Easement

1. With this amendment the legal description of the Railroad and Utility Easement, as set forth in Exhibit E, Article 1 of the above-described Quitclaim Deed, has been updated as a result of the update to the legal description in Exhibit A.
2. Exhibit E, Article 1 is updated, superseded and otherwise replaced with the following:

F. Legal Description. The legal description for the centerline of said Railroad and Utility Easement is set forth, as follows:

A 100.00 foot wide easement situated in Tract 37, in sections 3, 10, and 15, T. 10 N., R. 28 E., and section 34, T. 11 N., R. 28 E., Willamette Meridian, Benton County, Washington, and more particularly described as follows:

Beginning at a point in the center of the as-built Department of Energy (DOE) railroad line at intersection with line 1-2 of Tract 37, identical with the north right-of-way line of Horn Rapids Road, situated in section 15, from which the Witness Point on line 1-2 of Tract 37, bears N. $89^{\circ} 23' 44''$ W., a distance of 35.12 feet, and the Witness corner for Angle Point No. 1 of Tract 37, bears N. $45^{\circ} 42' 22''$ E., a distance of 28.78 feet, thence 50.00 feet on each side of the following described line:

N. $3^{\circ} 22' 07''$ W., a distance of 1971.34 feet on the tangent of the railroad line across Tract 37 to a point of curvature, thence N. $1^{\circ} 35' 46''$ W., a distance of 345.80 feet when measured on a chord, on the arc of a 5796.40 foot radius curve to the right, having a central angle of $3^{\circ} 35' 46''$, and a length of 345.80 feet to the point of tangency, thence N. $0^{\circ} 02' 59''$ E., a distance of 1839.48 feet on the tangent of the railroad line and continuing across Tract 37 to the point of intersection with line 21-22 of Tract 37, identical with line 4-5 of Tract 38, in section 10, thence N. $0^{\circ} 02' 59''$ E., a distance of 7423.56 feet across Tract 38 to the point of intersection with line 1-2 of Tract 38, identical with line 18-19 of Tract 37, in section 3, thence N. $0^{\circ} 02' 59''$ E., a distance of 5525.65 feet across Tract 37 to the intersection with line 16-17 of Tract 37, identical with the north line of Tract 37, in section 34, and the terminus of said line, from which Angle Point No. 17 of Tract 37 bears N. $86^{\circ} 19' 33''$ E., a distance of 293.54 feet.

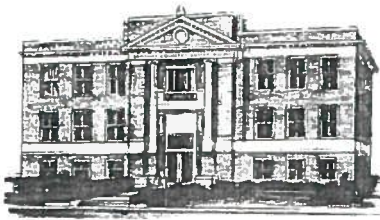
The side lines of said easement to be extended or contracted to form a closed area.

EXCEPT that portion lying within Tract 38.

Said easement is subject to any and all easements on record or implied.

The direction of the lines are based on the true meridian as determined by Global Positioning System (GPS) techniques at a mean project elevation of 350 feet above sea level.

COPY



KENNETH SPENCER
Benton County Treasurer

PO Box 630, Prosser, WA 99350
Prosser 509-786-2255 Fax 786-5628
509-736-3087
Kennewick 509-735-8505 Fax 736-2705
www.bentoncountytax.com

TREASURER'S CERTIFICATE FOR REAL PROPERTY TAXES

Current Taxpayer of Record

COPY

Name Department of Energy

Street PO Box 550

City: Richland

State: WA

Zip: 99352

Parcel # (s) 134183000001000; 134183000002000; 103084000000000;
110081000001001

TCA 1400

☒ Taxes ☐ Irrigation ☐ CRID

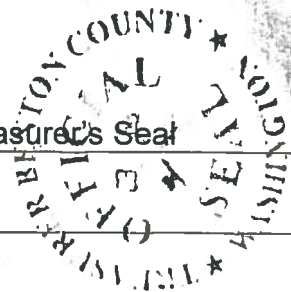
I hereby certify that property taxes due Benton
County on the above parcel number(s) have been
paid through 2018

8/13/2018

Date

Signature *Kenneth Spencer*

Treasurer's Seal





COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Items of Business

Strategic Priority 1 - High Performance Government

Strategic Priority 2 - Financial Sustainability

Subject

Resolution No. 2025-152, Amending Exhibit A of the Compensation Plan for Unaffiliated Employees - 2025 & Continuing

Department/Office

Human Resources

Ordinance/Resolution Number

2025-152

Document Type

Resolution

Recommended Motion

Adopt Resolution 2025-152, amending Exhibit A of the Compensation Plan for Unaffiliated Employees - 2025 & Continuing.

Summary

Routine adjustments to the City's compensation schedule for unaffiliated employees are necessary to keep employee pay aligned with the current market conditions. This effort supports the City's ability to recruit and retain top talent. These adjustments, along with other housekeeping updates, such as aligning positions based on internal restructuring, eliminating obsolete job titles, and incorporating newly created positions, typically occur at the end of each calendar year. Additionally, executive leadership pay grades were adjusted based on a market study with local comparators to address compression with public safety positions.

To maintain an updated compensation schedule, staff recommends amending the existing Compensation Plan for Unaffiliated Employees - 2025 and Continuing by replacing the existing Exhibit A with an updated Exhibit A for 2026. The updated Exhibit A reflects a 2.1% market adjustment effective January 1, 2026. The adjustment aligns with the City's analysis of internal and external comparators as well as other current economic factors.

A 2.1% adjustment to the compensation schedule does not equate to a 2.1% increase in employee pay. Instead, it builds capacity for pay increases for employees who have reached the top of their salary range due to longevity, and aligns mid-range compensation with market rates for similar positions. Individual pay increases occur separately through the City's pay-for-performance program, and are awarded based on merit.

A class and compensation study for all unaffiliated positions is currently underway, with an anticipated completion date of May 2026.

Consistent with Article VI, Section 6.03 of the Richland City Charter, a public hearing was held on December 2, 2025 to take public testimony on the proposed action.

Staff recommends adoption of Resolution No. 2025-152.

Fiscal Impact

The fiscal impact of the proposed amendments to Exhibit A were included in the City's 2026 Budget.

Attachments

- I. Resolution No. 2025-152

RESOLUTION NO. 2025-152

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,
AMENDING EXHIBIT A OF THE COMPENSATION PLAN FOR
UNAFFILIATED EMPLOYEES – 2025 AND CONTINUING.**

WHEREAS, Chapter 2.28 of the Richland Municipal Code (RMC) provides for regular review and adoption of the City of Richland Compensation Plan for Unaffiliated Employees; and

WHEREAS, the City previously contracted with Springsted, Inc. to complete a Classification and Compensation Study to determine the appropriate classification of positions based on an established objective evaluation process; and

WHEREAS, Exhibit A, attached hereto, reflects an updated alignment of positions based on internal restructuring, eliminates obsolete titles, incorporates new positions created since the last comprehensive update was performed, and establishes a new market competitive pay structure; and

WHEREAS, the City Manager recommends amending the Compensation Plan for Unaffiliated Employees – 2025 and Continuing, effective January 1, 2026, by replacing the existing Exhibit A with the attached **Exhibit A**; and

WHEREAS, no amendments to the remainder of the Compensation Plan for Unaffiliated Employees – 2025 and Continuing are recommended at this time.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland that **Exhibit A** attached hereto is hereby adopted effective January 1, 2026, which exhibit shall supersede the previously existing Exhibit A of the Compensation Plan for Unaffiliated Employees – 2025 and Continuing.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

ADOPTED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

2026 Exhibit A - Article XIV, Section 14.01**City of Richland****Classification, Pay Grades and Salaries for Unaffiliated Employees**

(Alphabetical)

Effective January 1, 2026

Class Code	Classification Title	Pay Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly	Classification Status	EE0-4 Group Status	FLSA Status	Non-Match Def. Comp.
7000	Accountant	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Professional	1%
7004	Accounting Specialist	14	\$28.12	\$33.75	\$39.37	Classified	Administrative Support	Non-Exempt	
7197	Administrative Assistant	13	\$26.78	\$32.14	\$37.49	Classified	Administrative Support	Non-Exempt	
7198	Administrative Assistant II	15	\$29.53	\$35.43	\$41.34	Classified	Administrative Support	Non-Exempt	
7207	Aquatics Head Lifeguard	Based on market assessment of current minimum wage				Classified	Paraprofessional	Non-Exempt	
7208	Aquatics Lifeguard /Swim Instructor /Coach	Based on market assessment of current minimum wage				Classified	Paraprofessional	Non-Exempt	
7206	Aquatics Pool Manager	Based on market assessment of current minimum wage				Classified	Paraprofessional	Non-Exempt	
7144	Assistant City Manager	35	\$78.34	\$94.01	\$109.68	Unclassified	Officials - Administrators	Executive	4%
7011	BCES Communications Manager	24	\$45.81	\$54.97	\$64.13	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7012	BCES Communications Supervisor	20	\$37.68	\$45.22	\$52.76	Classified	First/Mid Offs & Mgrs.	Executive	1%
7015	BCES Emergency Management Manager	24	\$45.81	\$54.97	\$64.13	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7018	BCES Emergency Planner	17	\$32.55	\$39.06	\$45.57	Classified	Professionals	Non-Exempt	
7014	BCES Executive Director	33	\$71.06	\$85.27	\$99.48	Unclassified	Officials - Administrators	Executive	4%
7252	BCES Geographic Information System Analyst	21	\$39.57	\$47.48	\$55.40	Classified	Technicians	Executive	1%
7148	BCES Information Systems Manager	27	\$53.03	\$63.63	\$74.24	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7251	BCES IT Systems Administrator	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%
7240	BCES Public Records Specialist	14	\$28.12	\$33.75	\$39.37	Classified	Administrative Support	Non-Exempt	
7244	BCES Records Specialist	13	\$26.78	\$32.14	\$37.49	Classified	Administrative Support	Non-Exempt	
7024	Building Inspector I	17	\$32.55	\$39.06	\$45.57	Classified	Professionals	Non-Exempt	
7217	Building Inspector II	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Non-Exempt	
7023	Building Official	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7027	Buyer	17	\$32.55	\$39.06	\$45.57	Classified	Professionals	Non-Exempt	
7022	CDBG/HOME Administrator	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Admin.	1%
7029	Chief Electrical Engineer	30	\$61.38	\$73.66	\$85.94	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7110	Chief of Police	35	\$78.34	\$94.01	\$109.68	Unclassified	Officials - Administrators	Executive	4%
7030	City Attorney	35	\$78.34	\$94.01	\$109.68	Unclassified	Officials - Administrators	Executive	4%
7164	City Clerk	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Executive	1%
7078	City Surveyor	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Executive	1%

2026 Exhibit A - Article XIV, Section 14.01**City of Richland****Classification, Pay Grades and Salaries for Unaffiliated Employees**

(Alphabetical)

Effective January 1, 2026

Class Code	Classification Title	Pay Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly	Classification Status	EE0-4 Group Status	FLSA Status	Non-Match Def. Comp.
7034	Civil Engineer I	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Non-Exempt	
7035	Civil Engineer II	24	\$45.81	\$54.97	\$64.13	Classified	Professionals	Professional	1%
7117	Communications and Marketing Manager	24	\$45.81	\$54.97	\$64.13	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7177	Communications and Marketing Specialist	17	\$32.55	\$39.06	\$45.57	Classified	Professionals	Non-Exempt	
7196	Communications Graphic Designer	18	\$34.18	\$41.02	\$47.85	Classified	Professionals	Non-Exempt	
7246	Community Resources Navigator	17	\$32.55	\$39.06	\$45.57	Classified	Paraprofessional	Non-Exempt	
7255	Community Risk Reduction Specialist	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Non-Exempt	
7211	Contracts Administrator	18	\$34.18	\$41.02	\$47.85	Classified	Administrative Support	Non-Exempt	
7242	Customer Experience Manager	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7248	Customer Service Associate - Solid Waste	13	\$26.78	\$32.14	\$37.49	Classified	Administrative Support	Non-Exempt	
7214	Customer Service Lead	17	\$32.55	\$39.06	\$45.57	Classified	Administrative Support	Non-Exempt	
7021	Customer Service Representative	14	\$28.12	\$33.75	\$39.37	Classified	Administrative Support	Non-Exempt	
7003	Customer Service Supervisor	20	\$37.68	\$45.22	\$52.76	Classified	Administrative Support	Executive	1%
7229	Deputy City Manager	36	\$82.26	\$98.71	\$115.17	Unclassified	Officials - Administrators	Executive	4%
7219	Deputy Fire Chief	33	\$71.06	\$85.27	\$99.48	Unclassified	Officials - Administrators	Executive	3%
7254	Deputy Public Works Director	33	\$71.06	\$85.27	\$99.48	Unclassified	Officials - Administrators	Executive	3%
7182	Development Services Director	34	\$74.61	\$89.54	\$104.46	Unclassified	Officials - Administrators	Executive	4%
7025	Economic Development Manager	27	\$53.03	\$63.63	\$74.24	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7091	Economic Development Specialist	18	\$34.18	\$41.02	\$47.85	Classified	Professionals	Non-Exempt	
7043	Electrical Distribution Engineer I	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Professional	1%
7044	Electrical Distribution Engineer II	26	\$50.50	\$60.60	\$70.70	Classified	Professionals	Professional	1%
7250	Electrical Systems Manager	28	\$55.68	\$66.81	\$77.95	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7052	Energy Efficiency Coordinator	20	\$37.68	\$45.22	\$52.76	Classified	Professionals	Admin.	1%
7172	Energy Services Analyst	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Non-Exempt	
7050	Energy Services Director	35	\$78.34	\$94.01	\$109.68	Unclassified	Officials - Administrators	Executive	4%
7186	Energy Services Project Manager	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Professional	1%
7059	Engineering Aide	Based on market assessment of current minimum wage				Classified	Technicians	Non-Exempt	
7053	Engineering Technician I	15	\$29.53	\$35.43	\$41.34	Classified	Technicians	Non-Exempt	

2026 Exhibit A - Article XIV, Section 14.01**City of Richland****Classification, Pay Grades and Salaries for Unaffiliated Employees**

(Alphabetical)

Effective January 1, 2026

Class Code	Classification Title	Pay Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly	Classification Status	EE0-4 Group Status	FLSA Status	Non-Match Def. Comp.
7054	Engineering Technician II	17	\$32.55	\$39.06	\$45.57	Classified	Technicians	Non-Exempt	
7055	Engineering Technician III	19	\$35.89	\$43.07	\$50.25	Classified	Technicians	Non-Exempt	
7056	Engineering Technician IV	20	\$37.68	\$45.22	\$52.76	Classified	Technicians	Professional	1%
7190	ERP Analyst	24	\$45.81	\$54.97	\$64.13	Classified	Professionals	Professional	1%
7199	Executive Assistant	17	\$32.55	\$39.06	\$45.57	Classified	Administrative Support	Admin.	1%
7191	Field Engineer	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Professional	1%
7064	Finance Director	34	\$74.61	\$89.54	\$104.46	Unclassified	Officials - Administrators	Executive	4%
7225	Finance Manager	26	\$50.50	\$60.60	\$70.70	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7218	Fire and Emergency Services Analyst	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Professional	1%
7066	Fire Chief	35	\$78.34	\$94.01	\$109.68	Unclassified	Officials - Administrators	Executive	4%
7194	Fire Logistics Technician	16	\$31.00	\$37.20	\$43.40	Classified	Technicians	Non-Exempt	
7237	Fire Plans Examiner	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Non-Exempt	
7230	Fleet and Equipment Maintenance Analyst	19	\$35.89	\$43.07	\$50.25	Classified	Administrative Support	Professional	1%
7220	Fleet and Equipment Maintenance Manager	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7245	Geographic Information System Analyst	21	\$39.57	\$47.48	\$55.40	Classified	Technicians	Executive	1%
7068	GIS/CADD Technician	17	\$32.55	\$39.06	\$45.57	Classified	Technicians	Non-Exempt	
7232	HOME Program Specialist	14	\$28.12	\$33.75	\$39.37	Classified	Administrative Support	Non-Exempt	
7073	Human Resources Director	34	\$74.61	\$89.54	\$104.46	Unclassified	Officials - Administrators	Executive	4%
7072	Human Resources Generalist	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Professional	1%
7074	Human Resources Specialist	17	\$32.55	\$39.06	\$45.57	Classified	Professionals	Non-Exempt	
7155	Human Resources Supervisor	24	\$45.81	\$54.97	\$64.13	Classified	Professionals	Professional	1%
JP-0260	Information Technology Director	34	\$74.61	\$89.54	\$104.46	Unclassified	Officials - Administrators	Executive	4%
7075	Information Technology Manager	28	\$55.68	\$66.81	\$77.95	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7127	IT Applications Supervisor	26	\$50.50	\$60.60	\$70.70	Classified	First/Mid Offs & Mgrs.	Executive	1%
7169	IT Business Analyst	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Professional	1%
7092	IT Customer Service Technician I	16	\$31.00	\$37.20	\$43.40	Classified	Technicians	Non-Exempt	
7125	IT Customer Service Technician II	18	\$34.18	\$41.02	\$47.85	Classified	Technicians	Non-Exempt	
7165	IT Data and Asset Management Supervisor	25	\$48.10	\$57.72	\$67.33	Classified	First/Mid Offs & Mgrs.	Executive	1%

2026 Exhibit A - Article XIV, Section 14.01**City of Richland****Classification, Pay Grades and Salaries for Unaffiliated Employees**

(Alphabetical)

Effective January 1, 2026

Class Code	Classification Title	Pay Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly	Classification Status	EE0-4 Group Status	FLSA Status	Non-Match Def. Comp.
7126	IT Developer/Integrator (Applications)	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%
7249	IT Developer/Integrator (GIS and Database)	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%
7093	IT Network Administrator	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%
7233	IT Network Engineer	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%
7094	IT Operations and Services Supervisor	26	\$50.50	\$60.60	\$70.70	Classified	First/Mid Offs & Mgrs.	Executive	1%
7166	IT Systems Administrator	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%
7235	IT Systems Analyst	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Professional	1%
7080	Librarian I	17	\$32.55	\$39.06	\$45.57	Classified	Professionals	Non-Exempt	
7083	Library Assistant	13	\$26.78	\$32.14	\$37.49	Classified	Administrative Support	Non-Exempt	
7085	Library Manager	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7086	Library Page	6	\$19.03	\$22.84	\$26.65	Classified	Administrative Support	Non-Exempt	
7231	Library Specialist	13	\$26.78	\$32.14	\$37.49	Classified	Administrative Support	Non-Exempt	
7084	Library Supervisor	19	\$35.89	\$43.07	\$50.25	Classified	First/Mid Offs & Mgrs.	Executive	1%
7154	Library Technical Support Specialist	15	\$29.53	\$35.43	\$41.34	Classified	Technicians	Non-Exempt	
7114	Maintenance and Operations Supervisor	26	\$50.50	\$60.60	\$70.70	Classified	First/Mid Offs & Mgrs.	Executive	1%
7238	Management Analyst	20	\$37.68	\$45.22	\$52.76	Classified	Professionals	Professional	1%
7147	Multimedia Assistant	14	\$28.12	\$33.75	\$39.37	Classified	Technicians	Non-Exempt	
7028	Multimedia Coordinator	18	\$34.18	\$41.02	\$47.85	Classified	Professionals	Non-Exempt	
7226	Park Ranger	13	\$26.78	\$32.14	\$37.49	Classified	Service - Maintenance	Non-Exempt	
7100	Parks and Public Facilities Director	34	\$74.61	\$89.54	\$104.46	Unclassified	Officials - Administrators	Executive	4%
7185	Parks and Public Facilities Project Manager	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%
7096	Parks and Public Facilities Supervisor	22	\$41.55	\$49.86	\$58.17	Classified	First/Mid Offs & Mgrs.	Executive	1%
7150	Parks and Recreation Aide	9	\$22.03	\$26.44	\$30.85	Classified	Administrative Support	Non-Exempt	
7098	Parks and Recreation Assistant	13	\$26.78	\$32.14	\$37.49	Classified	Administrative Support	Non-Exempt	
7099	Parks and Recreation Coordinator	18	\$34.18	\$41.02	\$47.85	Classified	Administrative Support	Non-Exempt	
7102	Payroll Specialist	17	\$32.55	\$39.06	\$45.57	Classified	Administrative Support	Non-Exempt	
7104	Permit Technician	15	\$29.53	\$35.43	\$41.34	Classified	Technicians	Non-Exempt	
7212	Permit Technician II	16	\$31.00	\$37.20	\$43.40	Classified	Administrative Support	Non-Exempt	

2026 Exhibit A - Article XIV, Section 14.01**City of Richland****Classification, Pay Grades and Salaries for Unaffiliated Employees**

(Alphabetical)

Effective January 1, 2026

Class Code	Classification Title	Pay Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly	Classification Status	EE0-4 Group Status	FLSA Status	Non-Match Def. Comp.
7234	Permit Technician III	18	\$34.18	\$41.02	\$47.85	Classified	Administrative Support	Non-Exempt	
7105	Planner	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Non-Exempt	
7042	Planning Manager	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7106	Plans Examiner	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Non-Exempt	
7241	Police Professional Staff Manager	26	\$50.50	\$60.60	\$70.70	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7221	Power Operations Manager	28	\$55.68	\$66.81	\$77.95	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7188	Professional Land Surveyor	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Non-Exempt	
7253	Public Records Analyst	17	\$32.55	\$39.06	\$45.57	Classified	Administrative Support	Non-Exempt	
7223	Public Records Officer	19	\$35.89	\$43.07	\$50.25	Classified	Professionals	Professional	1%
7120	Public Works Budget and Contracts Analyst	20	\$37.68	\$45.22	\$52.76	Classified	Professionals	Professional	1%
7036	Public Works Capital Projects Manager	27	\$53.03	\$63.63	\$74.24	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7118	Public Works Director	35	\$78.34	\$94.01	\$109.68	Unclassified	Officials - Administrators	Executive	4%
7195	Purchasing Agent	20	\$37.68	\$45.22	\$52.76	Classified	Professionals	Professional	1%
7121	Purchasing Manager	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7204	Recreation Attendant I	Based on market assessment of current minimum wage				Classified	Administrative Support	Non-Exempt	
7213	Recreation Attendant II	Based on market assessment of current minimum wage				Classified	Administrative Support	Non-Exempt	
JP-0257	Recreation Supervisor	19	\$35.89	\$43.07	\$50.25	Classified	First/Mid Offs & Mgrs.	Executive	1%
7122	Recreation Manager	22	\$41.55	\$49.86	\$58.17	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7123	Risk and Safety Program Administrator	21	\$39.57	\$47.48	\$55.40	Classified	Professionals	Professional	1%
7247	Scale House Clerk	9	\$22.03	\$26.44	\$30.85	Classified	Administrative Support	Non-Exempt	
7124	Senior Planner	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%
7151	Solid Waste Manager	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7128	Solid Waste Supervisor	21	\$39.57	\$47.48	\$55.40	Classified	First/Mid Offs & Mgrs.	Executive	1%
7132	Streets Supervisor	21	\$39.57	\$47.48	\$55.40	Classified	First/Mid Offs & Mgrs.	Executive	1%
7077	Survey Technician	16	\$31.00	\$37.20	\$43.40	Classified	Professionals	Non-Exempt	
7134	Traffic Engineer	24	\$45.81	\$54.97	\$64.13	Classified	Professionals	Professional	1%
7176	Transportation Manager	27	\$53.03	\$63.63	\$74.24	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7137	Wastewater/Stormwater Maintenance Supervisor	22	\$41.55	\$49.86	\$58.17	Classified	First/Mid Offs & Mgrs.	Executive	1%

2026 Exhibit A - Article XIV, Section 14.01
City of Richland
Classification, Pay Grades and Salaries for Unaffiliated Employees
 (Alphabetical)
Effective January 1, 2026

Class Code	Classification Title	Pay Grade	Minimum Hourly	Midpoint Hourly	Maximum Hourly	Classification Status	EE0-4 Group Status	FLSA Status	Non-Match Def. Comp.
7138	Wastewater/Stormwater Manager	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7140	Water Maintenance Supervisor	22	\$41.55	\$49.86	\$58.17	Classified	First/Mid Offs & Mgrs.	Executive	1%
7141	Water Manager	25	\$48.10	\$57.72	\$67.33	Unclassified	First/Mid Offs & Mgrs.	Executive	3%
7139	Water Operations Supervisor	22	\$41.55	\$49.86	\$58.17	Classified	First/Mid Offs & Mgrs.	Executive	1%
JP-0259	Workday Analyst	22	\$41.55	\$49.86	\$58.17	Classified	Professionals	Professional	1%



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Items of Business

Strategic Priority 1 - High Performance Government

Strategic Priority 2 - Financial Sustainability

Subject

Resolution No. 2025-153, Approving the 2026-2028 Collective Bargaining Agreement with the International Association of Firefighters Union Local 1052 - Battalion Chiefs

Department/Office

Human Resources

Ordinance/Resolution Number

2025-153

Document Type

Resolution

Recommended Motion

Adopt Resolution No. 2025-153, approving the 2026-2028 Collective Bargaining Agreement with the International Association of Firefighters Union Local 1052 - Battalion Chiefs, and authorizing the City Manager to execute documents related thereto.

Summary

In October 2025, the City entered into negotiations with the International Association of Firefighters Union Local 1052 - Battalion Chiefs (IAFF-BC) to bargain a successor collective bargaining agreement. IAFF-BC represents approximately five (5) city employees in the Richland Fire & Emergency Services department.

Following one bargaining session, the parties reached a tentative agreement on October 28, 2025. IAFF-BC members ratified the agreement on November 13, 2025. The proposed contract meets the parameters established by the Richland City Council and includes the following key provisions:

- **Term:** Three-year agreement effective January 1, 2026 through December 31, 2028.
- **Wages:** 2026: 3.0% increase (2.1% COLA, 0.9% market adjustment); 2027: 3.0% COLA increase; and 2028: 3.0% COLA increase.
- **Health and Welfare Insurance:** Establishes a new premium-sharing model under which members contribute 12% of the LEOFF plan premium and the City contributes 88%. This approach replaces legacy calculation methods in Appendix C and aligns the bargaining unit with the premium-sharing structure applied to all city employees.
- **HRA VEBA:** For members enrolled in the high-deductible LEOFF health plan, the City will contribute \$2,000 annually for employee-only coverage and \$4,000 annually for employee-plus-dependents coverage.
- **Kelly Days:** Beginning October 2026, Kelly days will be hard-scheduled at one per employee per FLSA pay cycle to support policy development and full implementation in 2027. The Union will withdraw the "7th member off" grievance previously certified for interest arbitration.
- **Contract Language Updates:** General clean-up and clarifications as reflected in the attached redlined agreement.

A public hearing was held on December 2, 2025 in accordance with Article VI, Section 6.03 of the Richland City Charter.

Staff recommends adoption of Resolution No. 2025-153.

Fiscal Impact

Terms of the proposed agreement are within the City Council's collective bargaining parameters and the City's 2026 Budget.

Attachments

1. Resolution No. 2025-153
2. Proposed 2026-2028 IAFF BC Collective Bargaining Agreement

RESOLUTION NO. 2025-153

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,
APPROVING THE 2026-2028 COLLECTIVE BARGAINING
AGREEMENT WITH THE INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS UNION LOCAL NO. 1052 – BATTALION CHIEFS.**

WHEREAS, the Richland City Council desires to attract and retain qualified employees and maintain harmonious relations between the City and the International Association of Fire Fighters Union Local No. 1052 – Battalion Chiefs (IAFF-BC); and

WHEREAS, the existing Collective Bargaining Agreement between the City and the IAFF-BC expires on December 31, 2025; and

WHEREAS, certain amendments to wages, benefits, and other terms and conditions of employment are warranted based on market considerations and result from voluntary agreement reached during negotiations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland that the 2026-2028 Collective Bargaining Agreement with the International Association of Fire Fighters Local No. 1052 – Battalion Chiefs is hereby approved.

BE IT FURTHER RESOLVED that the City Manager is authorized to sign and execute the Collective Bargaining Agreement on behalf of the City.

BE IT FURTHER RESOLVED that the City Manager or designee is authorized to enter into periodic memorandums of understanding with the IAFF-BC for operational or administrative purposes during the term of the 2026-2028 Collective Bargaining Agreement.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

ADOPTED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

AGREEMENT BETWEEN

CITY OF RICHLAND

AND

**INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS UNION
BATTALION CHIEFS, LOCAL No. 1052 BC**

~~2023-2025~~ 2026-2028

January 1, 202~~6~~³ – December 31, 202~~8~~⁵

Resolution No. TBD, Contract No.



TABLE OF CONTENTS

ARTICLE 1 – RECOGNITION	4
ARTICLE 2 -- NON-DISCRIMINATION	4
ARTICLE 3 -- UNION SECURITY AND PAYROLL DEDUCTION	5
ARTICLE 4 -- UNION BUSINESS	5
ARTICLE 5 -- ILLNESS, INJURY, AND RETURNING TO WORK.....	6
ARTICLE 7 -- HOLIDAYS.....	11
ARTICLE 8 -- UNION BULLETIN BOARDS.....	12
ARTICLE 9 -- CITY RIGHTS AND RESPONSIBILITIES	12
ARTICLE 10 -- PREVAILING RIGHTS.....	13
ARTICLE 11 -- PERFORMANCE OF DUTY - RULES AND REGULATIONS	13
ARTICLE 12 – UNIFORMS	14
ARTICLE 13 -- SHIFT TRADES	14
ARTICLE 14 -- PERSONNEL REDUCTION	14
ARTICLE 15 -- WORKING OUT OF CLASSIFICATION - EFFECT ON PAY	14
ARTICLE 16 -- VACANCIES AND PROMOTIONS	15
ARTICLE 17 -- GRIEVANCE PROCEDURE	15
ARTICLE 18 – WAGES	17
ARTICLE 19 – HOURS.....	17
ARTICLE 20 -- FIRE EDUCATION INCENTIVE PROGRAM	18
ARTICLE 21 -- SICK LEAVE.....	20
ARTICLE 22 -- PAID LEAVES	22
ARTICLE 23 -- LEAVE CONVERSION AND MAXIMUM USAGE.....	26
ARTICLE 24 -- OVERTIME PAY	26
ARTICLE 25 – INSURANCE	28
ARTICLE 26 – PRODUCTIVITY	29
ARTICLE 27 -- NOTIFICATION OF ABSENCE	29
ARTICLE 28 -- MEDICAL CERTIFICATION/RECERTIFICATION AND TRAINING	30
ARTICLE 29 -- TERMS OF SUCCESSORSHIP	30
ARTICLE 30 -- PROBATIONARY PERIOD	30
ARTICLE 31 -- TERM OF AGREEMENT	30
ARTICLE 32 -- SAVINGS CLAUSE	30
ARTICLE 33 -- LONGEVITY PAY	31
ARTICLE 34 -- HAZARDOUS MATERIALS TEAM	31
ARTICLE 35 -- AGREEMENT TO BARGAIN.....	32
ARTICLE 36 -- GROOMING STANDARDS.....	32

ARTICLE 37 -- DRUG & ALCOHOL TESTING POLICY	32
ARTICLE 38 -- TECHNICAL RESCUE TEAM.....	35
ARTICLE 39 -- DEFERRED COMPENSATION	36
ARTICLE 40 -- WSCFF MEDICAL EXPENSE REIMBURSEMENT PLAN	36
ARTICLE 41 -- PERSONNEL RECORDS	37
ARTICLE 42 -- WELLNESS/FITNESS PROGRAM	37
APPENDIX A.....	39
APPENDIX B.....	4544
APPENDIX C.....	4948
APPENDIX D	5049

DRAFT

THIS AGREEMENT is entered into by and between the City of Richland, Washington, hereinafter referred to as the City, and the International Association of Fire Fighters Union Local #1052BC, hereinafter referred to as the Union. It is the purpose of this Agreement to achieve and maintain harmonious relations between the City and the Union, to provide for equitable and peaceful adjustment of differences, which may arise, and to establish proper standards of wages, hours and other conditions of employment.

ARTICLE 1 – RECOGNITION

1.1 The City recognizes the Union as the exclusive bargaining agent for all Battalion Chiefs employed by the Fire & Emergency Services Department.

1.2 Communications and Notices

Any notices to be given hereunder by either party to the other, except formal grievances, shall be in writing either by personal delivery or by first class mail as follows:

To the City

Human Resources Director
625 Swift Blvd., MS-12
Richland, Washington 99352

To the Union

President
Post Office Box 607
Richland, Washington 99352

1.3 Duties and Responsibilities

Battalion Chiefs are supervisors within the Department. As supervisors, Battalion Chiefs agree to perform all supervisory duties.

ARTICLE 2 -- NON-DISCRIMINATION

2.1 Charges of discriminatory conduct by either party to this agreement except claims of discrimination for Union membership or activity are not subject to appeal or disposition through the arbitration procedure set forth herein, but may be taken to other appropriate State and Federal Agencies for adjudication. Nothing in this section shall be deemed to prevent either party from fully representing its constituents and interest in any appropriate forum except arbitration relative to questions of discrimination.

2.2 The City and the Union agree not to discriminate against any employee for his membership or non-union membership in the Union.

2.3 Whenever words denoting the masculine gender are used in this Agreement, they are intended to apply equally to either gender.

ARTICLE 3 -- UNION SECURITY AND PAYROLL DEDUCTION

3.1 Dues Processing

The Union will notify the City of its initiation fees and dues. The City will deduct such initiation fees and Union dues from the wages of the employees who have authorized such deductions, when the Union notifies the City to begin deductions. The City will forward collected fees and dues to the Union each pay period, to the address and name provided by the Union, accompanied by a list of dues-paying employees and the amount of their dues and elected Union-provided benefits.

3.2 Revocation

An employee may revoke their authorization for payroll deduction of payments to the Union by the employee providing written notice to the Union. The Union shall notify the city of the revocation. The City will process the employee's request to end the deduction as soon as administratively feasible, either effective on the first payroll, but not later than the second payroll, after the City's receipt of the employee's written notice. For purposes of revocation, the employee may provide written notice by email to the Union, who will provide the notice to the City.

3.3 Indemnification

The Union will indemnify the City against any and all liability which may arise by reason of the deduction by the City of money for Union membership dues from employee's wages in accordance with copies of the written employee authorizations furnished to the City by the Union.

ARTICLE 4 -- UNION BUSINESS

A Union member who is an employee in the BC bargaining unit will be granted time off without pay while attending Union associated conventions, seminars, meetings, and Union/City litigation matters, provided (1) the employee notifies the Department Director or above in writing at least forty-eight (48) hours prior to the time off; (2) the City will have sufficient employees available to staff the Department during this time off; and (3) an employee called in to replace another employee, who is off on Union business (including time spent in labor negotiations), will receive straight time pay and overtime pay as required by the FLSA. The Union will reimburse the City the amount over straight time pay. Members of the negotiating team while on duty at said time they are negotiating shall be paid a total of fifty (50) union business leave hours in the aggregate for regular, scheduled on-duty time spent in labor negotiations with the City for a successor labor agreement. Time spent in excess of fifty (50) union business leave hours while within the City of Richland shall be on-duty available for response.

- 4.1 The Union shall retain the privilege of holding Union Meetings during structured hours, at the on-duty employee's workstation.

- 4.2 No Union member or officer shall conduct any Union business on City scheduled active duty/structured duty work time on the City's premises, except during breaks, lunch, or as provided within ~~Article 4~~ this article without consensus of the Fire & Emergency Services Director.
- 4.3 Nothing in this Article shall preclude the two parties from meeting at reasonable times to discuss areas of mutual concern when mutually agreed to.
- 4.4 Professional Standards
In keeping with professional ideals and standards, neither the Union nor the City shall invoke the name of the other party as a sponsor or supporter to any fund-raising activities without the written agreement of the duly designated representative of the sponsoring party.

ARTICLE ~~56~~ -- ILLNESS, INJURY, AND RETURNING TO WORK

- 5.1 Occupational Illness and Injury and Occupational Disability Allowance
The City administers employee leaves associated with occupational illness and injury. The City also administers the process by which employees shall reintegrate into the workplace when in recovery, when released to full duty or when restrictions are placed on the employee's full return to duty. Occupational leaves are administered in accordance with this Agreement, Department policies, and City policies enacted to conform to State and Federal laws.
- 5.2 The City will provide an Occupational Disability Allowance ("ODA") for employees injured or occupationally diseased ("occupational injury") in the line of duty when a claim ("L&I claim") is approved and the employee is determined eligible for time loss payments under State Workers' Compensation Law. ODA shall substitute for time loss payments the employee would be otherwise eligible to receive, until ODA benefits for the employee are exhausted or the employee otherwise becomes ineligible for time loss payments. Employees shall receive ODA only for hours of their normally scheduled shifts during the approved ODA period.
- 5.2.1 The City may choose to provisionally approve an employee's eligibility for ODA until a claim determination is made, including determining whether the injury/disease is an approved L&I claim and determining whether the employee is eligible for time loss payments. If an L&I claim or time loss payments are denied, the ODA received by the employee provisionally must be repaid by the employee through payroll deductions from the employee's other available paid time off or through other arrangements for employee repayment to the City.
- 5.2.2 Approved ODA will continue during absences from regular shifts due to the injury/occupational disease, for as long as such job related injury/occupational disease continues, subject to a maximum limit of one (1) calendar year from the determined L&I Claim Date, plus one day. This calendar year of ODA eligibility

includes any amount of time the employee worked on a regular duty or on a light duty assignment during that calendar year. After one calendar year, the employee shall be eligible for consideration of time loss payments for the L&I claim, when time loss is approved by the Department of Labor & Industries, Workers' Compensation division.

- 5.23 The shift of injury is considered hours worked and is paid at one hundred percent (100%) of the employee's straight time wages and normal additional pay and benefits. This day is not counted against the ODA one-year maximum.
- 5.24 The employee shall receive one hundred percent (100%) of the employee's straight time wages and normal additional pay and benefits after the employee has missed two (2) scheduled shifts for 24-hour shift employees, or four (4) scheduled shifts for forty (40) hour employees, retroactive back to the first full shift missed. If an employee is not absent for more than two (2) scheduled shifts or four (4) scheduled shifts as described above, the employee shall not be eligible for ODA benefits for the days missed, unless the employee later misses shifts which trigger eligibility within the one calendar year eligibility period of the claim.
- 5.25 For the remaining shifts within the ODA calendar year, ODA benefits shall be equal to eighty percent (80%) of regular straight time wages plus normal additional pay and benefits for shifts missed. The employee may choose to make up the remaining twenty percent (20%) of the regular straight time wages with accrued or accumulated sick leave, vacation leave, or State Sick Leave.
- 5.26 During the period of ODA, the employee shall continue to accrue all leaves they would have otherwise accrued at a full, unreduced accrual level when the employee is on one hundred percent (100%) pay. When the employee is on eighty percent (80%) pay, their leave accruals shall be reduced to eighty percent (80%) of normal accrual, unless the employee elects to supplement their pay to one hundred percent (100%) using available leaves.
- 5.27 Employees on ODA shall receive full, unreduced holiday pay when a holiday occurs while on ODA. The occurrence of a holiday during an employee's ODA leave does not extend the one (1) calendar year ODA maximum by an additional day.
- 5.28 The ODA wage is considered "kept on salary" for purposes of time loss compensation. Therefore, applicable payroll deductions and contributions, voluntary or otherwise, will only be subtracted from the portion of ODA which is in excess of time loss benefits, and from any optional leave supplement to ODA the employee may have elected when at the eighty percent (80%) ODA benefit level.

- 5.2.9 Except for taxes and LEOFF retirement contributions, all other applicable payroll deductions and contributions, voluntary or otherwise, shall be subtracted from ODA wages that are equal to time loss benefits. Employees may elect to make LEOFF retirement contributions from ODA wages and thereby continue to earn service credit hours for the ODA wage periods.
- 5.2.10 ODA wages in excess of time loss benefits, and optional leave supplement to ODA the employee may have elected when at the eighty percent (80%) ODA benefit level, are taxable wages and subject to required LEOFF retirement contributions.
- 5.2.11 When the employee has insufficient eligible wages to cover the employee's deductions and contributions, the employee shall pay the balance of only the required deductions and contributions directly to the City each pay period. Voluntary contributions shall cease until and unless the employee's eligible wages are sufficient each pay period.
- 5.2.12 The City may elect to pay the required deductions and contributions on the employee's behalf. Such payment is contingent upon the employee providing written pre-authorization for the City to deduct from the employee's future wages or the cash value of other available benefits. The employee must also agree in advance to repay the City for required deductions paid on the employee's behalf by direct payment to the City, should insufficient wages or benefits be available with which to repay the City. Such repayment shall occur upon the employee's return to work or separation from employment, in accordance with a schedule determined by the City.

5.3 Returning to Work from Occupational Leave

Employees absent from any portion of one or more normally scheduled shifts due to an approved or pending-approval of an occupational illness or injury leave must receive clearance by the City before returning to duty. Clearance process and documentation requirements are determined by the City, and may include documentation from the employee's healthcare provider(s) and/or, at the City's expense and choice, documentation from the City's choice of designated healthcare provider(s) when the City determines a medical second opinion is appropriate.

- 5.3.1 Employees may be returned to full and unrestricted duty, modified duty, or full duty within a work hardening progression. If more than one employee is eligible for and agrees to an occupational modified duty assignment, the City shall split available work as evenly as possible among the eligible employees assigned to modified duty.
- 5.3.2 Work hardening progression occurs for a period of no more than two (2) consecutive weeks, during which the employee is released to full duty but gradually increases their performance of full duty assignments on their normal shift. Work hardening is required when the employee has been off work and/or on restricted duty for an occupational injury/illness for 60 or more days. An employee may request work hardening for periods of less than 60 days. Work hardening is not used when the employee

is restricted from their normal duty. Employees on work hardening progressions are not considered part of minimum staffing.

- 533 Modified duty may include reduced hours; reduced work tasks; reassignment temporarily to work tasks not normally performed by the employee; medical rehabilitation to a maximum of two hours per day; or other approved job modifications; and shall not last longer than three (3) calendar months unless approved by the Human Resources Director and Fire Chief or designee. Modified duty assignments are completed on the employee's regular shift or, upon approval of the healthcare provider(s) and the Fire Chief or designee, on an alternate shift. Shift employees assigned to a day schedule on a modified duty assignment while on occupational disability allowance shall revert to the day shift accrual rates for the duration of the day shift assignment, and shall follow the formula for leave conversion as defined in [Article 2223](#), and shall receive State Sick Leave accrual from the beginning of the modified duty assignment. Employees on modified duty are not considered part of minimum staffing.
- 534 A modified duty job description detailing the proposed work the employee shall perform is developed from the designated healthcare provider(s) report detailing the employee's limitations and restrictions, as well as operational needs. The modified duty hours shall not exceed the employee's normal scheduled hours each shift. The designated healthcare provider and the City must approve the modified duty job description. Following this approval, the modified duty assignment must be offered and accepted by the employee prior to the employee returning to work.
- 534.1 Employees declining modified duty job description assignments shall lose eligibility for time loss, and, as a consequence, shall lose eligibility for ODA. These employees shall remain eligible for other benefits allowed under the claim.
- 535 Employees shall not be required to report for modified duty assignments during any period that the employee had, prior to the disability, scheduled as a first (1st) or second (2nd) pick of vacation, as provided by the department vacation policy. The employee, at their option, shall be placed on vacation leave as previously scheduled and shall use accrued vacation leave for all hours of those scheduled days off.
- 536 Employees must comply with the requirements of the modified duty or may be removed from the assignment, in order to protect the employee from potential re-injury, aggravation of injury, or slowing of the employee's recovery and reintegration into the workforce.

- 53.6.1 Employees who do not comply with modified duty or work hardening assignments and requirements shall lose eligibility for continued ODA benefits. These employees will also not be eligible for time loss benefits but shall remain eligible for other benefits allowed under the claim.

5.4 Reoccurrence of Occupational Illness or Injury

When an employee has returned to full, unrestricted duty from an occupational claim that has been closed by the Department of Labor & Industries ("L&I"), and L&I subsequently reopens the original claim, the reopened claim shall be treated as a new claim for purposes of ODA benefits.

5.5 Occupational Illness or Injury Extending Past One Year

- 5.5.1. When an employee's occupational illness or injury leave extends beyond one (1) calendar year, the employee shall no longer receive ODA, and shall be eligible for time loss benefits when approved under the claim.

- 5.5.1.1 While on time loss benefits, neither the City nor the employee shall make LEOFF retirement plan contributions, and the employee shall not earn service credit. The employee may choose to "buy back" service credit when allowed by the Department of Retirement Systems rules.

- 5.5.2 When an employee has been determined through the claim process to be unable to return to the job they held when they were injured/illness, the City will retain the employee through their period of ODA benefit entitlement. The employee may choose to initiate separation of their employment for medical reasons, and in such cases the City shall provide the employee the remaining ODA wage benefits that are in excess of time loss wages, and proceed with separation of the employee. The employee may then receive time loss wages and other benefits if authorized through the claim.

- 5.5.3 An employee who has exceeded one (1) calendar year on an occupational leave shall retain continued employment only when on a medical leave approved by the Human Resources Director and Fire Chief or designee. The decision to continue employment shall include considerations of operational need, the prognosis of and timeframe anticipated for returning to the employee's job of injury/illness, the employee's skillset and potential for performance of other jobs in the City or Department, and other considerations of the City. A decision to continue employment under this Section is not binding, and may be amended or rescinded by the City as deemed appropriate at any time.

- 5.5.3.1 An employee who's employment has not been extended as described in 6.5.2 may be retained as an employee with no entitlement to the

employee's job of injury, while a determination and decision is made regarding the availability and appropriateness of other employment and rehabilitation options.

5.6 Non-occupational Illness, Injury and Returning to Work

The City provides and administers various forms of paid and unpaid leave for employees ill or injured in non-occupational circumstances. Employees are entitled to paid time off as specified in this Agreement, to include sick leave and vacation leave or other time off as provided. Employees may also be entitled to State and/or Federal leave, as referenced in [Article 21~~22~~](#).

5.61 Employees on a non-occupational illness or injury who are absent for ~~60~~thirty (30) or more consecutive calendar days may be required to submit a healthcare provider certification releasing them to duty and certifying they can safely perform all their job duties. Employees who desire modified duty assignment or work hardening progression shall be subject to the same return to work process and approvals as described in this Article for occupational illness or injury and returning to work, when available and at the discretion of the Fire Chief or designee. Additionally, priority for modified duty is always given to employee(s) on occupational modified duty, and employees on approved non-occupational modified duty may have their assignment ended should the need for an occupationally-injured employee arise. Such employees shall be paid their regular wage during hours they are assigned to an approved non-occupational modified duty or work hardening progression assignment.

5.62 Modified duty for non-occupational illness or injury is available only to employees having sick or annual leave time available and shall not constitute a position nor extend beyond available paid leave time.

ARTICLE ~~67~~ -- HOLIDAYS

6.1 Except as provided in Section 7.6 for employees working forty (40) hours per week, it shall be the practice of the City to pay cash compensation in lieu of time off for holidays.

6.2 The following holidays are recognized:

New Year's Day	Veteran's Day
President's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Eve
Labor Day	Christmas Day
Floating Holiday	

Each of the above-listed holidays, except for Christmas and New Year's Day, shall be observed on the same day that the City observes the holiday. The Christmas holiday shall

be observed on December 25th of each calendar year, and the New Year's Day holiday shall be observed on January 1st of each calendar year.

- 6.3 The floating holiday shall be paid during the pay period of the employee's choice, as indicated on the employee's time card. All employees shall schedule their floating holiday in a pay period in the year it is accrued or it is forfeited. The employee receiving the holiday pay shall be on the same work routine as the remainder of the shift.
- 6.4 Twenty-four (24) hour shift personnel shall be paid fourteen (14) hours pay at their regular rate of pay for each recognized holiday during the pay period in which the holiday falls, in addition to the employee's regular pay.
- 6.5 An employee on any leave except "leave without pay" shall receive holiday pay for any and all holidays occurring during the term of said leave (this includes Occupational Disability Allowance Time listed in [Article 56](#)).
- 6.6 Forty (40) hour week (day-shift) personnel shall receive the above holidays (Section 7.2) off. In the event a holiday should fall on the employee's regularly scheduled day off, the employee shall receive another regularly scheduled workday off in lieu of the holiday.

ARTICLE ~~78~~ -- UNION BULLETIN BOARDS

- ~~87~~.1 The City agrees to furnish and maintain suitable boards in a convenient place in each station and work area to be used by the Union. The Union shall limit its posting of notices and bulletins to such bulletin boards.

ARTICLE ~~89~~ -- CITY RIGHTS AND RESPONSIBILITIES

- 8.1 Subject to the provisions of this Agreement, the Union recognizes:
 - A. The prerogatives of the City to operate and manage its affairs in all respects and in accordance with its responsibilities and powers and;
 - B. That the City reserves those rights concerned with the management and operation of the department which includes, but is not limited to the following:
 - a) To recruit, assign, transfer, and promote members to the positions within this department,
 - b) To suspend, demote, discharge, or take other disciplinary actions against members for just cause,
 - c) To determine methods, means, and personnel necessary for the department operations,
 - d) To control the Department Budget,

- e) To take lawful actions, not in violation of this Agreement, in order to assure the proper functions of the Department.

ARTICLE ~~10-9~~ -- PREVAILING RIGHTS

- 9.1 All rights and privileges held by the employees at the present time which are not included in this Agreement shall remain in force, unchanged and unaffected in any manner. These rights and privileges shall include but not be limited to the following:
 - a) Employees shall have the right to retain store call in its present form, provided that shift officers shall consider energy conservation in scheduling and implementing store call.
 - b) Employees shall maintain the right to use "crew room" during leisure hours.
 - c) Employees shall maintain kitchen and sleeping rights.

ARTICLE ~~1011~~ -- PERFORMANCE OF DUTY - RULES AND REGULATIONS

- 10.1 Nothing in this Agreement shall be construed to give an employee the right to strike and no employee shall strike or refuse to perform his assigned duties to the best of his ability during the term of this Agreement.
- 10.2 The Union agrees that it will not condone or cause any strikes, slowdowns, mass sick call or any other form of work stoppage, or interference of normal operations of the Department during the term of this Agreement.
- 10.3 The Union agrees that its members shall comply in full with the Fire & Emergency Services Department Rules and Regulations, including those related to conduct and work performance.
- 10.4 The City agrees that the Department Rules and Regulations, Policies and Procedures, and Guidelines, promulgated after the effective date of this Agreement, which affect working conditions and performance, shall be posted electronically or on the Union bulletin boards, and shall be subject to the grievance procedure, if brought within fifteen (15) days of the date the order is posted, as to whether or not such Rules, Policies and/or Guidelines are in conflict with any provisions of this Agreement.
- 10.5 The Union recognizes the City's right to establish minimum qualifications that must be met by newly hired Battalion Chiefs. A copy of these established minimum qualifications shall be furnished to the Union, and any changes to said qualifications shall be provided to the Union at least thirty (30) days prior to implementation of the change or changes. Nothing in this clause shall be viewed as a waiver by the Union of their existing rights to bargain such issues as provided by RCW 41.56, nor does it create any new rights.

ARTICLE ~~1112~~ – UNIFORMS

- 11.1 All uniforms, protective clothing, devices required of employees in performance of their duties and cleaning thereof shall be furnished by the City, except dress shoes, shorts, undershirts, socks, and belts, unless the City requires they be worn.
- 11.2 City shall provide an annual uniform allotment consistent with Department policy up to four (4) new T-shirts every year and up to one (1) sweatshirt every other year. Employees are responsible for ~~They will be~~ laundering such work uniform items by employee.

ARTICLE ~~1213~~ -- SHIFT TRADES

- ~~123.1~~ Employees shall have the right to exchange shifts with qualified employees. The Union agrees qualified employees of a lower rank may fill in for shift trades.

ARTICLE ~~1314~~ -- PERSONNEL REDUCTION

- 13.1 In the case of personnel reduction, the employee having the least seniority in the classification of Battalion Chief shall be reduced in rank to the prior rank of each employee impacted. If time in position is equal, scores on the certification list(s) shall govern, such that the employee with the lowest score on the most recent certification list shall be reduced in rank first. If scores on the certification list are equal, then time in the Fire & Emergency Services Department shall govern such that the employee with the least time shall be reduced in rank first.
- 13.2 When employees are laid off, their names shall be placed on an employment list in order of seniority, with the employee having the most seniority at the head of the list, and the person with the least seniority at the bottom. This list shall stand for a period of two (2) years and no new employees may be hired during that period until the laid-off personnel have been given the opportunity to return to work.
- 13.3 Persons being re-promoted to positions held prior to being reduced-in-rank shall be re-promoted in the reverse order from which they were reduced in rank.

ARTICLE ~~1415~~ -- WORKING OUT OF CLASSIFICATION - EFFECT ON PAY

- 14.1 Upon receiving a delegation of authority from the Fire Chief or designee to assume responsibilities of the Fire Chief or designee for more than twelve (12) consecutive hours Battalion Chiefs shall receive one-hundred dollars (\$100) per shift for working out of classification. A shift is a twenty-four (24) hour period.
- 14.2 Day shift Battalion Chiefs delegated to serve as Fire Chief or designee shall be compensated at overtime rate for duties assigned outside normal working hours.

ARTICLE ~~15~~¹⁶ -- VACANCIES AND PROMOTIONS

- 15.1 The right to determine whether or not a vacancy in any position covered by this Agreement is to be filled, and, if so, when, is vested solely in the City.
- 15.2 If a permanent vacancy should occur, the City may not through a series of "out of classification" appointments avoid promoting individuals to gain advantage of the lower pay scale provided by this Article.
- 15.3 All vacancies shall be filled through a competitive examination process determined by the City of Richland Personnel Committee. Promotional testing for the rank of Battalion Chief shall be conducted every other May, beginning May 2019. Upon notice to the Union, the month of the promotional testing may be moved to an alternate month or cancelled for that year.
- 15.4 When it is determined by the City that a vacancy in a position covered by this Agreement is to be filled, appointment to the position shall be made by the appointing authority from among the top three (3) names on the certification list established for the position. If requested by the employee(s), the appointing authority, for informational purposes only, shall give the passed-over candidate(s) valid written reasons for not being selected.
- 15.5 The provisions of this Article do not apply to the filling of vacancies in positions not covered by this Agreement. See **Section 1.1.**
- 15.6 Should a member choose to relinquish their rank of Battalion Chief, they shall be reduced in rank to the rank they held prior to their promotion to Battalion Chief. The reduction in rank shall not occur until the Director has selected a replacement Battalion Chief. Such a relinquishment will not result in an additional FTE for the Department, unless approved by the Director and City Manager.

ARTICLE ~~16~~¹⁷ -- GRIEVANCE PROCEDURE

- 16.1 A grievance means a claim or dispute by one (1) employee or group of employees with respect to the interpretation and application of the provision of this Agreement. Any issue that has been submitted to the Personnel Committee shall not be considered a grievance or subject to the grievance procedure herein and vice versa.
- 16.2 Nothing in this Agreement shall preclude the right of the two (2) parties to meet and verbally discuss the grievance in an attempt to resolve the issue.
- 16.3 Grievances as herein defined shall be processed in the following manner:

- 16.3.1 **Preliminary Procedure.** An employee or group of employees, who feel they have a grievance, may present such grievance within thirty (30) calendar days of when such matter comes to the attention of the employee. Such grievance should be submitted to the employee's supervisor who shall attempt to resolve it within twenty-one (21) calendar days after it is presented to the supervisor; provided that no grievance in this stage shall be pursued beyond the Department Director.
- 16.3.2 **Step 1.** If the grievance is not resolved in the preliminary procedure, the employee shall have ten (10) calendar days to notify the Union Grievance Committee, in which case it shall be settled in the following manner: The Union Grievance Committee, upon receiving a written and signed petition, preferably on a standard form, shall determine within ten (10) calendar days if a grievance exists. If in their opinion no grievance exists, no further action is necessary. If a grievance does exist, they shall, with or without the physical presence of the aggrieved employee, present the grievance to the Department Director in writing within fifteen (15) calendar days who shall attempt to resolve it within twenty-one (21) calendar days after it has been presented to the Director. The written grievance shall include a statement including the specific Article(s) or Section(s) of the Agreement allegedly violated, the specific facts, and specific remedy sought.
- 16.3.3 **Step 2.** If the employee or employees are not satisfied with the response of the Department Director, the written grievance may be presented to the City Manager, together with all pertinent materials, by such Union representatives within thirty (30) calendar days of receipt of the Department Director's response. The City Manager shall attempt to resolve the grievance within twenty-one (21) calendar days.
- 16.3.4 **Step 3.** Any grievance involving the interpretation or application of this Agreement, which is not resolved in accordance with the foregoing procedure, may be referred to arbitration by the Union within thirty (30) calendar days after receipt of the City Manager's answer in Step 2. The arbitrator shall be on the arbitrator panel of the Washington Public Employment Relations Commission (PERC) and shall be selected in accordance with the established procedures of the PERC. The cost of the arbitrator and court reporter, if used by either party, shall be borne one-half (1/2) by the City and one-half (1/2) by the Union. Each party is responsible for its own costs and attorney's fees. The arbitrator shall render his decision based on the interpretation and application of the Agreement. The decision shall be final and binding upon the parties to the grievance, provided that the decision does not involve action by the City which is beyond its jurisdiction, and provided further that the decision of the arbiter is not arbitrary, nor capricious, nor exceeds his authority.

Failure to appeal in accordance with the timelines set forth in Section 17.3 shall be a waiver of any right to further grieve or arbitrate the issue.

- 164 The City and the Union may agree to extend the time limits of any of the above steps if mutually agreed to by both parties. Any deadlines falling on a Saturday, Sunday, or observed holiday shall be extended to the following day.
- 165 Neither the arbitrator nor any other person or persons involved in the grievance procedure shall have the power to negotiate new agreements or to add to, subtract from, or otherwise change any of the present provisions of this Agreement.
- 166 No settlement of a grievance shall be contrary to the terms of this Agreement.

ARTICLE ~~17~~¹⁸ – WAGES

- ~~17~~¹⁸.1 The types of employment and wages for all employees covered by this Agreement shall be listed in Appendix "A" and Appendix "D", attached hereto and by this reference incorporated herein.

ARTICLE ~~18~~¹⁹ – HOURS

- 18.1 The hours of duty shall be approximately 48.154 hours per week as presently worked provided a total of seventeen (17) Kelly Days shall be scheduled off. ~~Ten (10) shifts off will be periodically scheduled on a rotating basis. Seven (7) more shifts may be scheduled off, by the employee, prior to July 1, or as scheduled in a vacation pick period.~~ Kelly Days shall be scheduled in accordance with Kelly Day and vacation policies.
- 18.1.1 The work of day shift Battalion Chiefs shall be forty (40) hours per week. The work schedule shall normally be four (4) ten- (10) hour days. A schedule of five (5) eight- (8) hour days per week may be scheduled with the approval of the Department Director.
- 18.2 Employee structured work hours, for scheduled activities, shall be 8:00 a.m. to 5:00 p.m. Monday through Saturday. Structured work hours for Sundays shall be from 8:00 a.m. to 12 noon. Holidays except Christmas and Thanksgiving shall be from 8:00 a.m. to 12 noon. Christmas and Thanksgiving shall be from 8:00 a.m. to 10:00 a.m.
- 18.3 The Union and management recognize that time-sensitive projects, public service and education events, training and other commitments sometimes dictate that work continue into or occur during non-structured hours. Both parties agree to strive for balance in such work and the Director may authorize time during structured hours to offset time spent working during non-structured hours. Emergency readiness, incident response, and associated work shall be performed throughout the shift regardless of structured hours.

ARTICLE ~~1920~~ -- FIRE EDUCATION INCENTIVE PROGRAM

~~1920~~.1 The purpose of this program is to provide incentive pay for members of the Fire Department to seek additional education in order to meet the ever-changing needs and demands placed upon the Fire Department.

~~1920~~.2 This program is based on college degrees within the Fire & Emergency Medical Services Administration or closely related fields of study.

~~1920~~.3 All applications for education incentive shall be presented to the Fire & Emergency Services Director for approval. Personnel achieving an approved Associate's or Bachelor's degree shall be paid the percentage indicated in ~~this article~~ Article 20.4 for said degree.

~~1920~~.4 Approved degree fields for Education Incentive pay include: Fire Service Administration, EMS Administration, Business Administration, Public Administration, and Healthcare Administration, or equivalent as approved by the Fire & Emergency Services Director. Degrees must be attained from a Regionally Accredited College or University in order to qualify for Education Incentive pay.

~~2019~~.5 Requirements for Education Incentive Pay

% OF BASE PAY

5%
10%

BA/BS DEGREE/CREDITS

Approved AA degree or 50% BA/BS credit requirements
Approved BA/BS Master's Degree

~~2019~~.5.1 Completion of an A.A. or A.A.S. degree within the approved degree fields identified in 20.4, or an A.A.S. degree in Fire Science, or equivalent fire science degree as determined by the Director, is eligible for 5% incentive education pay.

~~2019~~.5.2 For those programs that do not require an AA degree as part of the Bachelor's degree, upon 50% completion of an approved Bachelor's degree, employees may submit a transcript demonstrating that all classes have been passed with at least a 2.0, and a letter from the institution stating that at least 50% of the Bachelor's degree credits have been successfully completed to qualify for 5% education incentive pay.

~~2019~~.5.3 Completion of an approved Bachelor's or Master's degree qualifies the employee for 10% incentive education pay.

~~2019~~.5.4 To receive Fire Education Incentive Pay, bargaining unit members must provide a diploma, or transcript and letter of 50% completion as outlined in Article 20.5 from a regionally accredited college or university. The effective date of education incentive pay begins the date that all applicable documentation is submitted to the Fire & Emergency Services Director or their support staff.

~~2019~~.5.5 All members of the bargaining unit in classifications covered by this labor agreement are eligible to participate in the Education Incentive Program.

~~2019~~.6 Education Incentive Pay Program Transition

~~2019~~.6.1 The program outlined in this CBA becomes fully implemented on January 1, 2019. All employees receiving education incentive pay at previous 1% increments on January 1, 2019 shall not suffer a reduction in existing percentage of compensation because of the agreed upon revisions. However, eligibility for any further increases shall be contingent upon meeting the requirements of the updated program set forth above.

~~2019~~.6.2 A transition period for incumbent employees (employed as of January 1, 2019) will allow employees to either choose to move to the updated incentive education program or continue under the education incentive program outlined in Section 20.7, Grandfathered Education Incentive Education, below, for the duration of this CBA. On January 1, 2022, education incentive pay will be frozen at the level submitted and approved for those employees who have not completed an approved degree. After that date, additional education incentive pay will be subject to the current program parameters.

~~2019~~.7 Grandfathered Education Incentive Program

~~2019~~.7.1 This program is based on college units and college degrees within the Fire Service as defined under a Fire Science/Fire Administration Program curriculum. Subjects not related directly to the fire field but part of the requirements or electives towards a degree shall be counted as a part of this program as defined in Section 20.5.

~~2019~~.7.2 All applications for education incentive shall be presented to the Fire & Emergency Services Director prior to becoming eligible for credit under this program. Personnel achieving an Associate or Bachelor Degree in Fire Science/Fire Administration shall be paid the percentage indicated in 20.5 for said degree.

~~2019~~.7.3 When a Battalion Chief has not received a degree, courses/credits completed will be accepted under this program as set forth below.

~~2019~~.7.4 Requirements for Education Incentive Pay

<u>% OF BASE PAY</u>	<u>AA DEGREE/CREDITS</u>	<u>BA/BS DEGREE/CREDITS</u>
1%	20% of credit requirements	10% of credit requirements
2%	40% of credit requirements	20% of credit requirements
3%	60% of credit requirements	30% of credit requirements
4%	80% of credit requirements	40% of credit requirements
5%	AA Degree	50% of credit requirements
6%		60% of credit requirements
7%		70% of credit requirements
8%		80% of credit requirements
9%		90% of credit requirements
10%		BA/BS Degree

~~2019~~.7.5 All employees receiving education incentive pay on January 1, 2007 shall not suffer a reduction in existing percentage of compensation because of the agreed upon revisions. Eligibility for any further increases shall be contingent upon meeting the requirements set forth above.

~~2019~~.7.6 To receive credits for Fire Education Incentive Pay, bargaining unit members must provide a transcript and Fire Science/Fire Administration curriculum from the college issuing the transcript. A letter from the course administrator is required for determination of appropriate credit allowance. Credits offered for pay under this program must have a "C" grade average.

~~2019~~.7.7 Requests for pay in excess of the 5% step level must be predicated on upper division level credits for classes that fit into a four (4) year Fire Science/Fire Administration curriculum for a four (4) year college degree. Unused service credits to the maximum of thirty (30) may be used as upper division electives if accepted by the college.

~~2019~~.7.8 All members of the bargaining unit in classifications covered by this labor agreement are eligible to participate in the Education Incentive Program.

ARTICLE ~~2021~~--- SICK LEAVE

20.1 Sick Leave for LEOFF II Employees

Full-time and temporary LEOFF II employees shall accrue sick leave as follows:

	<u>Accrual Rate</u>
40 hour per week employees	8 hours per month
24 hour shift employees:	
1) With less than 1440 hours accrued sick leave	24 hours per month
2) With 1440 or more hours accrued sick leave	12 hours per month

Fifty percent (50%) of unused sick leave accrued by each LEOFF II employee will be paid to the employee by the City, up to a maximum payout of \$15,000, when such employee separates from service with fifteen (15) or more years of employment with the Richland Fire Department. Employees terminated from employment shall not be eligible for sick leave cash out.

~~201.1.2 From the Agreement's full execution, through December 31, 2025, any remaining unused sick leave accrued by each LEOFF II employee over 1,440 hours for employees assigned to 24 hour shifts and 1,196 hours for those employees assigned to a 40 hour base week will be paid to the employee by the city, up to a maximum payout of \$25,000 when such employee separates from service with twenty five (25) or more years of employment with the Richland Fire Department. Twelve (12) months after the execution of this agreement, employees are only eligible for the additional sick leave cash out of up to \$25,000 if they provide a minimum of twelve (12) months' notice of their intent to retire to the Employer. The employee's notice of intent to retire is non-binding; however, rescinding the notice will make the employee ineligible for the additional sick leave cash out unless a new notice is provided in accordance with this Section. Employees terminated from employment shall not be eligible for sick leave cash out.~~

20.2 Advance of Sick Leave for New Employees

New employees will be advanced a sick leave allowance equal to that, which would be accrued in six (6) months at the LEOFF II accrual rate, and will begin their regular LEOFF II accrual at the end of six (6) months' employment. An employee whose employment terminates for any reason during the first six (6) months must repay the City for sick leave used in excess of the LEOFF II accrual rate for the period of actual employment. For temporary employees, sick leave advancement shall be limited to the amount that they would normally accrue during their period of employment.

20.3 Employees shall be allowed to donate accrued sick leave to other employees within the bargaining unit with less than thirty-six (36) months of service. A donating employee may give to more than one (1) employee but not to exceed twenty-four (24) hours per receiving employee per year. Receiving employees can receive unspecified number of hours from various donors. Donation does not impact perfect attendance.

20.4 At the beginning of each year the City shall deposit twelve (12) hours per 24 Hour Shift bargaining unit position per year into the Union's Business Leave Bank. This will be funded by a corresponding reduction of 12 hours of sick leave from each member's accrued sick leave balance. At the beginning of each year the City shall deposit ten (10) hours per 40 Hour Day Shift bargaining unit position per year into the Union's Business Leave Bank. This will be funded by a corresponding reduction of 10 hours of sick leave from each member's accrued sick leave balance.

20.5 This bank will be used, at the discretion of the principal officers of the Union, to offset the cost of time off for Union business (attendance at the Union's associated conventions, seminars, meetings, etc.). Union Business Leave taken will be paid to the applicable

employee on approved Union leave (during a normally scheduled shift) from the Union Business Leave Bank balance on an hour-for-hour basis. If the Union Business leave causes overtime, it will be taken from the Union Business Leave Bank at the overtime rate. In the event there is insufficient balance of Union Business Leave available, the employee must arrange for time off of their normal shift. Employees taking Union Business Leave are responsible for following the normal process and timing for requesting time off.

- 20.6 Employees working the 40-hour shift schedule shall accrue Washington's paid sick leave (State Sick Leave) in accordance with City policy. Paid sick leave accruing in accordance with Washington law and the City policy is a subset of existing Sick Leave accruals.

ARTICLE ~~22~~21 -- PAID LEAVES

21.1 Vacation Leave

Regular full-time employees shall accrue vacation time as set forth below, based on length of service with the City. No employee shall be eligible to use vacation time accrued until they have worked for the City a minimum of six (6) calendar months.

- 21.1.1 Employees working a 40-hour base week shall accrue vacation time on the following basis:

<u>Length of Service</u>	<u>Monthly Rate of Vacation Credit in Hours</u>
0 through 9 years	12
10th through 15 years	14
16th through 20 years	16
Over 20 years	18

Accumulation of vacation shall not exceed 339 hours at year's end.

- 21.1.2 Employees working 24-hour shifts shall accrue vacation time on the following basis:

<u>Length of Service</u>	<u>Monthly Rate of Vacation Credit in Hours</u>
--------------------------	---

0 through 9 years	14
10th through 15 years	16.25
16th through 20 years	19
Over 20 years	21

Accumulation of vacation shall not exceed four-hundred eight (408) hours at year's end.

21.2 Vacation Bonus Days

Regular full-time employee(s) working a 40-hour base week and with one (1) continuous year of service shall be eligible to earn one (1) vacation bonus day (ten (10) hours) after non-use of sick leave and leave without pay collectively. Regular full-time employee(s) working Firefighter 24-hour shifts who have completed one (1) continuous year of service shall be eligible to earn one (1) vacation bonus Firefighter 24-hour shift after non-use of sick leave and leave without pay collectively.

21.3 Vacation Leave Cash Out Upon Separation

An employee's accrued, unused vacation leave shall be cashed out at the employee's base pay rate upon separation from employment.

21.4 Family Leave

Battalion Chiefs shall be granted family leave for injury, illness, birth or death in the employee's family, when employee's presence is needed.

21.4.1 40-hour week employees shall be granted forty (40) hours family leave per year. 24-hour shift employees shall be granted seventy-two (72) hours family leave per year.

21.4.2 Hours needed in excess of the limits listed in 22.4.1 shall be charged to sick leave or vacation per the employee's request after being approved by the Department Director or above or as provided by State Statute. Sick leave used to extend family leave shall impact the employee's perfect attendance date unless prohibited by law.

21.4.3 For Family Leave purposes, "Employee's Family" shall be defined as the employee's spouse, son, son-in-law, daughter, daughter-in-law, mother, mother-in-law, father, father-in-law, sister, sister-in-law, brother, brother-in-law, grandfather, grandfather-in-law, grandmother, grandmother-in-law, grandchild, or any person permanently residing with the employee that has a familial or committed intimate relationship. Step relatives of the relations listed shall also be considered as part of the employee's family.

21.5 Personal Business Vacation Leave

Battalion Chiefs working 24-hour shifts shall be granted up to seventy-two (72) hours of personal business vacation leave annually. Battalion Chief's working a forty (40) hour week shall be granted forty (40) hours of personal business vacation leave annually.

- 21.6 Twenty-four hours / ten hours (24 hrs Shift / 10 hrs Days) of the seventy-two / forty (72/40) hours may be taken at the employee's discretion. Such time must be taken in blocks of eight (8) hours or more. Vacation shall be charged at the applicable overtime rate against the employee's accrued vacation for each hour taken. Discretionary use of personal leave will impact perfect attendance. Employees transferring from days to shifts or vice-versa shall have the bonus prorated for the amount of time spent on shift.

Forty-eight / thirty (48/30) hours of the seventy-two / forty (72/40) hours may be taken for those situations, which require the employee's presence and which cannot be scheduled to another time. Examples include: childcare, business appointments. Recreational or other pleasure activities are not included. The determination of whether the situation qualifies for such leave rests solely with the City. The City may request documentation to support the justification for the use of such leave. Vacation shall be charged for the exact amount of leave used.

Battalion Chiefs not using personal business vacation leave in a calendar year shall receive Twenty-four/Ten (24/10) hours of bonus vacation accrual to be paid cash compensation in lieu of time off.

Eligible employees will be allowed up to twelve (12) weeks of unpaid leave in accordance with the Family Medical Leave Act. The City may require an employee to use any and all accrued leave as part of the FMLA leave. Other State or Federal laws may provide other protected paid or unpaid leave, and the provisions of this section are not intended to expand upon federal or state law.

- 21.6.1 Employees are entitled to receive notice of their eligibility for and right to use various State and Federal leaves. In order to ensure employees receive the required notifications from Human Resources (HR), when employees use paid or unpaid time off for absences due to their own or a family member's illness or injury exceeds three normally scheduled shifts, human resources shall be notified of the absences and anticipated return, if known. Such notification shall be provided by the employee's command staff. Additionally, the employee may choose to notify HR directly.

Employees on non-occupational sick leave for their own illness or injury who choose to utilize State or Federally protected leave concurrent with sick or other paid time off, or as unpaid leave following use of paid time off, shall be subject to the City's requirements for use of that State/Federal leave and associated City policies, to include City requirements for returning to work.

21.7 Jury Duty and Witness Service

An employee who is called for jury duty or is subpoenaed as a witness in a case arising from their City employment, to which the employee is not a party, shall be paid during the absence on account of the jury or witness service. The employee shall endorse to the City any amount of jury or witness fees (exclusive of mileage) the employee is paid.

21.8 Military Leave

Any regular, probationary, or temporary employee who is a member of the State National Guard or a federal reserve military unit shall be entitled to time off in accordance with governing law.

21.9 Vacation Leave Donation/Transfer

The policy of the City is to allow employees to donate vacation leave to co-workers facing personal emergencies who have exhausted all accrued leave.

An employee is eligible for donated vacation leave when 1) they suffered an extraordinary injury or illness (from other than a work-related cause) which exceeds sixty (60) calendar days in duration and has exhausted all applicable accumulated leaves; or 2) when an attending physician determines the presence of an employee is necessary because of an immediate family member's medical condition which exceeds sixty (60) calendar days in duration and the employee has exhausted all other available leaves.

Recipients are limited to receiving two-hundred forty (240) hours of donated leave for any one (1) incident or illness and may not request donated vacation leave more than one (1) time in any concurrent five (5) year period.

An eligible employee requiring use of donated vacation leave shall notify their Human Resources in writing that the use of donated leave is required, explaining and providing written documentation as to the circumstances.

City employees may donate vacation leave to other employees under the following conditions:

- 1) A vacation balance of at least 100 hours is maintained after the transfer, and employees may not donate more than 100 hours per year of their vacation balance.
- 2) Vacation is transferred based on the dollar value of said leave. For example, the requesting employee earns \$10.00 per hour base. The donating employee earns \$20.00 per hour, and wishes to transfer ten (10) hours. As a result, \$200 worth of leave is transferred. The requesting employee will be credited with twenty (20) hours (\$200 divided by \$10/hour).

No City employee may intimidate, threaten or coerce any other employee with respect to donating, receiving or using leave under this program. Only the actual donations needed each pay period will be used by Finance during payroll processing. If the recipient does not use all the leave donations offered by employees, the donation form shall be destroyed by Finance.

ARTICLE ~~23~~22 -- LEAVE CONVERSION AND MAXIMUM USAGE

22.1 Because shift changes are usually accomplished during the first part of the year, Family and Emergency Leave hours shall be restored to the appropriate maximum granted in [Article 22](#) whenever an employee transfers from a 40-hour per week position to a 24-hour shift position, or vice versa.

22.2 Whenever an employee changes from 24-hour shifts to days, Sick Leave and Vacation accrual totals shall be multiplied by 0.83088. When changing from days to 24-hour shift, Sick Leave and Vacation shall be multiplied by 1.2035. The multipliers are based on hours worked per week.

The accrual rates shall be changed to reflect the appropriate rate for the position being worked on the last day of each month. Accruals by 40-hour shift employees who then convert to a 24-hour shift shall be managed in accordance with City State Sick Leave policy.

22.3 Leave of Absence Without Pay

A regular full-time employee may be eligible for an unpaid leave of absence up to thirty (30) calendar days with the approval of the Department Director. Prior to requesting such leave, the employee must have exhausted all of the employee's paid leave. During such leave, the employee will be considered to be active at work and entitled to the privileges and benefits as specified by this Agreement. If the employee fails to return from said leave, the employee will be considered as having abandoned the employee's job and be subject to termination.

A regular full-time employee with a minimum of five (5) years of service may be granted an unpaid leave of absence of up to one (1) calendar year with the approval of the City Manager. Prior to requesting such leave, the employee must have exhausted all of the employee's paid leave. During such leave, the employee will not accrue sick leave, vacation leave or any other benefits, and the employee's seniority will be frozen. Upon return from such leave, the employee may be placed in an open position as listed in [Appendix "A"](#) of this Agreement according to the employee's knowledge, skills and abilities. If the employee fails to return from such leave, the employee will be considered as abandoning the employee's job and be subject to termination.

ARTICLE ~~24~~23 -- OVERTIME PAY

23.1 All overtime work for 24-hour shift employees shall be compensated at one and one-half (1.5) times the regular hourly rate of pay, except as provided in Section 24.1.1 and 24.1.2 and subsections thereof.

23.1.1 For bargaining unit members regularly working a 40-hour base week, who are on a scheduled leave or day off and assigned to a shift for overtime, shall be paid at 1.5 times their current rank equivalent for an Operations Division employee's rate of pay (at the appropriate step) calculated on a 2504 scheduled hours work year (48.154 hours per week x 52 weeks per year).

23.12 Classroom time or other related preparation time, outside of normal working hours, for department-*required* training, training related to maintaining EMS, Haz Mat, and TRT certifications as outlined in [Articles 28, 34](#), and [38](#), and training required as part of individual staff assignments (i.e. SCBA Technician, Fire Investigator, SME, etc.) shall be compensated at the employee's regular overtime rate. Course registration, fees, travel, or other related costs are addressed by Department policies.

23.1.2.1 Classroom time or other related preparation time, outside of normal working hours, for training that is not *required* but nonetheless the employee has been approved to attend and is directly related to the employee's current work shall be compensated at the Training Rate of one and one-half (1.5) times the current minimum wage rate. Course registration, fees, travel, or other related costs are addressed by Department policies.

Classroom time or other related preparation time, outside of normal working hours, which is for purposes of promotional preparation, development of skills outside the scope of current work, training that is primarily for the benefit of the employee and not the city, attainment of certifications outside the scope of current work, and formal education (i.e. for-credit college courses) shall be non-compensable. Course registration, fees, travel, or other related costs are addressed by Department policies.

23.1.2.1.1 When registration for an otherwise non-compensable course (as described under 24.1.2.2, above) requires the employee to obtain Richland Fire Department approval in order to attend, the Department's approval shall not be construed so as to change the nature of the course from non-compensable to compensable. The employee's attendance at the course does not constitute a work assignment and is non-compensable.

23.13 When mutually agreed, the City may grant day shift employees (40 hour per week workers) compensatory time off in lieu of overtime pay. Such compensatory time shall be granted at 1-1/2 times overtime hours worked and shall be scheduled for use at a time, which is mutually agreeable to the City and employee. In no event shall compensatory time accrual exceed two hundred (200) hours; and compensatory time shall either be used, or overtime hours be paid at 1-1/2 times the regular hourly rate of pay, within 12 months of when the overtime was performed.

23.14 Minimum overtime pay shall be equivalent to four (4) hours straight pay for all call backs, exception hold over pay.

- 23.2 The parties agree to the current departmental Battalion Chief Overtime Policy, except to the extent it is in conflict with this Article.
- 23.3 In the absence of the Operations Battalion Chief scheduled to be on duty, resultant overtime shall first be offered to a qualified Battalion Chief at the Shift Battalion Chief overtime rate listed in Section 24.1. If a qualified Battalion Chief does not fill the position, then a qualified member of the Firefighters' (Rank and File) bargaining unit may fill the position.
- 23.3.1 The requisite demonstrated task proficiencies for department members to perform as Operations Battalion Chief is described in the Battalion Chief: Performance Proficiency Tasks Policy. This policy will detail the requirements to be "qualified".
- 23.3.2 The terms, conditions, and mechanisms for calling in and documenting Battalion Chiefs' overtime is described in the Battalion Chief Overtime Policy.

ARTICLE ~~24~~²⁴²⁵ – INSURANCE

24.1 Health Insurance

~~The City and employee as represented by IAFF Local 1052-BC shall share the cost for health insurance coverage for employees and their dependents.~~

24.1.1 The City and employee as represented by IAFF Local 1052-BC shall share the cost for health insurance coverage for employees and their dependents. Employees are responsible for 12% and the City is responsible for 88% of the insurance plan premium. Employee health insurance coverage will be provided through LEOFF Health and Welfare Trust Plan B.

~~24.1.1 During the term of this agreement, unless otherwise indicated per Appendix "B", the employee shall contribute 1.75% of "F" step rate of firefighter/EMT monthly base salary towards the cost of the LEOFF Health and Welfare Trust Plan B.~~

24.1.2 In conjunction with the IAFF members transfer to the LEOFF Trust Plan, an individual Health Reimbursement ~~Account Arrangement~~ ("HRA") shall be established by the parties' mutual agreement. The City will establish a Voluntary Benefit Association Trust (VEBA) account for all employees. Annual contributions will be prorated and contributed monthly by the City for each bargaining unit member as follows:

- a) An HRA annual contribution in the amount of \$~~4,000~~^{4,500.00} will be made by the City for each member with dependent(s), \$~~2,000~~^{2,250.00} contributed for each member without dependents. HRA set up and annual fees shall be paid by the City, not to include an HRA debit card, which shall be borne by the employee. The HRA contributions will be prorated for all future members hired or terminated during the term of this agreement.

~~24.1.3 At the end of each annual claim submission period, excess monies in each HRA account will roll into an individual Health Savings Account ("HSA")/Voluntary Employee Benefit Association ("VEBA") account. All fees associated with said~~

~~HSA/VEBA will be at the expense of the member.~~

24.2 Dental Plan

The City will pay for a dental plan which covers the employee and all of the employee's eligible dependents.

24.3 Vision Plan

Vision benefits are included through the LEOFF Health and Welfare Trust ~~6B-Plan B. The cost of the City's vision insurance plan will be part of the cost of medical coverage used in Appendix "B".~~

24.4 Life and Accidental Death & Dismemberment Insurance

The City will maintain basic Life and Accidental Death & Dismemberment ("AD&D") policies which provide an employee death benefit equal to two (2) times an employee's annual base salary, and a nominal basic life insurance benefit for spouse and child/ren. The City shall offer an employee paid supplemental life and AD&D benefit.

24.5 Post-Employment Health Program

During discussions for contracts effective in 2003, the City offered all bargaining units an irrevocable and one time opportunity to fund a post-employment health program. In lieu of participation and the long term funding requirements for this new benefit program, IAFF Local 1052 elected to take additional wages. As a result, it is understood that IAFF Local 1052 members are not, nor shall at any time in the future be, eligible to participate in the City's post-employment health benefit program.

ARTICLE ~~25~~26 – PRODUCTIVITY

- ~~25~~6.1 The City and the Union shall work together to meet the production requirements of the Fire & Emergency Services Department to provide the public with efficient and courteous service, to encourage good attendance of employees on regular duty; and to promote a climate of labor relations that will aid in achieving a high level of efficiency in the Department.

ARTICLE ~~26~~27 -- NOTIFICATION OF ABSENCE

- 26.1 Employees not able to report for duty at the beginning of a scheduled shift or shifts for reasons of sickness, disability, or other unscheduled absence causes, shall notify the on-duty shift supervisor prior to 0700 on the date of the scheduled work shift or shifts.
- 26.2 Employees may be excused from multiple notifications if the absence is known or expected to extend beyond the initial shift. Should circumstances preclude or inhibit an employee's ability to make notification of absence prior to 0700, the employee shall make such notification as soon as reasonably possible to do so.

- 26.3 40-hour week employees not able to report for duty at the beginning of a scheduled shift for reasons of sickness, disability, or other unscheduled absence causes shall, prior to 07:00, notify the Chief or their designee by phone (cellphone). Should circumstances preclude or inhibit an employee's ability to make notification of absence prior to 0700, the employee shall make such notification as soon as reasonably possible to do so.

ARTICLE ~~2728~~ -- MEDICAL CERTIFICATION/RECERTIFICATION AND TRAINING

The current employees with paramedic certification will continue to receive paramedic pay consistent with [Appendix "A"](#), provided the employees maintain proper certification.

The City shall pay off-duty paramedics and paramedic students overtime to attend live Ongoing Training and Education Program ("OTEP") and Medical Program Director ("MPD") meetings up to a maximum of eighteen (18) annually. Paramedics shall be paid for required training to maintain certifications (ACLS, PALS, Comprehensive Airway Management, and Advanced Airway Course).

ARTICLE ~~2928~~ -- TERMS OF SUCCESSORSHIP

- ~~289.1~~ This Agreement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms, or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by the consolidation, merger, annexation, transfer, or assignment of either party hereto; or affected, modification, altered, or changed in any respect whatsoever by any change of any kind of the ownership or management of either party hereto; or by the change geographically or otherwise in the location or place of business of either party hereto.

ARTICLE ~~2930~~ -- PROBATIONARY PERIOD

- ~~2930.1~~ Newly promoted Battalion Chiefs shall serve a twelve (12) continuous month probationary period. If the six (6) month appraisal is satisfactory, the officer will receive a merit increase to the next higher step. Probationary employees who take any type of continuous paid or unpaid leave greater than ninety (90) calendar days during their probationary period shall have their probation extended for the same number of calendar days the employee was on leave, for each 90-day or greater leave period.

ARTICLE ~~3031~~ -- TERM OF AGREEMENT

- ~~301.1~~ This Agreement shall be for a term of one year commencing January 1, ~~2026~~~~2023~~, through December 31, ~~2025~~~~2028~~.

ARTICLE ~~3132~~ -- SAVINGS CLAUSE

- ~~312.1~~ If any provision of this Agreement or the application of such provision should be rendered or declared invalid by any court action or by reason of any existing or subsequently enacted legislation, the remaining parts or portion of this Agreement shall remain in full force and

effect.

ARTICLE ~~33~~32 -- LONGEVITY PAY

- ~~3332~~.1 Members of the bargaining unit that have completed twenty-five (25) years of service with the City shall receive longevity pay equal to five percent (5%) of their base pay.

ARTICLE ~~3334~~ -- HAZARDOUS MATERIALS TEAM

The City agrees to pay for one (1) bargaining unit member specialty pay for leadership on the Tri-County Hazardous Materials Response Team ("HMRT"). Such pay shall be equal to three and one-half percent (3.5%) of top step Firefighter pay per month starting the date the Director assigns the BC to the HMRT team. The BC shall play a leadership, liaison, and coordinator role on the team, though may elect to participate in various training required of regular team members selected from the Rank and File Unit.

- 331 When there is no BC member on the HMRT, the City shall post a notification of an opening for a period of two (2) weeks (14 calendar days). A BC shall be selected from applications received by the Director, who shall determine the manner of the application and related materials to be submitted. Selection of a Battalion Chief shall be at the sole discretion of the Director.
- 332 The selected BC shall remain on the HMRT for a minimum of two (2) years. The BC may be removed from the team if a problem or condition occurs, at the discretion of the Director. A BC may resign from the team prior to two years of membership by notifying the Director in writing. Should the City withdraw from participation on the HMRT and cease to provide that service, then the BC shall cease to receive the additional pay for membership on this team.
- 333 Off-duty BC team members shall be paid at their regular overtime rate of pay for the following items:
- a) All emergency response time;
 - b) Required HMRT meetings;
 - c) All required training time (drills and classes).

An on-duty BC of the HRMT shall be replaced as needed for required meetings and required training. Said training and meetings shall not impact other BC bargaining unit member's rights to use their leaves (including moving of Kelly Days).

- 334 The responsibility and authority for the operation of the HMRT, including policies and procedures, rests solely with the Board of Directors.

- 335 If significant changes to the related conditions or procedures are proposed or enacted, this Article will be reopened at the request of either the City or the Union to negotiate the impact of such changes.

ARTICLE ~~34~~~~35~~ -- AGREEMENT TO BARGAIN

- ~~34~~~~5~~.1 Nothing in this agreement is to be considered as a waiver by the Union of their rights to request and require bargaining on any changes initiated by the Employer, which impact hours, wages, or working conditions.

ARTICLE ~~35~~~~36~~ -- GROOMING STANDARDS

- ~~35~~~~6~~.1 The uniformed members of the Richland Fire & Emergency Services Department will maintain a standard of grooming and a reasonable uniformity of appearance, as defined in the Department policy. The policy addresses both safety standards as well as ensuring employees impart to the public we serve an image of competence, efficiency and pride in the City and the Department. The policy shall ensure employees are groomed in such a way as to inspire confidence by the public.

ARTICLE ~~36~~~~37~~ -- DRUG & ALCOHOL TESTING POLICY

- 36.1 Reporting to work under the influence of alcohol and/or illegal drugs, or the use, sale, or possession by an employee of illegal drugs is strictly prohibited and may result in disciplinary action, including immediate termination.

Each employee must advise the City if they are using prescription or other over-the-counter drugs they know or reasonably should know may impair their ability to perform job functions and/or operate machinery such as automobiles. Under appropriate circumstances the City may request the employee provide written medical authorization to perform various essential job functions from a physician while using such drugs.

The City recognizes a need to provide an opportunity for employees to deal with alcohol related problems through employee assistance programs. Any employee who voluntarily seeks treatment for a personal alcohol problem or for a substance abuse disorder, not involving criminal conduct, may do so through employee assistance programs of the employee's own choosing in complete confidence and without jeopardizing the employee's employment with the City.

Such voluntary action must be done prior to any act or reasonable suspicion that would result in being asked to submit to discovery testing and/or disciplinary action.

It is understood between the parties that the disciplinary action referred to here in Section 37.1 of the Collective Bargaining Agreement may be termination of employment if, through the commitment of such an act as described in this Article, results in personal injury or death of a City employee or member of the general public; destruction of or damage to City

equipment or property; destruction of or damage to public or private property. Other such infractions as covered by this Article shall be dealt with in accordance with their merits.

Where a supervisory employee of the City has a reasonable suspicion to believe an employee is under the influence of alcohol or illegal drugs, or is using illegal drugs, the employee in question will be asked to submit to discovery testing including, breath tests, urinalysis and/or a blood screen to identify any involvement with alcohol or illegal drugs.

An employee who refuses to submit to discovery testing for alcohol and/or illegal drugs shall be presumed to be under the influence of alcohol or an illegal drug for the purpose of administering this Article.

36.2 For the purpose of administering this Article the following definition of terms is provided:

Reasonable Suspicion:

Reasonable Suspicion is based on specific objective facts and reasonable inferences from those facts in the light of experience, that discovery testing will produce evidence of illegal drug or improper alcohol use by that particular employee.

Under the influence - The following cutoff levels shall be used for the initial screening of specimens to determine whether they are negative for these drugs or classes of drugs. All cutoff concentrations are expressed in nanograms per milliliter (ng/mL).

DEPARTMENT OF TRANSPORTATION STANDARDS - 49 CFR PART 40 §40.87		
Type of Drug or Metabolite	Initial Test	Confirmation Test
Marijuana metabolites Delta-9-tetrahydrocannabinol-9-carboxylic acid (TCHA)	50	15
Cocaine metabolites Benzoylcegonine	150	100
Opiate metabolites Codeine/Morphine Codeine Morphine	2000	2000 2000
6-Acetylmorphine	10	10
Phencyclidine (PCP)	25	25
Amphetamines – AMP/MAMP Amphetamine (AMP) Methamphetamine (MAMP)	500	250 250 (specimen must also contain at least 100 ng/ML of amphetamine)

Methylenedioxymethamphetamine (MDMA)	500	
Methylenedioxyamphetamine (MDA)		250
Methylenedioxyethylamphetamine (MDEA)		250

Level of the positive result for ethyl alcohol 0.04 gr/dl

Illegal Drugs - are defined as all forms of narcotics, depressants, stimulants, hallucinogens, and cannabis, which sale, purchase, transfer, or unauthorized use or possession is prohibited by law.

Over-the-Counter Drugs - are those which are generally available without a prescription and are limited to those drugs which are capable of impairing the judgment of an employee to safely perform the employee's duties.

Prescription Drugs - are defined as those drugs, which are used in the course of medical treatment and have been prescribed and authorized for use by a licensed practitioner/physician or dentist.

36.3 If an employee is required to submit to a drug test, the following procedure shall be followed:

- 1) The employee shall be given an opportunity to confer with a Union representative if one is readily available and the employee has requested said conference.
- 2) The employee shall be given an opportunity to explain the reasons for the employee's condition, such as reaction to a prescribed drug, fatigue, exposure to toxic substances, or any other reasons known to employee to the test administrator. The City and a Union representative may be present during this discussion.
- 3) The City may request urine and/or blood samples.
- 4) Urine and blood samples shall be collected at a local laboratory, hospital or medical facility. The City shall transport the employee to the collection site. The City and/or Union representative may be allowed to accompany the employee to the collection site and observe the bottling and sealing of the specimen. The employee shall not be observed by the City when the urine specimen is given.
- 5) All specimen containers and vials and bags used to transport the specimen shall be sealed to safeguard their integrity, in the presence of the City, employee and the Union representative and proper chain-of-custody procedures shall be followed.
- 6) The drug tests of the specimen shall be conducted by the PAML Laboratory in Spokane, Washington.
- 7) If a specimen tests positive in an immunoassay screen test, the results must be confirmed

by a gas chromatography/mass spectrometry tests. The specimen must show positive results on the GC/MS (gas chromatography/mass spectrometry) confirmatory test to be considered positive.

- 8) At the employee's or the Union's option, a sample of the specimen may be requisitioned and sent to a laboratory chosen by the Union for testing. The cost of this test will be paid by the Union or the employee. Failure to exercise this option may not be considered as evidence in an arbitration or other proceeding concerning the drug test or its consequences. The results of this second test shall be provided to the City.
 - 9) The City, the employee and the Union shall be informed of the results of all tests, and provided with all documentation regarding the tests as soon as the test results are available by the Medical Review Officer (MRO).
- 36.4 The Medical Review Officer shall be chosen and agreed upon between the City and the Union. The role of the MRO will be to review, interpret and confirm positive test results and communicate the results as previously specified. The MRO shall review all pertinent medical records made available by the tested employee when a confirmed positive test could have resulted from legally prescribed medication.
- 36.5 If the results of the drug test are positive, and support a conclusion that the employee used an illegal drug, or reported to work while under the influence of alcohol, the employee may be subject to discipline including immediate discharge.
- 36.6 The employee has the right to challenge any discipline imposed in the same manner that the employee may grieve another Employee action.
- 36.7 Changes to this Article regarding applicable statutes and DOT standards pertaining to substance abuse and a drug free workplace will be addressed in labor management.

ARTICLE ~~37~~38 -- TECHNICAL RESCUE TEAM

- 37.1 The City agrees to pay specialty pay for one (1) bargaining unit member's participation on the Technical Rescue Team ("TRT"). Such pay shall be equal to three and one-half percent (3.5%) of top step Firefighter pay per month. The Director assigns the BC to the TRT. The BC shall play a leadership, liaison, and coordinator role on the team, though may elect to participate in various training required of regular team members.
- 37.2 When there is no BC member on the TRT, the City shall post an opening for a minimum of two weeks (fourteen (14) calendar days). A BC shall be selected from applications received by the Director. Selection of a BC shall be at the sole discretion of the Director.
- 37.3 The selected BC shall remain on the TRT for a minimum of two (2) years. The BC may be removed from the team if a problem or condition occurs, at the discretion of the Director.

37.4 A BC may resign from the TRT prior to two (2) years of membership by notifying the Director in writing. Should the City withdraw from participation in the TRT and cease to provide that service, then the BC shall cease to receive the additional pay for membership on this team.

37.5 Off-duty BC team members shall be paid at their regular overtime rate of pay for the following items:

- a) All emergency response time;
- b) Required TRT meetings;
- c) All required training time (drills and classes).

An on-duty BC of the TRT shall be replaced as needed for required meetings and required training. Said training and meetings shall not impact other bargaining unit member's rights to use their leaves (including moving of Kelly Days).

37.6 TRT operational and training policies and procedures will be developed by the Department with input from TRT members.

37.7 The BC on the TRT shall instruct non team member BCs on technical rescue issues on an as needed basis. Should this occur off duty then the team member shall be compensated at the applicable overtime rate.

ARTICLE ~~3839~~ -- DEFERRED COMPENSATION

In accordance with the City's plan document and limitations of federal law, regular full and part-time employees are eligible to voluntarily participate in the City's Internal Revenue Code ("IRC") Section 457 plan or the IAFF-FF Section 457 plan.

The City shall match employee contributions in deferred compensation up to four percent (4%) of the rate of pay of the Battalion Chief or based on Appendix "A" only for the first fifteen (15) years of continuous City service. After fifteen (15) years of service, the City shall continue to pay the four percent (4%) to deferred compensation with no match required from the employee.

Employees may select either the City's 457 plan or the IAFF-FC Section 457 plan during the City's open enrollment period each year.

ARTICLE ~~3940~~ -- WSCFF MEDICAL EXPENSE REIMBURSEMENT PLAN

~~3940~~.1 The City shall contribute \$75 per month, per BC bargaining unit member to the Washington State Council of Firefighters Medical Expense Reimbursement Plan ("MERP").

~~3940~~.2 The Union and the Employees agree to hold the Employer harmless and indemnify the Employer from any and all liability, claims, demands, lawsuits, and/or losses, damage, or injury to persons or property, of whatsoever kind, arising from and in any way related to

the implementation and administration of the MERP. The Union and Employees, shall be one hundred percent (100%) liable for any and all liabilities inclusive of any federal, state, or local agency determination regarding any liabilities that arise out of the MERP. The Union and Employees shall be liable for any and all tax penalties, as well as any other liabilities arising out of the implementation and administration of the MERP.

~~3940~~.3 Under no circumstances whatsoever will the Employer be liable for direct pay any MERP benefit to the employees and/or retired employees and/or their beneficiaries.

ARTICLE ~~4041~~ -- PERSONNEL RECORDS

Human Resources shall maintain a complete personnel file on each employee. Employees may review this file by setting up an appointment with a member of the Human Resources staff.

ARTICLE ~~4142~~ -- WELLNESS/FITNESS PROGRAM

The City and Union agree to work toward a Wellness/Fitness Program with the IAFF/IAFC Initiative being the template and ultimate goal.

The parties have executed this Agreement as their free and voluntary act on the dates below.

~~IN WITNESS THEREOF, the parties hereto have set their hands this _____ day of October, 2025.~~

CITY OF RICHLAND, WA

INTERNATIONAL ASSOCIATION OF
FIREFIGHTERS, Local #1052

Jon Amundson, ICMA-CM Date
City Manager

Chris Denney Date
President, IAFF Local #1052

Tom Huntington Date
Fire Chief

Matthew Jubb Date
Secretary, IAFF Local #1052

Lacey Paulsen Date
Human Resources Director

ATTEST:

Jennifer Rogers Date
City Clerk

APPROVED AS TO FORM:

Heather Kintzley Date
City Attorney

APPENDIX A
2023-2025 CLASSIFICATIONS & WAGES

Effective ~~the 1st payroll period of the 2023 payroll year (December 19, 2022)~~ January 1, 2026, the wage/steps of Battalion Chiefs, and thus their wage schedule, shall be increased ~~by 3.0% to the amounts that are set forth below,~~ so that the differential between the base wages/steps of BC-EMT's and Capt.-EMT's shall be 11.5%

<u>Position</u>	<u>E</u>		<u>F</u>	
	<u>Hourly</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Monthly</u>
<u>Battalion Chief (24 hour)</u>	<u>\$58.1356</u>	<u>\$12,130.97</u>	<u>\$60.7425</u>	<u>\$12,674.95</u>
<u>Battalion Chief (40 hour)</u>	<u>\$76.9850</u>	<u>\$13,344.06</u>	<u>\$80.4372</u>	<u>\$13,942.44</u>

Effective ~~the 1st payroll period of the 2024 payroll year (December 18, 2023)~~ January 1, 2027, the base wages/steps of Battalion Chiefs shall be increased by ~~3.0%~~ 4.0% in order to maintain an 11.5% differential with the base wages/steps of Capt. EMT's.

<u>Position</u>	<u>E</u>		<u>F</u>	
	<u>Hourly</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Monthly</u>
<u>Battalion Chief (24 hour)</u>	<u>\$59.8802</u>	<u>\$12,494.99</u>	<u>\$62.5661</u>	<u>\$13,055.45</u>
<u>Battalion Chief (40 hour)</u>	<u>\$79.2951</u>	<u>\$13,744.49</u>	<u>\$82.8519</u>	<u>\$14,361.00</u>

Effective ~~July 1, 2024,~~ January 1, 2028 the base wages/steps of Battalion Chiefs shall be increased by ~~3.0%~~ 1.0% in order to maintain an 11.5% differential with the base wages/steps of Capt. EMT's.

edu

<u>Position</u>	<u>E</u>		<u>F</u>	
	<u>Hourly</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Monthly</u>
<u>Battalion Chief (24 hour)</u>	<u>\$61.6774</u>	<u>\$12,870.01</u>	<u>\$64.4423</u>	<u>\$13,446.95</u>
<u>Battalion Chief (40 hour)</u>	<u>\$81.6751</u>	<u>\$14,157.01</u>	<u>\$85.3364</u>	<u>\$14,791.65</u>

Effective ~~the 1st payroll period of the 2025 payroll year (December 16, 2024),~~ the base wages/steps of Battalion Chiefs shall be increased by 2.5% in order to maintain an 11.5% differential with the base wages/steps of Capt. EMT's.

Position	E	F
Battalion Chief (24 hour)	\$11,587.00	\$12,104.00
Battalion Chief (40 hour)	\$12,746.00	\$13,315.00

Effective July 1, 2025, the base wages/steps of Battalion Chiefs shall be increased by 2.0% in order to maintain an 11.5% differential with the base wages/steps of Capt. EMT's.

Position	E	F
Battalion Chief (24 hour)	\$11,819.00	\$12,346.00
Battalion Chief (40 hour)	\$13,001.00	\$13,581.00

Medical Position Pays:

Paramedic – Add 12% of top Firefighter EMT pay to above rate

DRAFT

APPENDIX B

~~LEOFF TRUST CONTRIBUTION CALCULATIONS~~

~~The Intent of the document is to align the contribution to IAFF R&F/BC employees so that it is comparable to the benefit provided to Police Guild employees.~~

DEFINITIONS

~~**Census Data:** The total annual number of IAFF R&F/BC members as of October 31st of each year, and broken out into tiers, where applicable. Census data will only be calculated annually on October 31st for purpose of this calculation, and we must have the LEOFF Plan B Trust Rates.~~

~~**Maximum Available Benefit:** The maximum contribution the City shall pay for Police Guild employees.~~

~~**Premium (Payroll Contributions):** The final monthly cost an IAFF R&F/BC employee will pay for benefits provided.~~

~~**Total Monthly Benefit Costs:** The combination of City and Trust benefit costs provided to IAFF R&F/BC employees.~~

~~**Tiered Structure:** A tier may be comprised of Employee only or a combination of Employee plus dependents (spouse, child or children).~~

CALCULATION OF PREMIUM

~~For the purpose of calculating LEOFF Trust (Trust) Contributions for IAFF R&F/BC's benefit premiums, the following guidelines will apply:~~

- ~~I. The City of Richland (City), shall determine the annual rates for Police Guild employees, prior to the Open Enrollment period designated by the City.~~
- ~~II. Contributions for IAFF R&F/BC's benefits shall be calculated using the City's Tiered Structure. Due to different tier levels between the City and the Trust, the City shall combine the following Trust Tiers: Employee & Child and Employee & Children, and Employee, Spouse & Child and Employee, Spouse & Children into the comparable City Tier Structure.~~
 - ~~a. Should City Tiers change over time, then the Trust Tiers shall be realigned to the new comparable City Tier Structure for calculation purposes.~~

~~b.—Should the City add an additional plan in which a Police Guild employee could elect, the IAFF R&F/BC's premium calculation will be based on the City's lowest deductible health plan.~~

~~c.—Should the City impose a cost share premium for the dental or vision benefits to Police Guild employees, then the IAFF R&F/BC's premium calculation will also be based on this change.~~

~~III.—The City shall use the census data of IAFF R&F/BC's as of October 31st of each year to determine the following year's premium contribution. Premium contributions shall be determined using the City's Benefit Rate Sheet (Rate Sheet) in use at the time, and based on the following:~~

~~a.—The City shall input the new IAFF R&F/BC's census data into the appropriate Tiers on the Rate Sheet; and~~

~~b.—The City shall input the new monthly City Tiered rates into the Rate Sheet; and~~

~~c.—The City shall calculate the Maximum Available Benefit for IAFF R&F/BC's by multiplying the census data against the monthly City tiered rates for medical and vision; and~~

~~d.—The City shall input the new monthly Plan B Trust Tiered rates provided by the Trust into the Rate Sheet; and~~

~~e.—The City shall calculate the Total Monthly Benefit Costs by aggregating the following:~~

~~i.—Multiply the census data against the monthly Trust rates based on the medical/vision Trust tiers; and~~

~~ii.—Calculate the monthly HRA/VEBA administrative costs; and~~

~~iii.—Calculate the monthly HRA City contributions by tier. If an employee separates City service, the month in which they separate service will be prorated and no additional HRA contributions will be made. Additionally, this will not affect or change the census data; and~~

~~iv.—Deduct the 1.75% F Step contributions.~~

~~f.—The final IAFF R&F/BC's monthly employee premium contribution, shall be calculated annually as follows:~~

~~i.—The City shall take the difference between the Total Monthly Benefit Costs and the Maximum Available Benefit divided by the total number of members in the census data.~~

~~ii.—If the Maximum Available Benefit exceeds the Total Monthly Benefit Costs, the IAFF R&F/BC's monthly employee premiums shall be set at \$0. Any savings illustrated by the annual calculation of costs for the coming year will~~

~~not affect a reduction in contributions. At no time will a credit be paid out to IAFF R&F/BC employees. Additionally, at no time, shall the City pay more contributions to IAFF R&F/BC employees than Police Guild employees.~~

~~iii. The minimum contribution of 1.75% of F Step Firefighter will be added to the premium calculation in 111.f.ii, to determine the final monthly premium for employees with dependents. The final monthly premium for employee w/o dependents will also be calculated from 111.f.ii.~~

~~IV. IAFF R&F/BC employee premiums will be divided and deducted from their paychecks on the first and second payroll periods of the month. No premiums will be deducted from the third paycheck in months in which there are three payroll periods.~~

~~V. If the Police Guild transitions away from the City's offered insurance option(s), the City and the Union will open the Agreement to bargain the terms in this Appendix, including other potential comparator bargaining unit(s).~~

SAMPLE			
COMPARATIVE COST EQUATION VS. LEOFF TRUST COST			
FOR 2023 Based on 2022 Contract & MOU			
Data is based on 10/28/22 Census, 2022 F Step rate,			
and LEOFF Trust rate increase of 1.5%			
2023 CITY PREMIUM CONTRIBUTIONS (POLICE GUILD)	CITY TIERED RATES	CENSUS	MONTHLY TOTALS
EE Only	\$1,074.09	8	\$8,592.72
EE Plus Spouse	\$1,589.84	15	\$23,847.60
EE Plus Child / Children	\$1,397.26	3	\$4,191.78
EE Plus Spouse Plus Child / Children	\$1,944.55	47	\$91,393.85
		SUB TOTAL	\$128,025.95
Monthly Vision Costs	\$20.91	73	\$1,526.43
		TOTAL	\$129,552.38
LEOFF TRUST PREMIUM 2023 - RENEWAL RATES Change in rates from 2022 (1.5%)	TRUST TIERED RATES	CENSUS	MONTHLY TOTALS
Employee, Spouse, Child	\$1,894.52	16	\$30,312.32
Employee, Spouse, Children	\$2,120.02	31	\$65,720.62
Employee only	\$687.89	8	\$5,503.12
Employee plus Spouse	\$1,465.98	15	\$21,989.70
Employee plus Child	\$1,116.43	2	\$2,232.86
Employee plus Children	\$1,341.94	1	\$1,341.94
			\$127,100.56
CITY CONTRIBUTIONS TO HRA		CENSUS	
HRA Renewal Admin Cost \$250.00/12	\$20.83		\$20.83
Plus HRA Monthly Admin	\$5.25 pppm	73	\$383.25
Plus HRA Monthly Contribution by City			
EE Only \$2250.00 / 12	\$187.50	8	\$1,500.00
EE Plus Family \$4500.00 / 12	\$375.00	65	\$24,375.00
SUB TOTAL			\$153,379.64
EMPLOYEE CONTRIBUTIONS PER CBA		CENSUS	
Employee Only Tier (no additional contribution)	\$0.00	8	\$0.00
Employee + Dependents contribute 1.75% of 2022 F Step (2022 F Step = \$7,518 per month*)	\$131.57	65	\$8,552.05
MAXIMUM AVAILABLE BENEFIT MONTHLY (ABOVE)			\$129,552.38
TOTAL MONTHLY BENEFIT COSTS (ABOVE)			\$144,827.59
DIFFERENCE THAT ALL EMPLOYEES MUST SHARE	(Divided by 73)	\$209.25	\$15,275.21
MAXIMUM AVAILABLE BENEFIT ANNUALIZED			\$1,554,628.56
TOTAL MONTHLY BENEFIT COSTS ANNUALIZED			\$1,737,931.08
ANNUAL DIFFERENCE THAT ALL EMPLOYEES MUST SHARE			\$183,302.52
	Additional per EE per Month		\$209.25
	divided by 4 payrolls		\$52.31
Rounded for Each payroll Contribution 2023 No Dependents	\$104.62		\$209.25
*Rounded for Each payroll Contribution 2023 W/Dependents	\$170.41		\$340.82
<i>(With Dependents rate includes 1.75% of F step)</i>			

APPENDIX BC

IAFF MOA#: 2018-01-IAFF BC

Memorandum of Agreement

Restructure of Bargaining Unit Work and Fire Department Personnel Structure

May 8, 2018

Updated November 23, 2021

The Richland Fire & Emergency Services Department ("RFD") projects continued growth necessary to serve our community over the next five (5) years and beyond. This growth potentially results in additional fire stations, greater operational leadership need, and other transitions. Also, the current Battalion Chiefs ("BCs") are all within a narrow window of projected retirements, which would result in the need for an entirely new BC team. Combined, these circumstances create the ideal opportunity to examine a restructure of RFD to maximize the effective of administrative work currently performed by BCs.

The parties recognize that transitioning bargaining unit administrative work to management is a mandatory subject of bargaining. Historically, a substantial portion of the BC unit's administrative duties were performed by unaffiliated City employees. When those unaffiliated position vacancies were not filled due to a planned restructure, the administrative work shifted to BCs. City may choose to restructure the Department to add future unaffiliated leadership position(s), and the City desires to move certain administrative work currently performed by BCs to unaffiliated management.

This MOA fully addresses the decision, impacts and effects of the unit's loss of such administrative work for the existing BCs. As identified below, the existing BCs shall receive the benefits identified herein beginning January 1, 2018, until otherwise negotiated by the parties.

During the period of this MOA, the City may choose to allow BCs, on a non-precedence-setting basis, to continue to perform the administrative work that has been assigned to management through this MOA. The City's decision to assign BCs to perform this administrative work after execution of this MOA shall rest solely and unilaterally with management, whether or not the City independently and unilaterally decides to implement changes in departmental structure creating unaffiliated leadership personnel.

Key Understandings and Parameters

1. All restructure changes are the sole and unilateral decision of the City, except transferring unit administrative work from BCs to unaffiliated position(s). It is recognized by the parties

that the City will likely need one additional FTE in a leadership role. The intent of this MOA is to add that position to unaffiliated management personnel.

Based on current workloads, there are currently no plans for reducing the number of Unit members (currently at five (5) Battalion Chiefs). It is also understood that no guarantees of future staff levels are being made through this MOA.

2. Should the City choose to employ unaffiliated management-level personnel, they will assume work of multiple areas of work currently recognized by the parties as part of Unit administrative duties, examples of which are listed below. This enables the BCs to focus more on operational matters, while remaining involved in some aspects of the administrative duties, including at the level of operational impact.
3. BC work that shall be reassigned to management includes but is not limited to:
 - a) Fire Marshal duties – it is understood that the unit will retain the Fire Marshal title and duties, and unaffiliated personnel may perform some or all of the duties without grievance or Unfair Labor Practice Charge. Oversight of the Fire Marshal shall remain outside the Unit, and it is understood that, for practical purposes, members of the Unit shall perform much of the Fire Marshal work (investigations, inspections, etc.). Further, it is understood that Rank and File personnel perform certain Fire Marshal duties, and is not impacted in any way by the transfer of work from the Unit (BCs) to management.
 - b) Oversight of the selection / assessment processes for department vacancies and special teams.
 - c) Labor relations including grievance management at the direction of the Director.
 - d) Oversight of performance management and disciplinary matters; oversight of investigations; maintenance and updating of personnel policies.
 - e) Acting Fire Chief.
 - f) Incident Command System responsibilities.
 - g) Public relations and community outreach.
 - h) Partnership and coordination with other emergency agencies related to emergency response plans.

- i) Organizational development; training and leadership development of command staff; general oversight of the training and development programs of other RFD staff.
 - j) Develop and participation in Annual Budget and Capital planning.
 - k) Analyze existing facilities, equipment and other resources and make recommendations related to long-term planning.
 - l) Liaison with other City departments, including Police, Finance, and other internal partners.
 - m) Oversight of various special projects.
4. Work in the above areas is hereafter defined, by this MOA, as unaffiliated management work. The performance of such work by individual(s) not represented by the IAFF shall not result in a grievance or an Unfair Labor Practice charge.
5. It is understood and agreed by both parties that if BCs are delegated work or participate in the execution of the above work, such work does not become work of the bargaining unit, and each instance of BCs performing such work is non-precedence setting.

Benefits in Consideration for the Transition of Work to Management

In consideration of the above transition, the Unit members shall receive the following, to be defined by the CBA, unless and until the benefits are otherwise negotiated:

Sick Leave Annual Cash Out funding VEBA Contribution

All BCs are required to participate in the annual cash out of sick leave as follows:

- i. Every December or upon retirement/separation from employment, within a payroll period defined by management, those BCs assigned to a 24-hour Shift during the designated pay period, and who have a Sick Leave balance of over 1440 hours, shall sell back 50% of the hours over 1440, to a maximum of 150 hours, which shall be placed in the members' established VEBA account.
- ii. Every December or upon retirement/separation from employment, within a payroll period defined by management, those BCs assigned to a Day Shift during the designated pay period, and who have a Sick Leave balance of over 1196 hours, shall sell back 50% of the hours over 1196, to a maximum

of 124 hours, which shall be placed in the members' established VEBA account.

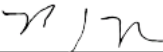
- iii. The above maximum hours presumes the conversion method identified in Section 23.2 has been applied.
- iv. No individual elections or opt-outs are allowed.

For the City of Richland:

For the IAFF, Local No. 1052:



Jon Amundson, ICMA-CM Date
Interim City Manager



Ryan Nielsen Date
President, IAFF Local #1052



Tom Huntington Date
Fire Chief



Timothy Birch Date
Secretary-Treasurer, IAFF Local #1052



Lacey Paulsen Date
Human Resources Manager

OK

APPENDIX ~~CD~~

PREMIUM PAY

Additional Monthly Pay Per Certification:

EMT with IV Endorsement 1.0% x F Step Firefighter

AEMT 2.0% x F Step Firefighter

DRAFT

APPENDIX ~~DE~~

MEMORANDUM OF UNDERSTANDING

Between

The City of Richland

And

The International Association of Firefighters Local 1052 Battalion Chiefs

TOBACCO-FREE WORKPLACE

The International Association of Firefighters Local 1052 ("Union") enter into this Memorandum of Understanding (MOU). The City and Union are referred to herein as the "parties." The parties acknowledge the benefits of a tobacco-free workplace for overall employee health and wellness. The parties also acknowledge Unit employees were historically permitted to use non-atomizing, smokeless tobacco products ("Products"). Recognizing the need to transition over time to a completely tobacco-free workplace, the parties wish to enter into this MOU to aid in such efforts for employees hired by the City before January 1, 2023 ("Eligible Employees").

The parties agree to the following terms and conditions:

1. The use of tobacco products in City-owned or -operated facilities and vehicles shall be governed by Richland Municipal Code Sections 2.58.010 through 2.58.060, as amended, provided that restrictions in the City Code do not apply to the use of Products for Eligible Employees. Eligible Employees must supply and maintain appropriate receptacles to dispose of such Product waste.
2. The parties shall review this MOU during negotiations for each successor Collective Bargaining Agreement to determine if this MOU shall end or be extended in writing.
3. The terms of this MOU only apply to Eligible Employees.
4. Unit employees hired on or after January 1, 2023, must fully comply with the Richland Municipal Code Sections 2.58.010 through 2.58.060, as amended.
5. This MOU may be modified by the parties' mutual agreement in writing.
6. This MOU is effective upon full execution.

Signature page to follow

The parties have executed this MOU as their free and voluntary act on the dates below.

Dated this ____ day of _____, 2025.

City of Richland:

IAFF Local 1052:

Jon Amundson, ICMA-CM, City Manager

Chris Denney, President, IAFF Local 1052

Tom Huntington, Fire Chief

Matt Jubb, Secretary, IAFF Local 1052

Lacey Paulsen, Human Resources Director

DRAFT



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Items of Business

Strategic Priority 1 - High Performance Government

Strategic Priority 2 - Financial Sustainability

Subject

Resolution No. 2025-154, Approving the 2026-2028 Collective Bargaining Agreement with the International Association of Firefighters Union Local 1052 - Rank & File

Department/Office

Human Resources

Ordinance/Resolution Number

2025-154

Document Type

Resolution

Recommended Motion

Adopt Resolution No. 2025-154, approving the 2026-2028 Collective Bargaining Agreement with the International Association of Firefighters Union Local 1052 - Rank & File, and authorizing the City Manager to execute documents related thereto.

Summary

In July 2025, the City commenced negotiations with the International Association of Firefighters, Local 1052 - Rank & File (IAFF-RF), to establish a successor collective bargaining agreement. The IAFF-RF represents approximately 75 employees within the Richland Fire & Emergency Services Department.

Following four bargaining sessions, the parties reached a tentative agreement on October 27, 2025. IAFF-RF members ratified the agreement on November 13, 2025. The proposed contract meets the parameters established by the Richland City Council and includes the following key provisions:

- Term: Three-year agreement effective January 1, 2026 through December 31, 2028.
- Wages: 2026: 3.0% increase (2.1% COLA, 0.9% market adjustment); 2027: 3.0% COLA increase; and 2028: 3.0% COLA increase.
- Health and Welfare Insurance: Establishes a new premium-sharing model under which members contribute 12% of the LEOFF plan premium and the City contributes 88%. This approach replaces legacy calculation methods in Appendix C and aligns the bargaining unit with the premium-sharing structure applied to all city employees.
- HRA VEBA: For members enrolled in the high-deductible LEOFF health plan, the City will contribute \$2,000 annually for employee-only coverage and \$4,000 annually for employee-plus-dependents coverage.
- Kelly Days: Beginning October 2026, Kelly days will be hard-scheduled at one per employee per FLSA pay cycle to support policy development and full implementation in 2027. The Union will withdraw the "7th member off" grievance previously certified for interest arbitration.
- Contract Language Updates: General clean-up and clarifications as reflected in the attached redlined agreement.

A public hearing was held on December 2, 2025 in accordance with Article VI, Section 6.03 of the Richland City Charter.

Staff recommends adoption of Resolution No. 2025-154.

Fiscal Impact

Terms of the proposed agreement are within the City Council's collective bargaining parameters and the City's 2026 Budget.

Attachments

1. Resolution No. 2025-154
2. Proposed 2026-2028 IAFF R&F Collective Bargaining Agreement

RESOLUTION NO. 2025-154

**A RESOLUTION OF THE CITY OF RICHLAND, WASHINGTON,
APPROVING THE 2026-2028 COLLECTIVE BARGAINING
AGREEMENT WITH THE INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS UNION LOCAL NO. 1052 – RANK & FILE.**

WHEREAS, the Richland City Council desires to attract and retain qualified employees and maintain harmonious relations between the City and the International Association of Fire Fighters Union Local No. 1052 – Rank & File (IAFF-RF); and

WHEREAS, the existing Collective Bargaining Agreement between the City and the IAFF-RF expires on December 31, 2025; and

WHEREAS, certain amendments to wages, benefits, and other terms and conditions of employment are warranted based on market considerations and result from voluntary agreement reached during negotiations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Richland that the 2026-2028 Collective Bargaining Agreement with the International Association of Fire Fighters Local No. 1052 – Rank & File is hereby approved.

BE IT FURTHER RESOLVED that the City Manager is authorized to sign and execute the Collective Bargaining Agreement on behalf of the City.

BE IT FURTHER RESOLVED that the City Manager or designee is authorized to enter into periodic memorandums of understanding with the IAFF-RF for operational or administrative purposes during the term of the 2026-2028 Collective Bargaining Agreement.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

ADOPTED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

AGREEMENT BETWEEN

CITY OF RICHLAND

AND

**INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS UNION
RANK AND FILE, LOCAL #1052**

~~2023-2025~~2026-2028

January 1, 20263 – December 31, 20285

Resolution No. ~~2023-121~~, Contract No. _____



TABLE OF CONTENTS

ARTICLE 1 -- RECOGNITION.....	1
ARTICLE 2 -- NON-DISCRIMINATION.....	1
ARTICLE 3 -- UNION SECURITY AND PAYROLL DEDUCTION.....	2
ARTICLE 4 -- UNION BUSINESS.....	2
ARTICLE 5 -- ILLNESS, INJURY, AND RETURNING TO WORK.....	4
ARTICLE 6 -- HOLIDAYS.....	9
ARTICLE 7 -- UNION BULLETIN BOARDS.....	10
ARTICLE 8 -- CITY RIGHTS AND RESPONSIBILITIES.....	10
ARTICLE 9 -- PREVAILING RIGHTS.....	11
ARTICLE 10 -- PERFORMANCE OF DUTY - RULES AND REGULATIONS.....	11
ARTICLE 11 -- UNIFORMS.....	12
ARTICLE 12 -- SHIFT TRADES.....	12
ARTICLE 13 -- PERSONNEL REDUCTION.....	12
ARTICLE 14 -- WORKING OUT OF CLASSIFICATION - EFFECT ON PAY.....	13
ARTICLE 15 -- VACANCIES AND PROMOTIONS.....	14
ARTICLE 16 -- GRIEVANCE PROCEDURE.....	15
ARTICLE 17 -- WAGES.....	16
ARTICLE 19 -- FIRE EDUCATION INCENTIVE PROGRAM.....	17
ARTICLE 20 -- SICK LEAVE.....	20
ARTICLE 21 -- PAID LEAVES.....	21
ARTICLE 22 -- LEAVE CONVERSION AND MAXIMUM USAGE.....	25 <u>25</u>
ARTICLE 23 -- OVERTIME PAY.....	26 <u>26</u>
ARTICLE 24 -- INSURANCE.....	27
ARTICLE 25 -- PRODUCTIVITY.....	28
ARTICLE 26 -- NOTIFICATION OF ABSENCE.....	29 <u>29</u>
ARTICLE 27 -- MEDICAL CERTIFICATION/RECERTIFICATION & TRAINING.....	29
ARTICLE 28 -- TERMS OF SUCCESSORSHIP.....	31
ARTICLE 29 -- PROBATIONARY PERIOD.....	32 <u>32</u>
ARTICLE 30 -- TERM OF AGREEMENT.....	32
ARTICLE 31 -- SAVINGS CLAUSE.....	32

ARTICLE 32 -- LONGEVITY PAY	32
ARTICLE 33 -- HAZARDOUS MATERIALS TEAM	33 33
ARTICLE 34 -- AGREEMENT TO BARGAIN	35 35
ARTICLE 35 -- GROOMING STANDARDS	35 35
ARTICLE 36 -- DRUG & ALCOHOL TESTING POLICY	35 35
ARTICLE 37 -- TECHNICAL RESCUE TEAM	39 39
ARTICLE 38 -- DEFERRED COMPENSATION	40 40
ARTICLE 39 -- PERSONNEL RECORDS.....	40
ARTICLE 40 -- WSCFF MEDICAL EXPENSE REIMBURSEMENT PLAN	41 41
ARTICLE 41 -- WELLNESS/FITNESS PROGRAM	41 41
APPENDIX A	43 43
APPENDIX A -- NOTES	46 44
APPENDIX B	48 46
APPENDIX C	53 51
APPENDIX D	56 54

THIS AGREEMENT is entered into by and between the City of Richland, Washington, hereinafter referred to as the City, and the International Association of Fire Fighters Union, Local #1052, hereinafter referred to as the Union. It is the purpose of this Agreement to achieve and maintain harmonious relations between the City and the Union, to provide for equitable and peaceful adjustment of differences, which may arise, and to establish proper standards of wages, hours and other conditions of employment.

ARTICLE 1 -- RECOGNITION

1.1 Unit Description

The City hereby recognizes the Union, as the exclusive bargaining agent for all classifications enumerated in [Appendix "A"](#), and all employees of the Fire & Emergency Services Department except the positions of Battalion Chief (" B C ") and above, non-uniform secretary/clerical positions, employees of the Department that are not uniformed employees as defined by RCW 41.56, and confidential employees.

1.2 Communications and Notices

Any notices to be given hereunder by either party to the other, except formal grievances, shall be in writing either by personal delivery or by first class mail as follows:

To the City

Human Resources Director
625 Swift Blvd., MS-12
Richland, Washington 99352

To the Union

President
Post Office Box 607
Richland, Washington 99352

ARTICLE 2 -- NON-DISCRIMINATION

Charges of discriminatory conduct by either party to this agreement except claims of discrimination for Union membership or activity are not subject to appeal or disposition through the arbitration procedure set forth herein, but may be taken to other appropriate State and Federal Agencies for adjudication. Nothing in this section shall be deemed to prevent either party from fully representing its constituents and interest in any appropriate forum relative to questions of discrimination except arbitration.

2.1 The City and the Union agree not to discriminate against any employee for the employee's membership or non-Union membership in the Union.

2.2 Whenever words denoting the masculine gender are used in this Agreement, they are intended to apply equally to either gender.

ARTICLE 3 -- UNION SECURITY AND PAYROLL DEDUCTION

3.1 Dues Processing

The Union will notify the City of its initiation fees and dues. The City will deduct such initiation fees and Union dues from the wages of the employees who have authorized such deductions, when the Union notifies the City to begin deductions. The City will forward collected fees and dues to the Union each pay period, to the address and name provided by the Union, accompanied by a list of dues-paying employees and the amount of their dues and elected Union-provided benefits.

3.2 Revocation

An employee may revoke their authorization for payroll deduction of payments to the Union by the employee providing written notice to the Union. The Union shall notify the City of the revocation. The City will process the employee's request to end the deduction as soon as administratively feasible, either effective on the first payroll, but not later than the second payroll, after the City's receipt of the employee's written notice. For purposes of revocation, the employee may provide written notice by email to the Union, who will provide the notice to the City.

3.3 Indemnification

The Union will indemnify the City against any and all liability which may arise by reason of the deduction by the City of money for Union membership dues from employee's wages in accordance with copies of the written employee authorizations furnished to the City by the Union.

ARTICLE 4 -- UNION BUSINESS

4.1 Except as provided in Section 4.2 below, a Union member who is an employee in the bargaining unit will be granted time off without pay while attending Union associated conventions, seminars, meetings, and Union/City litigation matters, provided (1) the employee notifies the on-duty BC or above in writing at least forty-eight (48) hours prior to the time off; (2) the City will have sufficient employees available to man the Department during this time off; and (3) an employee called in to replace another employee, who is off on Union business (including time spent in labor negotiations), will receive straight time pay and overtime pay as required by the FLSA. The Union will reimburse the City the amount over straight time pay if the cost of replacement exceeds the member's pay at the regular hourly rate. Members of the negotiating team while on duty at said time they are negotiating while within the City of Richland shall be on-duty available for response.

4.2 The City shall deposit twelve (12) hours per bargaining unit position per year into the Union's Business Leave Bank. This bank will be used, at the discretion of the

principal officers of the Union, to offset the cost of time off for Union business. Union Business Leave will be paid back to the City from the leave bank on an hour for hour basis unless the leave causes overtime, in which case, it will be paid back at the overtime rate.

Other than payroll administration, the Union shall be responsible for the administration of the total annual hours that goes into the bank. A maximum of 400 hours may be carried over from year to year. The City shall have sufficient employees available to staff the Department during this time off and an employee called in to replace another employee, who is off on such business, will receive overtime pay, which shall be cost neutral to the City.

The on-duty BC shall be notified by a principal officer of the Union, at least forty-eight (48) hours prior, that a member will be off on Union Business. It shall be the responsibility of the BC to document the absence and arrange for the replacement of staffing if necessary. Union Business Leave shall not affect a member's ability to use accrued leaves or the City's ability to meet operational needs.

4.2.1 In 2009, the Union and the City agreed to create a Union Business Leave Bank (UBLB) by reducing each bargaining unit member's sick leave accrual by two (2) or four (4) hours per month in exchange for depositing twelve (12) hours per bargaining unit position per year into the UBLB.

4.3 The Union shall retain the privilege of holding Union Meetings at the Central Fire Station provided that on-duty employees shall, with the exception of the Union President, Vice-President and Secretary remain at their respective duty stations. Audio-visual equipment linking the Central with other stations has been installed by the City, and said audio-visual equipment may be used by the Union for its meetings. Operating costs will be borne by the City. The Union will bear the replacement or repair cost for physical damage to equipment other than warranty or normal wear. In the event the equipment is out of order, one company within four (4) miles of the Central Station may move up to the Central Station for Union meetings.

4.4 No Union member or officer shall conduct any Union business on City scheduled active duty/structured duty work time on the City's premises, except during breaks, lunch, regular and special Union meetings or as provided within [Article 4](#).

4.5 Nothing in this Article shall preclude the two parties from meeting at reasonable times to discuss areas of mutual concern when mutually agreed.

4.6 Professional Standards

In keeping with professional ideals and standards, neither the Union nor the City shall

invoke the name of the other party as a sponsor or supporter to any fund-raising activities without the written agreement of the duly designated representative of the sponsoring party.

ARTICLE 5 -- ILLNESS, INJURY, AND RETURNING TO WORK

5.1 Occupational Illness and Injury and Occupational Disability Allowance

The City administers employee leaves associated with occupational illness and injury. The City also administers the process by which employees shall reintegrate into the workplace when in recovery, when released to full duty or when restrictions are placed on the employee's full return to duty. Occupational leaves are administered in accordance with this Agreement, Department policies, and City policies enacted to conform to State and Federal laws.

5.2 The City will provide an Occupational Disability Allowance ("ODA") for employees injured or occupationally diseased ("occupational injury") in the line of duty when a claim ("L&I claim") is approved and the employee is determined eligible for time-loss payments under State Workers' Compensation Law. ODA shall substitute for time loss payments the employee would be otherwise eligible to receive, until ODA benefits for the employee are exhausted or the employee otherwise becomes ineligible for time loss payments. Employees shall receive ODA only for hours of their normally scheduled shifts during the approved ODA period.

5.2.1 The City may choose to provisionally approve an employee's eligibility for ODA until a claim determination is made, including determining whether the injury/disease is an approved L&I claim and determining whether the employee is eligible for time loss payments. If an L&I claim or time loss payments are denied, the ODA received by the employee provisionally must be repaid by the employee through payroll deductions from the employee's other available paid time off or through other arrangements for employee repayment to the City.

5.2.2 Approved ODA will continue during absences from regular shifts due to the injury/occupational disease, for as long as such job related injury/occupational disease continues, subject to a maximum limit of one (1) calendar year from the determined L&I Claim Date, plus one day. This calendar year of ODA eligibility includes any amount of time the employee worked on a regular duty or on a light duty assignment during that calendar year. After one calendar year, the employee shall be eligible for consideration of time loss payments for the L&I claim, when time-loss is approved by the Department of Labor & Industries, Workers' Compensation division.

- 5.2.3 The shift of injury is considered hours worked and is paid at one hundred percent (100%) of the employee's straight time wages and normal additional pay and benefits. This day is not counted against the ODA one-year maximum.
- 5.2.4 The employee shall receive one hundred percent (100%) of the employee's straight time wages and normal additional pay and benefits after the employee has missed two (2) scheduled shifts for 24-hour shift employees, or four (4) scheduled shifts for forty (40) hour employees, retroactive back to the first full shift missed. If an employee is not absent for more than two (2) scheduled shifts or four (4) scheduled shifts as described above, the employee shall not be eligible for ODA benefits for the days missed, unless the employee later misses shifts which trigger eligibility within the one calendar year eligibility period of the claim.
- 5.2.5 For the remaining shifts within the ODA calendar year, ODA benefits shall be equal to eighty percent (80%) of regular straight time wages plus normal additional pay and benefits for shifts missed. The employee may choose to make up the remaining twenty percent (20%) of the regular straight time wages with accrued or accumulated sick leave, vacation leave, or State Sick Leave.
- 5.2.6 During the period of ODA, the employee shall continue to accrue all leaves they would have otherwise accrued at a full, unreduced accrual level when the employee is on one hundred percent (100%) pay. When the employee is on eighty percent (80%) pay, their leave accruals shall be reduced to eighty percent (80%) of normal accrual, unless the employee elects to supplement their pay to one hundred percent (100%) using available leaves.
- 5.2.7 Employees on ODA shall receive full, unreduced holiday pay when a holiday occurs while on ODA. The occurrence of a holiday during an employee's ODA leave does not extend the one (1) calendar year ODA maximum by an additional day.
- 5.2.8 The ODA wage is considered "kept on salary" for purposes of time-loss compensation. Therefore, applicable payroll deductions and contributions, voluntary or otherwise, will only be subtracted from the portion of ODA which is in excess of time loss benefits, and from any optional leave supplement to ODA the employee may have elected when at the 80% ODA benefit level.
- 5.2.9 Except for taxes and LEOFF retirement contributions, all other applicable payroll deductions and contributions, voluntary or otherwise, shall be subtracted from ODA wages that are equal to time loss benefits. Employees may elect to make LEOFF retirement contributions from ODA wages and thereby continue to earn service credit hours for the ODA wage periods.

5.2.10 ODA wages in excess of time-loss benefits, and optional leave supplement to ODA the employee may have elected when at the 80% ODA benefit level, are taxable wages and subject to required LEOFF retirement contributions.

5.2.11 When the employee has insufficient eligible wages to cover the employee's deductions and contributions, the employee shall pay the balance of only the required deductions and contributions directly to the City each pay period. Voluntary contributions shall cease until and unless the employee's eligible wages are sufficient each pay period.

5.2.12 The City may elect to pay the required deductions and contributions on the employee's behalf. Such payment is contingent upon the employee providing written pre-authorization for the City to deduct from the employee's future wages or the cash value of other available benefits. The employee must also agree in advance to repay the City for required deductions paid on the employee's behalf by direct payment to the City, should insufficient wages or benefits be available with which to repay the City. Such repayment shall occur upon the employee's return to work or separation from employment, in accordance with a schedule determined by the City.

5.3 Returning to Work from Occupational Leave

Employees absent from any portion of one or more normally scheduled shifts due to an approved or pending-approval of an occupational illness or injury leave must receive clearance by the City before returning to duty. Clearance process and documentation requirements are determined by the City, and may include documentation from the employee's healthcare provider(s) and/or, at the City's expense and choice, documentation from the City's choice of designated healthcare provider(s) when the City determines a medical second opinion is appropriate.

5.3.1 Employees may be returned to full and unrestricted duty, modified duty, or full duty within a work hardening progression. If more than one employee is eligible for and agrees to an occupational modified duty assignment, the City shall split available work as evenly as possible among the eligible employees assigned to modified duty.

5.3.2 Work hardening progression occurs for a period of no more than two (2) consecutive weeks, during which the employee is released to full duty but gradually increases their performance of full duty assignments on their normal shift. Work hardening is required when the employee has been off work and/or on restricted duty for an occupational injury/illness for 60 or more days. An employee may request work hardening for periods of less than 60 days. Work hardening is not used when the

employee is restricted from their normal duty. Employees on work hardening progressions are not considered part of minimum staffing.

- 5.3.3 Modified duty may include reduced hours; reduced work tasks; reassignment temporarily to work tasks not normally performed by the employee; medical rehabilitation to a maximum of two hours per day; or other approved job modifications; and shall not last longer than three (3) calendar months unless approved by the Human Resources Director and Fire Chief or designee. Modified duty assignments are completed on the employee's regular shift or, upon approval of the healthcare provider(s) and the Fire Chief or designee, on an alternate shift. Shift employees assigned to a day schedule on a modified duty assignment while on occupational disability allowance shall revert to the day shift accrual rates for the duration of the day shift assignment, and shall follow the formula for leave conversion as defined in [Article 22](#), and shall receive State Sick Leave accrual from the beginning of the modified duty assignment. Employees on modified duty are not considered part of minimum staffing.
- 5.3.4 A modified duty job description detailing the proposed work the employee shall perform is developed from the designated healthcare provider(s) report detailing the employee's limitations and restrictions, as well as operational needs. The modified duty hours shall not exceed the employee's normal scheduled hours each shift. The designated healthcare provider and the City must approve the modified duty job description. Following this approval, the modified duty assignment must be offered and accepted by the employee prior to the employee returning to work.
 - 5.3.4.1 Employees declining modified duty job description assignments shall lose eligibility for time-loss, and, as a consequence, shall lose eligibility for ODA. These employees shall remain eligible for other benefits allowed under the claim.
- 5.3.5 Employees shall not be required to report for modified duty assignments during any period that the employee had, prior to the disability, scheduled as a first (1st) or second (2nd) pick of vacation, as provided by the Department vacation policy. The employee, at their option, shall be placed on vacation leave as previously scheduled and shall use accrued vacation leave for all hours of those scheduled days off.
- 5.3.6 Employees must comply with the requirements of the modified duty or may be removed from the assignment, in order to protect the employee from potential re-injury, aggravation of injury, or slowing of the employee's recovery and reintegration into the workforce.

- 5.3.6.1 Employees who do not comply with modified duty or work hardening assignments and requirements shall lose eligibility for continued ODA benefits. These employees will also not be eligible for time loss benefits but shall remain eligible for other benefits allowed under the claim.

5.4 Reoccurrence of Occupational Illness or Injury

When an employee has returned to full, unrestricted duty from an occupational claim that has been closed by the Department of Labor & Industries ("L&I"), and L&I subsequently reopen the original claim, the reopened claim shall be treated as a new claim for purposes of ODA benefits.

5.5 Occupational Illness or Injury Extending Past One Year

- 5.5.1. When an employee's occupational illness or injury leave extends beyond one (1) calendar year, the employee shall no longer receive ODA, and shall be eligible for time-loss benefits when approved under the claim.

- 5.5.1.1 While on time-loss benefits, neither the City nor the employee shall make LEOFF retirement plan contributions, and the employee shall not earn service credit. The employee may choose to "buy back" service credit when allowed by the Department of Retirement Systems rules.

- 5.5.2 When an employee has been determined through the claim process to be unable to return to the job they held when they were injured/illness, the City will retain the employee through their period of ODA benefit entitlement. The employee may choose to initiate separation of their employment for medical reasons, and in such cases the City shall provide the employee the remaining ODA wage benefits that are in excess of time-loss wages, and proceed with separation of the employee. The employee may then receive time-loss wages and other benefits if authorized through the claim.

- 5.5.3 An employee who has exceeded one (1) calendar year on an occupational leave shall retain continued employment only when on a medical leave approved by the Human Resources Director and Fire Chief or designee. The decision to continue employment shall include considerations of operational need, the prognosis of and timeframe anticipated for returning to the employee's job of injury/illness, the employee's skillset and potential for performance of other jobs in the City or Department, and other considerations of the City. A decision to continue employment under this Section is not binding, and may be amended or rescinded by the City as deemed appropriate at any time.

- 5.5.3.1 An employee who's employment has not been extended as described in 5.5.3 may be retained as an employee with no entitlement to the employee's job of injury, while a determination and decision is made regarding the availability and appropriateness of other employment and rehabilitation options.

5.6 Non-occupational Illness, Injury and Returning to Work

The City provides and administers various forms of paid and unpaid leave for employees ill or injured in non-occupational circumstances. Employees are entitled to paid time off as specified in this Agreement, to include sick leave and vacation leave or other time off as provided. Employees may also be entitled to State and/or Federal leave, as referenced in [Article 21](#).

- 5.6.1 Employees on a non-occupational illness or injury who are absent for ~~60~~thirty (30) or more consecutive calendar days may be required to submit a healthcare provider certification releasing them to duty and certifying they can safely perform all their job duties. Employees who desire modified duty assignment or work hardening progression shall be subject to the same return to work process and approvals as described in this Article for occupational illness or injury and returning to work, when available and at the discretion of the Fire Chief or designee. Additionally, priority for modified duty is always given to employee(s) on occupational modified duty, and employees on approved non-occupational modified duty may have their assignment ended should the need for an occupationally-injured employee arise. Such employees shall be paid their regular wage during hours they are assigned to an approved non-occupational modified duty or work hardening progression assignment.

- 5.6.2 Modified duty for non-occupational illness or injury is available only to employees having sick or annual leave time available and shall not constitute a position nor extend beyond available paid leave time.

ARTICLE 6 -- HOLIDAYS

- 6.1 Except as provided in Section 6.6 for employees working 40-hours per week, it shall be the practice of the City to pay cash compensation in lieu of time off for holidays.

- 6.2 The following holidays are recognized:

New Year's Day
President's Day
Memorial Day

Veteran's Day
Thanksgiving Day
Day after Thanksgiving

Independence Day	Christmas Eve
Labor Day	Christmas Day
Floating Holiday	

Each of the above-listed holidays, except for Christmas and New Year's Day, shall be observed on the same day that the holiday is observed by the City. The Christmas holiday shall be observed on December 25 of each calendar year, and the New Year's Day holiday shall be observed on January 1st of each calendar year.

- 6.3 The floating holiday shall be paid during the pay period of the employee's choice, as indicated on the employee's time card. All employees shall schedule their floating holiday in a pay period in the year it is accrued or it is forfeited. The employee receiving the holiday pay shall be on the same work routine as the remainder of the shift.
- 6.4 Twenty-four (24)-hour-shift personnel shall be paid 14 hours pay at their regular rate of pay for each recognized holiday during the pay period in which the holiday falls, in addition to the employee's regular pay.
- 6.5 An employee on any leave except "Leave Without Pay" shall receive holiday pay for any and all holidays occurring during the term of said leave (this includes Occupational Disability Allowance Time listed in [Article 5](#)).
- 6.6 Forty (40) hour week (day shift) personnel shall receive the above holidays (Section 6.2) off. In the event a holiday should fall on the employee's regularly scheduled day off, the employee shall receive another regularly scheduled workday off in lieu of the holiday.

ARTICLE 7 -- UNION BULLETIN BOARDS

- 7.1 The City agrees to furnish and maintain suitable boards in a convenient place in each station and work area to be used by the Union. The Union shall limit its posting of notices and bulletins to such bulletin boards.

ARTICLE 8 -- CITY RIGHTS AND RESPONSIBILITIES

- 8.1 Subject to the provisions of this Agreement, the Union recognizes:
 - A. The prerogatives of the City to operate and manage its affairs in all respects and in accordance with its responsibilities and powers and;
 - B. That the City reserves those rights concerned with the management and operation of the Department which includes, but is not limited to the following:

- a) To recruit, hire, assign, transfer, and promote members to the positions within this Department,
- b) To suspend, demote, discharge, or take other disciplinary actions against members for just cause,
- c) To determine methods, means, and personnel necessary for the Department operations,
- d) To control the Department Budget,
- e) To introduce and use new or improved methods, equipment or facilities,
- f) To take lawful actions, not in violation of this Agreement, in order to assure the proper functions of the Department.

ARTICLE 9 -- PREVAILING RIGHTS

- 9.1 All rights and privileges held by the employees at the present time which are not included in this Agreement shall remain in force, unchanged and unaffected in any manner. These rights and privileges shall include but not be limited to the following:
- a) Employees shall have the right to retain store call in its present form, provided that shift officers shall consider energy conservation in scheduling and implementing store call.
 - b) Employees shall maintain the right to use "crew room" during leisure hours.
 - c) Employees shall maintain kitchen and sleeping rights.
 - d) Employees shall retain guest and personal telephone privileges in local area and agree to charge all personal long distance calls to a non-City number.

ARTICLE 10 -- PERFORMANCE OF DUTY - RULES AND REGULATIONS

- 10.1 Nothing in this Agreement shall be construed to give an employee the right to strike and no employee shall strike or refuse to perform their assigned duties to the best of their ability during the term of this Agreement.
- 10.2 The Union agrees that it will not condone or cause any strikes, slowdowns, mass sick call or any other form of work stoppage, or interference of normal operations of the Department during the term of this Agreement.
- 10.3 The Union agrees that its members shall comply in full with the Fire & Emergency Services Department Rules and Regulations, including those related to conduct and work performance.
- 10.4 The City agrees that the Department Rules and Regulations, Policies and Procedures, and Guidelines, promulgated after the effective date of this Agreement, which affect working conditions and performance, shall be posted electronically or on the Union

bulletin boards, and shall be subject to the grievance procedure, if brought within 15 days of the date the order is posted, as to whether or not such Rules, Policies and/or Guidelines are in conflict with any provisions of this Agreement.

- 10.5 The Union recognizes the City's right to establish minimum qualifications that must be met by newly hired Firefighters prior to being assigned to shift duties. A copy of these established minimum qualifications shall be furnished to the Union, and any changes to said qualifications shall be provided to the Union at least thirty (30) days prior to implementation of the change or changes. Nothing in this clause shall be viewed as a waiver by the Union of their existing rights to bargain such issues as provided by RCW 41.56, nor does it create any new rights.

ARTICLE 11 -- UNIFORMS

- 11.1 All uniforms, protective clothing, devices required of employees in performance of their duties and cleaning thereof shall be furnished by the City, except dress shoes, shorts, undershirts, socks, and belts, unless the City requires they be worn.
- 11.2 City shall provide an annual uniform allotment consistent with Department policy up to four (4) new t-shirts annually and up to one (1) sweatshirt every other year. Employees are responsible for ~~They will be~~ laundering such work uniform items by employee.

ARTICLE 12 -- SHIFT TRADES

- 12.1 Employees shall have the right to exchange shifts with equally qualified persons, with the approval of their BCs.

ARTICLE 13 -- PERSONNEL REDUCTION

- 13.1 In the case of personnel reduction, the employee having the least seniority in the Fire & Emergency Services Department shall be laid off first. Time in the Fire & Emergency Services Department shall be given first and utmost consideration. In the case of reduction in rank, time in position shall be given first consideration. If time in position is equal, scores on the Certification List(s) shall govern, such that the employee with the lowest score on the most recent certification list shall be reduced-in-rank first. If scores on the certification list are equal, then time in the Fire & Emergency Services Department shall govern such that the employee with the least time shall be reduced-in-rank first.
- 13.2 When employees are laid off, their names shall be placed on an employment list in order of seniority, with the employee having the most seniority at the head of the list, and the person with the least seniority at the bottom. This list shall stand for a period of two (2) years and no new employees may be hired during that period until the laid-off

personnel have been given the opportunity to return to work.

- 13.3 Persons being re-promoted to positions held prior to being reduced-in-rank shall be re-promoted in the reverse order from which they were reduced in rank.

ARTICLE 14 -- WORKING OUT OF CLASSIFICATION - EFFECT ON PAY

- 14.1 Any person covered by this Agreement who is required to accept the responsibilities and carry out the duties of the position or rank above that which he normally holds shall be compensated in the following manner:

14.1.1 An employee shall receive compensation per shift for a minimum number of hours worked out-of-classification, as set forth below. In the event two (2) employees work an equal twelve (12) hours out-of-classification for the same position, during a twenty-four (24) hour shift, the employee working the 8:00 a.m. to 8:00 p.m. portion shall receive the out-of-classification pay. No more than the compensation set forth below per position, per shift, shall be paid. Any employee working out-of-classification will be paid the higher amount only for those shifts he works out-of-classification. At the completion of six (6) continuous months out-of-classification, the employee will be entitled to the E step rate of pay in the out-of-classification position, so long as the employee continues to work the out-of-classification position. This provision shall apply to all suppression officer positions covered by this Agreement.

0.75% x F step Firefighter for minimum of 8 hours

14.2 Rank and File Captains working in the Battalion Chief bargaining unit

14.2.1 If the Battalion Chief ("BC") position is unable to be filled by a BC, then a qualified off duty Rank and File Captain will be called in to work the position of BC.

14.2.2 Pay will correspond to the OT Pay Article in the Collective Bargaining Agreement (CBA) for Rank and File, in addition, the employee will receive "Out of Classification Pay" any time they work in the BC's position.

14.2.3 If an eligible Captain is not available, an eligible on duty Captain will be upgraded to the position of BC with the current call-in policy being utilized to replace the Captain who was upgraded to BC. However, if staffing levels allow for a Captain to be upgraded and enough personnel are on duty that a call-in is not necessary then no call-in will take place.

Note: The upgrading of a Captain to the Position of BC will not impact the ability

of on duty Rank and File personnel to utilize accrued leaves. (Ex. If a Captain is upgraded to BC and during the shift somebody would like to utilize an accrued leave then they will have the ability to do so, and another Rank and File member will be called in to replace that employee.)

14.2.4 Upgrade pay for the on duty Captain who is required to fill the BC position will be two percent (2%) of the monthly pay for F step Captain for any shift or portion of a shift in which they are required to assume the duties of a BC.

14.2.5 If no eligible Captains are available or wish to accept the call-in, Rank and File members shall not be ordered in prior to the BC's being ordered in.

14.2.6 Rank and File Captains working in the BC bargaining unit is an arrangement intended to promote succession planning. The Fire Chief or designee and BCs' representatives will meet to update policies related to this section, including limiting overtime eligibility to Captains who are both interested in BC career progression and who are sufficiently qualified for such progression.

ARTICLE 15 -- VACANCIES AND PROMOTIONS

15.1 The right to determine whether or not a vacancy in any position covered by this Agreement is to be filled, and, if so, when, is vested solely in the City.

15.2 If a permanent vacancy should occur, the City may not through a series of "out of classification" appointments avoid promoting individuals to gain advantage of the lower pay scale provided by this article.

15.3 All vacancies shall be filled through a competitive examination process determined by the City of Richland Personnel Committee.

15.4 When it is determined by the City that a vacancy in a position covered by this Agreement is to be filled, appointment to the position shall be made by the appointing authority from among the top three (3) names on the certification list established for the position. If requested by the employee(s), the appointing authority, for informational purposes only, shall give the passed-over candidate(s) valid written reasons for not being selected.

15.5 Promotional testing for Lieutenants and Captains will be conducted in a single test in April of even years. Candidates for either rank will be subject to the same processes during the test, including the same study materials, the same applications requirements (exception: the prerequisites for testing described in the job descriptions for each rank remain), the same test components, but with distinct scoring criteria for each rank. Two (2) lists will be formed from the testing process; one for Lieutenant and one for Captain. Promotional lists

shall be in effect for two (2) years. The City may void the list if there are less than three (3) names on the list.

Employees remaining on the list will be given a written valid reason for the cancellation.

- 15.6 The provisions of this Article do not apply to the filling of vacancies in positions not covered by this Agreement. See Section 1.1.

ARTICLE 16 -- GRIEVANCE PROCEDURE

- 16.1 A grievance means a claim or dispute by one employee or group of employees with respect to the interpretation and application of the provisions of this Agreement. Any issue that has been appealed to the Personnel Committee with the approval of the Union shall not be considered a grievance or subject to the grievance procedure herein and vice versa.
- 16.2 Nothing in this Agreement shall preclude the right of the two (2) parties to meet and verbally discuss the grievance in an attempt to resolve the issue.
- 16.3 Grievances as herein defined shall be processed in the following manner:
- 1) **Preliminary Procedure.** An employee or group of employees, who feel they have a grievance, may present such grievance within thirty (30) calendar days of when such matter comes to the attention of the employee. Such grievance should be submitted in writing to the employee's supervisor, preferably on a standard form, who shall attempt to resolve it within twenty one (21) calendar days after it is presented to the supervisor; provided that no grievance in this stage shall be pursued beyond the Fire & Emergency Services Director.
 - 2) **Step 1.** If the grievance is not resolved in the preliminary procedure, the employee shall have ten (10) calendar days to notify the Union Grievance Committee, in which case it shall be settled in the following manner: The Union Grievance Committee, upon receiving a written and signed petition, shall determine within ten (10) calendar days if a grievance exists. If in their opinion no grievance exists, no further action is necessary. If a grievance does exist, they shall, with or without the physical presence of the aggrieved employee, present the grievance to the Fire & Emergency Services Director in writing within fifteen (15) calendar days who shall attempt to resolve it within twenty one (21) calendar days after it has been presented to the Director. The written grievance shall include a statement including the specific Article(s) or Section(s) of the Agreement allegedly violated, the specific facts, and specific remedy sought.
 - 3) **Step 2.** If the employee or employees are not satisfied with the response of the Fire & Emergency Services Director, the written grievance may be presented to the City

Manager, together with all pertinent materials, by Union representatives within thirty (30) calendar days of receipt of the Fire & Emergency Services Director's response. The City Manager shall attempt to resolve the grievance within twenty one (21) calendar days.

- 4) **Step 3.** Any grievance involving the interpretation or application of this Agreement, which is not resolved in accordance with the foregoing procedure, may be referred to arbitration by the Union within thirty (30) calendar days after receipt of the City Manager's answer in step 2. The arbitrator shall be on the arbitrator panel of the Washington Public Employment Relations Commission (PERC) and shall be selected in accordance with the established procedures of the PERC. The cost of arbitrator and court reporter, if used by either party, shall be borne half (1/2) by the City and half (1/2) by the Union. Each party is responsible for its own costs and attorney's fees. The arbitrator shall render their decision based on the interpretation and application of the Agreement. The decision shall be final and binding upon the parties to the grievance, provided that the decision does not involve action by the City which is beyond its jurisdiction, and provided further that the decision of the arbiter is not arbitrary, nor capricious, nor exceeds their authority.

- 16.4 The City and the Union may agree to extend the time limits of any of the above steps if mutually agreed to by both parties. Any deadlines falling on a Saturday, Sunday, or observed holiday shall be extended to the following day.
- 16.5 Neither the arbitrator nor any other person or persons involved in the grievance procedure shall have the power to negotiate new agreements or to add to, subtract from, or otherwise change any of the present provisions of this Agreement.
- 16.6 No settlement of a grievance shall be contrary to the terms of this Agreement.

ARTICLE 17 -- WAGES

- 17.1 The types of employment and wages for all employees covered by this Agreement shall be listed in [Appendix "A"](#), attached hereto and by this reference incorporated herein.
- 17.2 When an employee assigned to day shift is promoted and transferred back to an Operations Shift, the aforementioned action will result in that employee being placed in the E step of the appropriate range.
- 17.3 Effective ~~1/1/2023~~1/1/2026, "base pay" shall mean wages listed in ~~Exhibit~~Appendix A.

ARTICLE 18 -- HOURS

18.1 The hours of duty shall be approximately 48.154 hours per week as presently worked, provided a total of seventeen (17) Kelly Days shall be scheduled off. ~~Ten (10) shifts off will be periodically scheduled on a rotating basis. Seven (7) more shifts may be scheduled off, by the employee, prior to July first, on a manpower available basis, or as scheduled in a vacation pick period.~~ Kelly Days shall be scheduled in accordance with Department Kelly Day and Vacation policies.

18.1.1 40-hour per week, day-shift positions shall serve three (3) years in position from the time of appointment unless appointed through the Mandatory Assignment Procedure. A member may serve additional years in position at the discretion of the Fire & Emergency Services Director.

18.1.2 For employees classified as day-shift positions the hours of work shall be forty (40) hours per week. The work schedule shall normally be four (4) ten (10) hour days. A schedule of five (5) eight (8) hour days per week may be scheduled with the approval of the Director of Fire & Emergency Services.

18.1.3 For recruit Firefighters, the hours of work shall be 48.154 hours a week to be scheduled by the Director.

18.2 Employee structured work hours, for scheduled activities, shall be 8:00 a.m. to 5:00 p.m. Monday through Saturday. Structured work hours for Sundays shall be from 8:00 a.m. to 12 noon. Holidays except Christmas and Thanksgiving shall be from 8:00 a.m. to 12 noon. Christmas and Thanksgiving shall be from 8:00 a.m. to 10:00 a.m.

The Union and the City recognize that time sensitive projects, public service and education events, training, and other commitments sometimes dictate that work continue into, or occur during, non-structured hours. Both parties agree to strive for balance in such work and the BCs are authorized to approve time during structured hours to off-set crew time spent working during non-structured hours. Emergency readiness, incident response and associated work shall be performed throughout the shift, regardless of structured hours.

ARTICLE 19 -- FIRE EDUCATION INCENTIVE PROGRAM

19.1 The purpose of this program is to provide incentive pay for members of the Fire Department to seek additional education in order to meet the ever-changing needs and demands placed upon the Fire Department.

19.2 This program is based on college degrees within the Fire & Emergency Medical Services Administration or closely related fields of study.

19.3 All applications for education incentive shall be presented to the Fire & Emergency Services

Director for approval. Personnel achieving an approved Associate's or Bachelor's degree shall be paid the percentage indicated in Article 19.5 for said degree.

- 19.4 Approved degree fields for Education Incentive pay include: Fire Service Administration, EMS Administration, Business Administration, Public Administration, and Healthcare Administration, or equivalent as approved by the Fire & Emergency Services Director. Degrees must be attained from a Regionally Accredited College or University in order to qualify for Education Incentive pay.

19.5 Requirements for Education Incentive Pay

<u>% OF BASE PAY</u>	<u>BA/BS DEGREE/CREDITS</u>
5%	Approved AA degree or 50% BA/BS credit requirements
10% total	Approved BA/BS/Master's Degree

- 19.5.1 Completion of an A.A. or A.A.S. degree within the approved degree fields identified in 19.4, or an A.A.S. degree in Fire Science, or equivalent fire science degree as determined by the Director, is eligible for 5% incentive education pay.

- 19.5.2 For those programs that do not require an AA degree as part of the Bachelor's degree, upon 50% completion of an approved Bachelor's degree, employees may submit a transcript demonstrating that all classes have been passed with at least a 2.0, and a letter from the institution stating that at least 50% of the Bachelor's degree credits have been successfully completed to qualify for 5% education incentive pay.

- 19.5.3 Completion of an approved Bachelor's or Master's degree qualifies the employee for 10% incentive education pay.

- 19.5.4 To receive Fire Education Incentive Pay, bargaining unit members must provide a diploma, or transcript and letter of 50% completion as outlined in Section 19.5. from a regionally accredited college or university. The effective date of education incentive pay begins the date that all applicable documentation is submitted to the Fire & Emergency Services Director or their support staff.

- 19.5.5 All members of the bargaining unit in classifications covered by this labor agreement are eligible to participate in the Education Incentive Program.

19.6 Education Incentive Pay Program transition

- 19.6.1 The program outlined in this CBA becomes fully implemented on January 1, 2019. All employees receiving education incentive pay at previous 1% increments on January 1, 2019 shall not suffer a reduction in existing percentage of compensation

because of the agreed upon revisions. However, eligibility for any further increases shall be contingent upon meeting the requirements of the updated program set forth above.

19.6.2 A transition period for incumbent employees (employed as of January 1, 2019) will allow employees to either choose to move to the updated incentive education program or continue under the education incentive program outlined in Section 19.7, Grandfathered Education Incentive Education, below, for the duration of this CBA. On January 1, 2022, education incentive pay will be frozen at the level submitted and approved for those employees who have not completed an approved degree. After that date, additional education incentive pay will be subject to the current program parameters.

19.7 Grandfathered Education Incentive Program

19.7.1 This program is based on college units and college degrees within the Fire Service as defined under a Fire Science/Fire Administration Program curriculum. Subjects not related directly to the fire field but part of the requirements or electives towards a degree shall be counted as a part of this program as defined in Section 19.5.

19.7.2 All applications for education incentive shall be presented to the Fire & Emergency Services Director prior to becoming eligible for credit under this program. Personnel achieving an Associate or Bachelor Degree in Fire Science/Fire Administration shall be paid the percentage indicated in Section 19.5 for said degree.

19.7.3 When a Firefighter has not received a degree, courses/credits completed will be accepted under this program as set forth below.

19.7.4 Requirements for Education Incentive Pay

% OF BASE PAY	AA DEGREE/CREDITS	BA/BS DEGREE/CREDITS
1%	20% of credit requirements	10% of credit requirements
2%	40% of credit requirements	20% of credit requirements
3%	60% of credit requirements	30% of credit requirements
4%	80% of credit requirements	40% of credit requirements
5%	AA Degree	50% of credit requirements
6%		60% of credit requirements
7%		70% of credit requirements
8%		80% of credit requirements
9%		90% of credit requirements
10%		BA/BS Degree

19.7.5 All employees receiving education incentive pay on January 1, 2007 shall not suffer a reduction in existing percentage of compensation because of the agreed upon revisions. Eligibility for any further increases shall be contingent upon meeting the requirements set forth above.

19.7.6 To receive credits for Fire Education Incentive Pay, bargaining unit members must provide a transcript and Fire Science/Fire Administration curriculum from the college issuing the transcript. A letter from the course administrator is required for determination of appropriate credit allowance. Credits offered for pay under this program must have a "C" grade average.

19.7.7 Requests for pay in excess of the 5% step level must be predicated on upper division level credits for classes that fit into a four (4) year Fire Science/Fire Administration curriculum for a four (4) year college degree. Unused service credits to the maximum of thirty (30) may be used as upper division electives if accepted by the college.

19.7.8 All members of the bargaining unit in classifications covered by this labor agreement are eligible to participate in the Education Incentive Program.

ARTICLE 20 -- SICK LEAVE

20.1 Sick Leave for LEOFF II Employees

Full-time LEOFF II employees shall accrue sick leave as follows:

	<u>Accrual Rate</u>
40 hour per week employees	7 hours per month
24 hour shift employees:	
1) With less than 1440 hours accrued sick leave	20 hours per month
2) With 1440 or more hours accrued sick leave	10 hours per month

20.1.1 Fifty percent (50%) of unused sick leave accrued by each LEOFF II employee will be paid to the employee by the City, up to a maximum payout of \$15,000, when such employee separates from service with fifteen (15) or more years of employment with the Richland Fire Department. Employees terminated from employment shall not be eligible for sick leave cash out.

~~20.1.2 From the Agreement's full execution, through December 31, 2025, any remaining unused sick leave over 1,440 hours for employees assigned to 24-hour shifts and 1,196 hours for those employees assigned to a 40-hour base week will be cashed out, up to a maximum~~

~~payment of \$25,000, when such employee separates from service with twenty (20) or more years of employment with the Richland Fire Department. Twelve (12) months after the execution of this agreement, employees are only eligible for the additional sick leave cash out of up to \$25,000 if they provide a minimum of twelve (12) months' notice of their intent to retire to the Employer. The employee's notice of intent to retire is non-binding; however, rescinding the notice will make the employee ineligible for the additional sick leave cash out unless a new notice is provided in accordance with this Section. Employees terminated from employment shall not be eligible for sick leave cash out.~~

- 20.2 Advance of Sick Leave for New Employees. New employees will be advanced a sick leave allowance of 144 hours which is equal to that which would be accrued in 7.2 months at the LEOFF II accrual rate, and will begin their regular LEOFF II accrual at the end of 7.2 months' employment. An employee whose employment terminates for any reason during the first 7.2 months must repay the City for sick leave used in excess of the LEOFF II accrual rate for the period of actual employment.
- 20.3 Employees shall be allowed to donate accrued sick leave to other employees within the bargaining unit with less than thirty-six (36) months of service. A donating employee may give to more than one employee but not to exceed twenty-four (24) hours per receiving employee per year. Receiving employees can receive unspecified number of hours from various donors. Donation does not impact perfect attendance.
- 20.4 Employees working the 40-hour shift schedule shall accrue Washington's paid sick leave (State Sick Leave) in accordance with City policy. Paid sick leave accruing in accordance with Washington law and the City policy is a subset of existing Sick Leave accruals.

ARTICLE 21 -- PAID LEAVES

21.1 Vacation Leave

Regular full-time employees shall accrue vacation time as set forth below, based on length of service with the City. No employee shall be eligible to use vacation time accrued until he/she has worked for the City a minimum of six (6) calendar months.

- 21.1.1 Employees working a 40-hour base week shall accrue vacation time on the following basis:

<u>Length of Service</u>	<u>Monthly Rate of Vacation Credit in Hours</u>
0 through 9 years	12
10th through 15 years	14
16th through 20 years	16
Over 20 years	18

21.2 Accumulation of vacation shall not exceed 339 hours at year's end.

21.2.1 Employees working 24-hour shifts shall accrue vacation time on the following basis:

<u>Length of Service</u>	<u>Monthly Rate of Vacation Credit in Hours</u>
0 through 9 years	14
10th through 15 years	16.25
16th through 20 years	19
Over 20 years	21

21.3 Accumulation of vacation shall not exceed 408 hours at year's end.

21.4 Vacation Bonus Days

Regular full-time employee(s) working a 40-hour base week and with one continuous year of service shall be eligible to earn one vacation bonus day (eight (8) hours) after non-use of sick leave and leave without pay collectively. Regular full-time employee(s) working Firefighter (24-hour) shifts who have completed one continuous year of service shall be eligible to earn one (1) vacation bonus Firefighter shift (24-hours) after non-use of sick leave and leave without pay collectively.

21.5 Vacation Leave Cash Out Upon Separation

An employee's accrued, unused vacation leave shall be cashed out at the employee's base pay rate upon separation from employment.

21.6 Family Leave

Regular full-time employees shall be granted family leave for injury, illness, birth or death in the employee's family, when employee's presence is needed.

21.6.1 40-hour week employees shall be granted (forty) (40) hours family leave per year.
24-hour shift employees shall be granted seventy-two (72) hours family leave per year.

21.6.2 Hours needed in excess of the limits listed in 21.5.1 shall be charged to sick leave or vacation per the employee's request after being approved by the on-duty BC or above or as provided by State Statute. Sick leave used to extend family leave shall impact the employee's perfect attendance date, unless prohibited by law.

21.6.3 For Family Leave purposes, "Employee's Family" shall be defined as the employee's spouse, son, son-in-law, daughter, daughter-in-law, mother, mother-in-law, father, father-in-law, sister, sister-in-law, brother, brother-in-law, grandfather,

grandfather-in-law, grandmother, grandmother-in-law, grandchild, or any person permanently residing with the employee that has a familial or committed intimate relationship. Step relatives of the relations listed shall also be considered as part of the employee's family.

21.7 Personal Business Vacation Leave

Regular full-time employees working twenty- four (24) hour shifts shall be granted up to seventy-two (72) hours of personal business vacation leave annually.

- 21.8 Twenty-four (24) hours of the seventy-two (72) hours may be taken at the employee's discretion. Such time must be taken in blocks of eight (8) hours or more. Vacation shall be charged at the applicable overtime rate against the employee's accrued vacation for each hour taken. Discretionary use of personal leave will impact perfect attendance.

Forty-eight (48) hours of the seventy-two (72) hours may be taken for those situations which require the employee's presence and which cannot be scheduled to another time. Examples include: child care, business appointments. Recreational or other pleasure activities are not included. The determination of whether the situation qualifies for such leave rests solely with the City. The City may request documentation to support the justification for the use of such leave. Vacation shall be charged for the exact amount of leave used.

Employees not using personal business vacation leave in a calendar year shall receive twenty-four (24) hours of bonus vacation accrual to be paid cash compensation in lieu of time off. Employees transferring from days to shifts or vice-versa shall have the bonus prorated for amount of time spent on shift. An employee separating from service shall receive compensation at the prorated rate for time served. New hires shall receive compensation at the prorated rate for time served.

- 21.9 Eligible employees will be allowed up to twelve (12) weeks of unpaid leave in accordance with the Family Medical Leave Act ("FMLA"). The City may require an employee to use any and all accrued leave as part of the FMLA leave. Other State or Federal laws may provide other protected paid or unpaid leave, and the provisions of this section are not intended to expand upon federal or state law.

21.9.1 Employees are entitled to receive notice of their eligibility for and right to use various State and Federal leaves. In order to ensure employees receive the required notifications from Human Resources ("HR"), when employees use paid or unpaid time off for absences due to their own or a family member's illness or injury exceeds three normally scheduled shifts, human resources shall be notified of the absences and anticipated return, if known. Such notification shall be provided by the employee's command staff. Additionally, the employee may choose to notify HR directly.

21.9.2 Employees on non-occupational sick leave for their own illness or injury who choose to utilize State or Federally protected leave concurrent with sick or other paid time off, or as unpaid leave following use of paid time off, shall be subject to the City's requirements for use of that State/Federal leave and associated City policies, to include City requirements for returning to work.

21.10 Jury Duty and Witness Service

An employee who is called for jury duty or is subpoenaed as a witness in a case arising from their City employment, to which the employee is not a party, shall be paid during the absence on account of the jury or witness service. The employee shall endorse to the City any amount of jury or witness fees (exclusive of mileage) the employee is paid.

21.11 Vacation Leave Donation/Transfer

The policy of the City is to allow employees to donate vacation leave to co-workers facing personal emergencies who have exhausted all accrued leave.

An employee is eligible for donated vacation leave when 1) he or she has suffered an extraordinary injury or illness (from other than a work-related cause) which exceeds sixty (60) calendar days in duration and has exhausted all applicable accumulated leaves; or 2) when an attending physician determines the presence of an employee is necessary because of an immediate family member's medical condition which exceeds sixty (60) calendar days in duration and the employee has exhausted all other available leaves.

Recipients are limited to receiving 240 hours of donated leave for any one (1) incident or illness and may not request donated vacation leave more than one (1) time in any concurrent five (5) year period.

An eligible employee requiring use of donated vacation leave shall notify Human Resources in writing that the use of donated leave is required, explaining and providing written documentation as to the circumstances.

Human Resources is responsible for approving the request and forwarding the PTO/Vacation Donation Transfer Form (available on the intranet) for City-wide notification and distribution.

City employees may donate vacation leave to other employees under the following conditions:

- 1) A vacation balance of at least 100 hours is maintained after the transfer, and employees may not donate more than 100 hours per year of their vacation balance.

- 2) Vacation is transferred based on the dollar value of said leave. For example, the requesting employee earns \$10.00 per hour base. The donating employee earns \$20.00 per hour, and wishes to transfer 10 hours. As a result, \$200 worth of leave is transferred. The requesting employee will be credited with 20 hours (\$200 divided by \$10/hour).

No City employee may intimidate, threaten or coerce any other employee with respect to donating, receiving or using leave under this program. Only the actual donations needed each pay period will be used by Finance during payroll processing. If the recipient does not use all the leave donations offered by employees, the donation forms shall be destroyed by Finance.

ARTICLE 22 -- LEAVE CONVERSION AND MAXIMUM USAGE

- 22.1 Because shift changes are usually accomplished during the first part of the year, Family and Emergency Leave hours shall be restored to the appropriate maximum granted in [Article 21](#) whenever an employee transfers from a 40-hour per week position to a 24-hour shift position, or vice versa.
- 22.2 Whenever an employee changes from 24-hour shifts to days, Sick Leave and Vacation accrual totals shall be multiplied by 0.83088. When changing from days to 24-hour shift, Sick Leave and Vacation shall be multiplied by 1.2035. The multipliers are based on hours worked per week.

The accrual rates shall be changed to reflect the appropriate rate for the position being worked on the last day of each month. Accruals by 40-hour shift employees who then convert to a 24-hour shift shall be managed in accordance with City State Sick Leave policy.

22.3 Leave of Absence Without Pay

A regular full-time employee may be eligible for an unpaid leave of absence up to thirty (30) calendar days with the approval of the Fire & Emergency Services Director. Prior to requesting such leave, the employee must have exhausted all of the employee's paid leave. During such leave, the employee will be considered to be active at work and entitled to the privileges and benefits as specified by this Agreement. If the employee fails to return from said leave, the employee will be considered as having abandoned the employee's job and be subject to termination.

A regular full-time employee with a minimum of five (5) years of service may be granted an unpaid leave of absence of up to one (1) calendar year with the approval of the City Manager. Prior to requesting such leave, the employee must have exhausted all of the employee's paid leave. During such leave, the employee will not accrue sick leave, vacation leave or any other benefits, and the employee's seniority will be frozen. Upon

return from such leave, the employee may be placed in an open position as listed in [Appendix A](#) of this Agreement according to the employee's knowledge, skills and abilities. If the employee fails to return from such leave, the employee will be considered as abandoning the employee's job and be subject to termination.

ARTICLE 23 -- OVERTIME PAY

- 23.1 All overtime work for 24-hour shift employees shall be compensated at one and one-half (1.5) times the regular hourly rate of pay, except as provided in Section 23.1.1 and 23.1.2 and subsections thereof.
 - 23.1.1 For Rank and File bargaining unit members regularly working a 40-hour base week, who are on a scheduled leave or day off and assigned to a shift for overtime, shall be paid at 1.5 times the member's current rank equivalent for an Operations Division employee's rate of pay (at the appropriate step) calculated on a 2504 scheduled hours work year (48.154 hours per week x 52 weeks per year). For example, the Assistant Fire Marshal with the rank of Lieutenant at F step shall be paid for overtime worked on a 24-hour shift at the rate of an Operations Fire Lieutenant, F Step.
 - 23.1.2 Classroom time or other related preparation time, outside of normal working hours, for department-*required* training, training related to maintaining EMS, Haz Mat, and TRT certifications as outlined in [Articles 27](#), [33](#), and [38](#), and training required as part of individual staff assignments (i.e. SCBA Technician, Fire Investigator, SME, etc.) shall be compensated at the employee's regular overtime rate. Course registration, fees, travel, or other related costs are addressed by Department policies.
 - 23.1.2.1 Classroom time or other related preparation time, outside of normal working hours, for training that is not *required* but nonetheless the employee has been approved to attend and is directly related to the employee's current work shall be compensated at the Training Rate of one and one-half (1.5) times the current minimum wage rate. Course registration, fees, travel, or other related costs are addressed by Department policies.
 - 23.1.2.2 Classroom time or other related preparation time, outside of normal working hours, which is for purposes of promotional preparation, development of skills outside the scope of current work, training that is primarily for the benefit of the employee and not the city, attainment of certifications outside the scope of current work, and formal education (i.e. for-credit college courses) shall be non-compensable. Course

registration, fees, travel, or other related costs are addressed by Department policies.

23.1.2.2.1 When registration for an otherwise non-compensable course (as described under 23.1.2.2, above) requires the employee to obtain Richland Fire Department approval in order to attend, the Department's approval shall not be construed so as to change the nature of the course from non-compensable to compensable. The employee's attendance at the course does not constitute a work assignment and is non-compensable.

23.1.3 When mutually agreed, the City may grant day shift employees (40 hour per week workers) compensatory time off in lieu of overtime pay. Such compensatory time shall be granted at 1-1/2 times overtime hours worked and shall be scheduled for use at a time, which is mutually agreeable to the City and employee. In no event shall compensatory time accrual exceed two hundred (200) hours; and compensatory time shall either be used, or overtime hours be paid at 1-1/2 times the regular hourly rate of pay, within 12 months of when the overtime was performed.

23.1.4 Minimum overtime pay shall be equivalent to four (4) hours straight pay for all call backs, exception hold over pay.

23.2 The parties agree to the current departmental Overtime Policy, except to the extent it is in conflict with this Article.

ARTICLE 24 -- INSURANCE

24.1 Health Insurance

24.1.1 The City and employee as represented by IAFF Local 1052 shall share the cost for health insurance coverage for employees and their dependents. Employees are responsible for 12% and the City is responsible for 88% of the insurance plan premium. Employee health insurance coverage will be provided through LEOFF Health and Welfare Trust Plan B.

~~24.1.2 During the term of this agreement, unless otherwise indicated per Appendix C, the employee shall contribute 1.75% of "F" step rate of Firefighter monthly base salary towards the cost of the LEOFF Health and Welfare Trust Plan B.~~

24.1.23 In conjunction with the IAFF members transfer to the LEOFF Trust Plan,

an individual Health Reimbursement ~~Account~~-~~Arrangement~~ (HRA) shall be established by the parties' mutual agreement. The City will establish a Voluntary Benefit Association Trust (VEBA) account for all employees. Annual contributions will be prorated and contributed monthly by the City for each bargaining unit member as follows:

- a) An HRA annual contribution in the amount of \$~~4,000~~ ~~4,500.00~~ will be made by the City for each member with dependent(s) and \$~~2,000~~ ~~2,250.00~~ contributed for each member without dependents. HRA set up and annual fees shall be paid by the City, not to include an HRA debit card, which shall be borne by the employee. The HRA contributions will be prorated for all future members hired or terminated during the term of this agreement.

~~24.1.4 At the end of each annual claim submission period, excess monies in each HRA account will roll into an individual Health Savings Account ("HSA")/Voluntary Employee Benefit Association ("VEBA") account. All fees associated with said HSA/VEBA will be at the expense of the member.~~

24.2 Dental Plan

The City will pay for a dental plan which covers the employee and all of the employee's eligible dependents.

24.3 Vision Plan

Vision benefits are included through the LEOFF Health and Welfare Trust ~~6B Plan B. The cost of the City's vision insurance plan will be part of the cost of medical coverage used in Appendix C.~~

24.4 Post-Employment Health Program

During discussions for contracts effective in 2003, the City offered all bargaining units an irrevocable and one-time opportunity to fund a post-employment health program. In lieu of participation and the long term funding requirements for this new benefit program, IAFF Local 1052 elected to take additional wages. As a result, it is understood that IAFF Local 1052 members are not, nor shall at any time in the future be, eligible to participate in the City's post-employment health benefit program.

24.5 Life and Accidental Death & Dismemberment Insurance

The City will maintain basic Life and Accidental Death & Dismemberment ("AD&D") policies which provide an employee death benefit equal to two (2) times an employee's annual base salary, and a nominal basic life insurance benefit for spouse and child/ren. The City shall offer an employee-paid supplemental life and AD&D benefit.

- 25.1 The City and the Union shall work together to meet the production requirements of the Fire & Emergency Services Department to provide the public with efficient and courteous service, to encourage good attendance of employees on regular duty; and to promote a climate of labor relations that will aid in achieving a high level of efficiency in the Department.

ARTICLE 26 -- NOTIFICATION OF ABSENCE

- 26.1 Employees not able to report for duty at the beginning of a scheduled shift or shifts for reasons of sickness, disability, or other unscheduled absence causes, shall notify the on-duty shift supervisor prior to 0700 on the date of the scheduled work shift or shifts.
- 26.2 Employees may be excused from multiple notifications if the absence is known or expected to extend beyond the initial shift. Should circumstances preclude or inhibit an employee's ability to make notification of absence prior to 0700, the employee shall make such notification as soon as reasonably possible to do so.
- 26.3 40-hour week employees not able to report for duty at the beginning of a scheduled shift for reasons of sickness, disability, or other unscheduled absence causes shall, prior to 0700, notify the on-duty BC and the employee's supervisor by phone (cell phone). A follow-up e-mail should be sent to the supervisor if possible. Should circumstances preclude or inhibit an employee's ability to make notification of absence prior to 0700, the employee shall make such notification as soon as reasonably possible to do so.

ARTICLE 27 -- MEDICAL CERTIFICATION/RECERTIFICATION & TRAINING

- 27.1 Unless otherwise provided in this Article, all employees shall be at least EMT certified as a condition of employment.. This certification must meet the Washington State Department of Health requirements in effect or as amended. This requirement does not include any Fire Officers who prior to this agreement were not certified at the EMT level.

The City may temporarily employ non-EMT-Firefighters so long as they obtain their EMT certification within the City's established timeframe. Minimum operational staffing levels do not include non-EMT-Firefighters.

27.2 Initial Certification

The cost of tuition and books for any class to achieve any of the initial medical certifications listed in [Appendix "A"](#) and ["B"](#) shall be paid initially by the Employer contingent upon the employee successfully completing the class. Should the employee not successfully complete the class, the costs of the tuition and books shall be

reimbursed to the Employer by the employee through payroll deduction, amortized over the next six (6) months. Should the employee terminate employment with the Employer before the total cost is reimbursed, the remaining costs shall be withheld from the employee's final paycheck. The cost for the second and subsequent failed examinations for initial certifications shall be the sole responsibility of the employee.

27.2.1 Should the employee opt to have the City of Richland fund their paramedic certification, the employee will commit five years as a Paramedic for the Richland Fire & Emergency Services. To be eligible for City paid paramedic training and time, the employee shall provide all forms and documentation required. Should the employee not fulfill their commitment for any reason other than a medical retirement, the employee shall repay the cost of tuition and books on a pro rata basis, as outlined below. The Fire & Emergency Services Director may, in extenuating circumstances, waive repayment of some, or all, of the tuition and book costs.

Day 1	-	Year 1 (inclusive) to Anniversary Date	=	100% (tuition & books)
Day 1	-	Year 2 (inclusive) to Anniversary Date	=	80% (tuition & books)
Day 1	-	Year 3 (inclusive) to Anniversary Date	=	60% (tuition & books)
Day 1	-	Year 4 (inclusive) to Anniversary Date	=	40% (tuition & books)
Day 1	-	Year 5 (inclusive) to Anniversary Date	=	20% (tuition & books)
Day 1	-	Year 6 (inclusive) to Anniversary Date	=	0%

The City shall allow a minimum of one approved outside medical training opportunity, per paramedic, per certification period. Such training opportunity is subject to the provisions of [Article 23](#) Overtime Pay, and in accordance with City travel policy regarding travel expenses.

27.2.2 The City shall relieve Paramedics for ACLS and PALS classes required for certification and recertification in Benton and Franklin County and pay the required tuition and books for said ACLS and PALS classes in addition to the above stated class expenses and time off.

27.2.3 Paramedic students shall not be paid overtime to attend class while off- duty. A Paramedic student who accepts overtime but leaves to attend class will be taken off duty and replaced, if necessary. A Paramedic student who accepts a trade will have to have a replacement trade to attend class. Upon completing one (1) year as a certified paramedic, and annually for the next four (4) years, the paramedic shall receive an annual lump sum payment equal to 1.40% of the top step Firefighter's annual base salary in effect at the time of payment, for a total of five (5) lump sum payments. Prior to each new paramedic class, this amount will be mutually agreed to by the Union and management.

- 27.3 All approved off-duty class time for officers and Firefighters necessary to achieve an authorized medical certification listed in [Appendix "A"](#) and [Appendix "B"](#) shall be paid for at the base hourly overtime rate of pay except as noted in 27.2.3 . Class time while on-duty shall be allowed when manpower permits and call in shall be utilized to allow employees to go to class when manpower does not otherwise permit them to go. Class time shall not impact other employees' rights to schedule vacation time off as presently allowed, provided there are sufficient employees available for call in if necessary to cover the student class time.
- 27.4 The City shall pay off-duty paramedics and paramedic students overtime to attend live Ongoing Training and Education Program ("OTEP") and Medical Program Director ("MPD") meetings up to a maximum of eighteen (18) annually. Paramedics shall be paid for required training to maintain certifications (ACLS, PALS, Comprehensive Airway Management, and Advanced Airway Course).
- 27.5 Duties of paramedics shall include teaching Department medical classes as assigned.
- 27.6 Bargaining unit employees who have or will obtain Washington State Paramedic Certification must maintain that Certification and perform paramedic work for the term of that State Certification, unless specifically approved by the Fire & Emergency Services Director.
- 27.6.1 In the event that a paramedic has a lapse in state certification and/or loses protocol privileges from the Medical Program Director, and is unable to practice as an ALS provider for greater than sixty (60) calendar days, the employee's paramedic pay shall be suspended beginning the 61st calendar day until such time that the state certification is renewed and/or protocol privileges are reinstated by the Medical Program Director. If suspension is due to lacking an ACLS, PALS or an advanced airway class, upon approval of the Fire & Emergency Services Director, suspension of paramedic pay may be deferred up to the next available local class.
- 27.6.2 Employees with lapsed certification as described in 27.6.1 may be subject to disciplinary action if they do not maintain eligibility to perform paramedic duties for the full three (3) year state certification period as required in 27.6.

ARTICLE 28 -- TERMS OF SUCCESSORSHIP

- 28.1 This Agreement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms, or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by the consolidation, merger, annexation, transfer, or assignment of either party hereto; or affected, modification, altered, or

changed in any respect whatsoever by any change of any kind of the ownership or management of either party hereto; or by the change geographically or otherwise in the location or place of business of either party hereto.

ARTICLE 29 -- PROBATIONARY PERIOD

- 29.1 All newly hired employees shall serve a twelve (12) continuous month probationary period. Probationary employees who take any type of continuous paid and/or unpaid leave period greater than ninety (90) calendar days during their probation period shall have their probation extended for the same number of calendar days the employee was on leave, for each 90-day or greater leave period. The City may terminate employment of a new hire probationary employee at any time, without cause, during the probationary period.
- 29.2 Newly promoted officers shall serve a twelve (12) continuous month probationary period. If the six (6) month appraisal is satisfactory, the officer will receive a merit increase to the next higher step. Newly promoted officers who take any type of continuous paid and/or unpaid leave period greater than (90) calendar days during their probation period shall have their probation extended for the same number of calendar days the employee was on leave, for each 90-day or greater leave period. Employees promoted to a higher position in the bargaining unit who fail probation shall have the right to bump to their previous rank.
- 29.3 Temporary or provisional time spent on an upgrade in conjunction with a regular appointment, if continuous, will be credited towards the probationary period and merit increase. The regular appointment date establishes the time in grade.

ARTICLE 30 -- TERM OF AGREEMENT

- 30.1 This Agreement shall be and hereby does become effective January 1, ~~2023~~2026, and shall remain in full force and effect up to and including December 31, ~~2025~~2028, and from year to year thereafter; provided, that either party wishing to terminate or amend the same, shall notify the other party within the time limits provided by state law.

ARTICLE 31 -- SAVINGS CLAUSE

- 31.1 If any provision of this Agreement or the application of such provision should be rendered or declared invalid by any court action or by reason of any existing or subsequently enacted legislation, the remaining parts or portion of this Agreement shall remain in full force and effect.

ARTICLE 32 -- LONGEVITY PAY

- 32.1 Employees that have completed the following years of service shall receive longevity pay in addition to their base pay, equal to the following:

Years of Service	Longevity Pay
15 years	1.5%
20 years	3.0%
25 years	5.0%

ARTICLE 33 -- HAZARDOUS MATERIALS TEAM

- 33.1 The City agrees to pay up to a maximum of nine (9) bargaining unit members specialty pay for participation on the Tri-County Hazardous Materials Response Team ("HMRT"). Such pay shall be equal to three and one-half percent (3.5%) of top step Firefighter pay per month starting the on the date of appointment to the team.
- 33.2 When there are less than nine (9) Department members on the HMRT, the City shall post openings for a minimum of thirty (30) days. Team members shall be selected from applications received by the Department. Selection and appointment to the team will be based on:
- a) Review of the applicants' qualifications as submitted in their application packet.
 - b) A statement of the applicant's commitment in writing.
 - c) A written recommendation from a supervising officer.
 - d) A written recommendation from at least one current HRMT member.
 - e) Approval of the Fire Chief or designee.

In the event that the appointing authority judges two or more applicants to be equally qualified, the position will go to the member with the highest seniority. The appointment shall be made within ninety (90) days of the written notification of a team opening to the Fire & Emergency Services Director.

Prior to final appointment, the selected applicant must pass a baseline Haz Mat medical physical.

- 33.2.1 The cost of tuition and books for any class to achieve HMRT status shall be paid by the City, contingent upon the employee successfully completing the class. Classes taken prior to acceptance as a HMRT member trainee, which are requirements for team member status, will not be subject to reimbursement.

Should the employee not successfully complete the class, the cost of tuition and

books shall be reimbursed to the City by the employee, through payroll deduction, amortized over the next three (3) months. Should the employee terminate employment with the City before the total cost is reimbursed, the remaining costs shall be withheld from the employee's final paycheck.

- 33.2.2 All approved off duty class time for officers and Firefighters necessary to achieve HMRT member status, shall be paid at the base hourly overtime rate of pay. Class time, while on duty, shall be allowed when manpower permits, and call-ins shall be utilized to allow employees to go to class when manpower does not otherwise permit them to go. Class time shall not impact other employee's rights to schedule vacation time off, as presently allowed, provided there are sufficient employees available for call-in, if necessary, to cover the student class time.
- 33.3 Team members shall remain on the HMRT for a minimum of three (3) years from the date they begin hazardous materials training after they are selected for the HMRT by the City for HMRT training. Team members may be removed from the team if a problem or condition occurs, including failure to meet the minimum required annual training hours, which would reasonably prevent or limit the members' effectiveness on the team, or when a majority of other HMRT members feel the removal is necessary, or other good cause. Members may resign from the team after three (3) years of membership by notifying the Department in writing. Should the City withdraw from participation on the HMRT and cease to provide that service, then members of the team shall be considered as having left the team for cause.
- 33.4 Off duty team members shall be paid at their regular overtime rate of pay for the following items:
- a) All emergency response time;
 - b) Required HMRT meetings;
 - c) All required training time (drills and classes).
- On-duty members shall be replaced as needed for required meetings and required training. Said training and meetings shall not impact other bargaining unit members rights to use their leaves (including moving of Kelly Days).
- HMRT members shall be required to attend a minimum of twenty-four (24) hours of team training per year.
- 33.5 HMRT members shall not be required to carry pagers.
- 33.6 The responsibility and authority for the operation of the HMRT, including policies and procedures, rest solely with the Board of Directors. The parties recognize the HMRT's Board

of Directors right to assign HMRT members to perform functions associated with ensuring the success of the HMRT. Said assignments shall fall under Section 4 of this Article.

- 33.7 If significant changes to the related conditions or procedures are proposed or enacted, this Article will be reopened at the request of either the City or the Union to negotiate the impact of such changes.

ARTICLE 34 -- AGREEMENT TO BARGAIN

- 34.1 Nothing in this agreement is to be considered as a waiver by the Union of their rights to request and require bargaining on any changes initiated by the City which impact hours, wages, or working conditions.
- 34.2 The City Manager or designee is fully authorized to enter into Memorandums of Understanding ("MOU") and Memorandums of Agreement ("MOA") with IAFF Local 1052.

ARTICLE 35 -- GROOMING STANDARDS

The uniformed members of the Richland Fire & Emergency Services Department will maintain a standard of grooming and a reasonable uniformity of appearance, as defined in the Department policy. The policy addresses both safety standards as well as ensuring employees impart to the public we serve, an image of competence, efficiency and pride in the City and the Department. The policy shall ensure employees are groomed in such a way as to inspire confidence by the public.

ARTICLE 36 -- DRUG & ALCOHOL TESTING POLICY

- 36.1 Reporting to work under the influence of alcohol and/or illegal drugs, or the use, sale, or possession by an employee of illegal drugs is strictly prohibited and may result in disciplinary action, including immediate termination.

Each employee must advise the City if they are using prescription or other over-the-counter drugs they know or reasonably should know may impair their ability to perform job functions and/or operate machinery such as automobiles. Under appropriate circumstances the City may request the employee provide written medical authorization to perform various essential job functions from a physician while using such drugs.

The City recognizes a need to provide an opportunity for employees to deal with alcohol related problems through employee assistance programs. Any employee, who voluntarily seeks treatment for a personal alcohol problem or for a substance abuse disorder, not involving criminal conduct, may do so through employee assistance programs of the employee's own choosing in complete confidence and without jeopardizing the employee's employment with the City.

Such voluntary action must be done prior to any act or reasonable suspicion that would result in being asked to submit to discovery testing and/or disciplinary action.

It is understood between the parties that the disciplinary action referred to herein Article 36.1 of the Collective Bargaining Agreement may be termination of employment if, through the commitment of such an act as described in this article, results in personal injury or death of a City employee or member of the general public; destruction of or damage to City equipment or property; destruction of or damage to public or private property.

Other such infractions as covered by this Article shall be dealt with in accordance with their merits.

- 36.2 Where a supervisory employee of the City has a reasonable suspicion to believe an employee is under the influence of alcohol or illegal drugs, or is using illegal drugs, the employee in question will be asked to submit to discovery testing including, breath tests, urinalysis and/or a blood screen to identify any involvement with alcohol or illegal drugs.

An employee who refuses to submit to discovery testing for alcohol and/or illegal drugs shall be presumed to be under the influence of alcohol or an illegal drug for the purpose of administering this Article.

- 36.3 For the purpose of administering this Article the following definition of terms is provided:

Reasonable Suspicion:

- 36.3.1 Reasonable Suspicion is based on specific objective facts and reasonable inferences from those facts in the light of experience, that discovery testing will produce evidence of illegal drug or improper alcohol use by that particular employee.

Under the influence - The following cutoff levels shall be used for the initial screening of specimens to determine whether they are negative for these drugs or classes of drugs. All cutoff concentrations are expressed in nanograms per milliliter (ng/mL).

DEPARTMENT OF TRANSPORTATION STANDARDS - 49 CFR PART 40 §40.87		
Type of Drug or Metabolite	Initial Test	Confirmation Test

Marijuana metabolites Delta-9-tetrahydrocannabinol-9-carboxylic acid (TCHA)	50	15
Cocaine metabolites Benzoylecgonine	150	100
Opiate metabolites Codeine/Morphine Codeine Morphine	2000	2000 2000
6-Acetylmorphine	10	10
Phencyclidine (PCP)	25	25
Amphetamines – AMP/MAMP Amphetamine (AMP) Methamphetamine (MAMP)	500	250 250 (specimen must also contain at least 100 ng/ML of amphetamine)
Methylenedioxymethamphetamine (MDMA) Methylenedioxyamphetamine (MDA) Methylenedioxyethylamphetamine (MDEA)	500	250 250

Level of the positive result for ethyl alcohol....0.04 gr/dl

Illegal Drugs - are defined as all forms of narcotics, depressants, stimulants, hallucinogens, and cannabis, which sale, purchase, transfer, or unauthorized use or possession is prohibited by law.

Over-the-Counter Drugs - are those which are generally available without a prescription and are limited to those drugs which are capable of impairing the judgment of an employee to safely perform the employee's duties.

Prescription Drugs - are defined as those drugs which are used in the course of medical treatment and have been prescribed and authorized for use by a licensed practitioner/physician or dentist.

36.4 If an employee is required to submit to a drug test, the following procedure shall be followed:

- 1) The employee shall be given an opportunity to confer with a Union representative if one is readily available and the employee has requested said conference.

- 2) The employee shall be given an opportunity to explain the reasons for the employee's condition, such as reaction to a prescribed drug, fatigue, exposure to toxic substances, or any other reasons known to employee to the test administrator. The City and a Union representative may be present during this discussion.
 - 3) The City may request urine and/or blood samples.
 - 4) Urine and blood samples shall be collected at a local laboratory, hospital or medical facility. The City shall transport the employee to the collection site. The City and/or Union representative may be allowed to accompany the employee to the collection site and observe the bottling and sealing of the specimen. The employee shall not be observed by the City when the urine specimen is given.
 - 5) All specimen containers and vials and bags used to transport the specimen shall be sealed to safeguard their integrity, in the presence of the City, employee and the Union representative and proper chain-of-custody procedures shall be followed.
 - 6) The drug tests of the specimen shall be conducted by the PAML Laboratory in Spokane, Washington.
 - 7) If a specimen tests positive in an immunoassay screen test, the results must be confirmed by a gas chromatography/mass spectrometry tests. The specimen must show positive results on the GC/MS (gas chromatography/mass spectrometry) confirmatory test to be considered positive.
 - 8) At the employee's or the Union's option, a sample of the specimen may be requisitioned and sent to a laboratory chosen by the Union for testing. The cost of this test will be paid by the Union or the employee. Failure to exercise this option may not be considered as evidence in an arbitration or other proceeding concerning the drug test or its consequences. The results of this second test shall be provided to the City.
 - 9) The City, the employee and the Union shall be informed of the results of all tests, and provided with all documentation regarding the tests as soon as the test results are available by the Medical Review office.
- 36.5 The Medical Review Office shall be chosen and agreed upon between the City and the Union. The role of the Medical Review Office will be to review, interpret and confirm positive test results and communicate the results as previously specified. The Medical Review Office shall review all pertinent medical records made available by the tested employee when a confirmed positive test could have resulted from legally prescribed medication.
- 36.6 If the results of the drug test are positive, and support a conclusion that the employee

used an illegal drug, or reported to work while under the influence of alcohol, the employee may be subject to discipline including immediate discharge.

- 36.7 The employee has the right to challenge any discipline imposed in the same manner that the employee may grieve another Employee action.
- 36.8 Changes to this Article regarding applicable statutes and DOT standards pertaining to substance abuse and a drug free workplace will be addressed in labor management.

ARTICLE 37 -- TECHNICAL RESCUE TEAM

- 37.1 The City agrees to pay up to a maximum of nine (9) bargaining unit members specialty pay for participation on the Technical Rescue Team ("TRT"). Such pay shall be equal to three and one half percent (3.5%) of top step Firefighter pay per month starting on the date of appointment to the team.

TRT members shall, at a minimum, be trained to meet the requirements of Technical Ropes, Confined Space Rescue, and Trench Rescue Technician meeting NFPA 1670 and 1006 requirements. Additional disciplines may be added to meet operational needs in the future. In the event that the selected candidate does not already have the minimum required training, the cost of attaining the certification/training shall be covered by the City.

- 37.2 When there are less than nine (9) Department members on the TRT, the City shall post openings for a minimum of thirty (30) days. Team members shall be selected from applications received by the Department. Selection and appointment to the team will be based on:

- 1) Review of the applicants' qualifications as submitted in their application packet.
- 2) A statement of the applicant's commitment in writing.
- 3) A recommendation from a supervising officer.
- 4) A written recommendation from at least one current TRT member.
- 5) Approval of the Fire Chief or designee.

- 37.3 In the event that the appointing authority judges two or more applicants to be equally qualified, the position will go to the member with the highest seniority. The appointment shall be made within ninety (90) days of the written notification of a team opening to the Fire & Emergency Services Director.

- 37.4 Off-duty team members shall be paid at their regular overtime rate of pay for the following items:

- a) All emergency response time,

- b) Required TRT meetings,
- c) All required training time (drills and classes).

37.4.1 On-duty members shall be replaced as needed for required meetings and required training. Said training and meetings shall not impact other bargaining unit member's rights to use their leaves (including moving of Kelly Days).

37.4.2 TRT members shall be required to attend a minimum of twenty-four (24) hours of team training per year.

37.4.3 The TRT Coordinator may recognize up to eight (8) hours of approved outside training in lieu of eight (8) hours of team training.

37.4.4 Approved required team training time, while on duty, shall be allowed when operations permit and call-ins shall be utilized when operations does not permit.

- a. TRT operational and training policies and procedures will be developed by the Department with input from team members.
- b. TRT members shall instruct non team members on technical rescue issues on an as needed basis. Should this occur off duty then the TRT member shall be compensated at the applicable overtime rate.
- c. Non team members shall continue to provide support for team training and operations commensurate with their training. Non team members may be included in team training while on duty.

ARTICLE 38 -- DEFERRED COMPENSATION

- 38.1 In accordance with the City's plan document and limitations of federal law, regular full and part time employees are eligible to voluntarily participate in the City's Internal Revenue Code ("IRC") Section 457 plan or the IAFF-FC Section 457 plan.
- 38.2 The City shall match employee contributions in deferred compensation to four and one-half percent (4.5%) of top step Firefighter. After fifteen (15) years of service, the City shall continue to pay the four and one-half percent (4.5%) to deferred compensation with no match required from the employee.
- 38.3 Employees may select either the City's 457 plan or the IAFF-FC Section 457 plan during the City's open enrollment period each year.

ARTICLE 39 -- PERSONNEL RECORDS

Human Resources shall maintain a complete personnel file on each employee. Employees may review this file by setting up an appointment with a member of the Human Resources staff.

ARTICLE 40 -- WSCFF MEDICAL EXPENSE REIMBURSEMENT PLAN

- 40.1 The City's MERP contribution shall be one hundred-and-fifty dollars (\$150) per month.
- 40.2 The Union and the Employees agree to hold the City harmless and indemnify the City from any and all liability, claims, demands, law suits, and/or losses, damage, or injury to persons or property, of whatsoever kind, arising from and in any way related to the implementation and administration of the MERP. The Union and Employees shall be one hundred percent (100%) liable for any and all liabilities inclusive of any federal, state, or local agency determination regarding any liabilities that arise out of the MERP. The Union and Employees shall be liable for any and all tax penalties, as well as any other liabilities arising out of the implementation and administration of the MERP.
- 40.3 Under no circumstances whatsoever will the City be liable for direct pay of any MERP benefit to the employees and/or retired employees and/or their beneficiaries.

ARTICLE 41 -- WELLNESS/FITNESS PROGRAM

- 41.1 The City and Union agree to work toward a Wellness/Fitness Program with the IAFF/IAFC Initiative being the template and ultimate goal.

The parties have executed this Agreement as their free and voluntary act on the dates below.

~~IN WITNESS THEREOF, the parties hereto have set their hands this _____ day of July, 2023.~~

CITY OF RICHLAND, WA

INTERNATIONAL ASSOCIATION OF
FIREFIGHTERS, Local #1052

Jon Amundson, ICMA-CM Date
City Manager

Chris Denney Date
President, IAFF Local #1052

Tom Huntington Date
Fire Chief

Matthew Jubb Date
Secretary, IAFF Local #1052

Lacey Paulsen Date
Human Resources Director

ATTEST:

Jennifer Rogers Date
City Clerk

APPROVED AS TO FORM:

Heather Kintzley Date
City Attorney

APPENDIX A

2026-2028

CLASSIFICATIONS & WAGES

Effective January 1, 2026, the wage schedule reflects a 3% increase (2.1% COLA and 0.9% market adjustment).

Position	A		C		E		F	
	Hourly	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly	Monthly
<i>FIREFIGHTER EMT</i>	\$34.0495	\$7,105	\$40.0160	\$8,350	\$42.3211	\$8,831	\$44.2188	\$9,227
<i>FIREFIGHTER/PARAMEDIC</i>	\$40.0191	\$8,351	\$45.9855	\$9,596	\$48.2906	\$10,077	\$50.1884	\$10,473
<i>FIRE LIEUTENANT EMT</i>					\$47.3996	\$9,891	\$49.5251	\$10,334
<i>FIRE LIEUTENANT/PARAMEDIC</i>					\$53.3692	\$11,136	\$55.4947	\$11,580
<i>FIRE CAPTAIN EMT</i>					\$52.1396	\$10,880	\$54.4776	\$11,368
<i>FIRE CAPTAIN/PARAMEDIC</i>					\$58.1091	\$12,125	\$60.4472	\$12,613
<i>ASST FIRE MARSHALL EMT</i>					\$57.0618	\$9,891	\$59.6206	\$10,334
<i>ASST FIRE MARSHALL/PARAMEDIC</i>					\$64.2483	\$11,136	\$66.8070	\$11,580
<i>MEDICAL TRNG COORD PARAMEDIC</i>					\$64.2483	\$11,136	\$66.8070	\$11,580
<i>DEPUTY FIRE MARSHALL EMT</i>					\$69.0448	\$11,968	\$72.1409	\$12,504
<i>DEPUTY FIRE MARSHALL PARAMEDIC</i>					\$76.2312	\$13,213	\$79.3274	\$13,750
<i>TRAINING PROGRAM OFFICER EMT</i>					\$69.0448	\$11,968	\$72.1409	\$12,504
<i>TRAINING PROGRAM OFFICER PARAMEDIC</i>					\$76.2312	\$13,213	\$79.3274	\$13,750
<i>EMS PROGRAM OFFICER EMT</i>					\$69.0448	\$11,968	\$72.1409	\$12,504
<i>EMS PROGRAM OFFICER PARAMEDIC</i>					\$76.2312	\$13,213	\$79.3274	\$13,750

Effective January 1, 2027, the wage schedule reflects a 3% COLA increase.

Position	A		C		E		F	
	Hourly	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly	Monthly
FIREFIGHTER EMT	\$35.0703	\$7,318	\$41.2188	\$8,601	\$43.5911	\$9,096	\$45.5463	\$9,504
FIREFIGHTER/PARAMEDIC	\$41.2190	\$8,601	\$47.3676	\$9,884	\$49.7398	\$10,379	\$51.6951	\$10,787
FIRE LIEUTENANT EMT					\$48.8220	\$10,188	\$51.0119	\$10,644
FIRE LIEUTENANT/PARAMEDIC					\$54.9707	\$11,471	\$57.1606	\$11,928
FIRE CAPTAIN EMT					\$53.7042	\$11,206	\$56.1131	\$11,709
FIRE CAPTAIN/PARAMEDIC					\$59.8529	\$12,489	\$62.2618	\$12,992
ASST FIRE MARSHALL EMT					\$58.7742	\$10,188	\$61.4105	\$10,644
ASST FIRE MARSHALL/PARAMEDIC					\$66.1763	\$11,471	\$68.8126	\$11,928
MEDICAL TRNG COORD PARAMEDIC					\$66.1763	\$11,471	\$68.8126	\$11,928
DEPUTY FIRE MARSHALL EMT					\$71.1167	\$12,327	\$74.3067	\$12,880
DEPUTY FIRE MARSHALL PARAMEDIC					\$78.5189	\$13,610	\$81.7088	\$14,163
TRAINING PROGRAM OFFICER EMT					\$71.1167	\$12,327	\$74.3067	\$12,880
TRAINING PROGRAM OFFICER PARAMEDIC					\$78.5189	\$13,610	\$81.7088	\$14,163
EMS PROGRAM OFFICER EMT					\$71.1167	\$12,327	\$74.3067	\$12,880
EMS PROGRAM OFFICER PARAMEDIC					\$78.5189	\$13,610	\$81.7088	\$14,163

Effective January 1, 2028, the wage schedule reflects a 3% COLA increase.

<u>Position</u>	<u>A</u>		<u>C</u>		<u>E</u>		<u>F</u>	
	<u>Hourly</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Monthly</u>	<u>Hourly</u>	<u>Monthly</u>
<u>FIREFIGHTER EMT</u>	<u>\$36.1246</u>	<u>\$7,538</u>	<u>\$42.4553</u>	<u>\$8,859</u>	<u>\$44.8994</u>	<u>\$9,369</u>	<u>\$46.9121</u>	<u>\$9,789</u>
<u>FIREFIGHTER/PARAMEDIC</u>	<u>\$42.4577</u>	<u>\$8,860</u>	<u>\$48.7884</u>	<u>\$10,181</u>	<u>\$51.2325</u>	<u>\$10,691</u>	<u>\$53.2453</u>	<u>\$11,111</u>
<u>FIRE LIEUTENANT EMT</u>					<u>\$50.2873</u>	<u>\$10,493</u>	<u>\$52.5416</u>	<u>\$10,964</u>
<u>FIRE LIEUTENANT/PARAMEDIC</u>					<u>\$56.6204</u>	<u>\$11,815</u>	<u>\$58.8747</u>	<u>\$12,285</u>
<u>FIRE CAPTAIN EMT</u>					<u>\$55.3160</u>	<u>\$11,543</u>	<u>\$57.7958</u>	<u>\$12,060</u>
<u>FIRE CAPTAIN/PARAMEDIC</u>					<u>\$61.6492</u>	<u>\$12,864</u>	<u>\$64.1289</u>	<u>\$13,382</u>
<u>ASST FIRE MARSHALL EMT</u>					<u>\$60.5382</u>	<u>\$10,493</u>	<u>\$63.2520</u>	<u>\$10,964</u>
<u>ASST FIRE MARSHALL/PARAMEDIC</u>					<u>\$68.1623</u>	<u>\$11,815</u>	<u>\$70.8761</u>	<u>\$12,285</u>
<u>MEDICAL TRNG COORD PARAMEDIC</u>					<u>\$68.1623</u>	<u>\$11,815</u>	<u>\$70.8761</u>	<u>\$12,285</u>
<u>DEPUTY FIRE MARSHALL EMT</u>					<u>\$73.2512</u>	<u>\$12,697</u>	<u>\$76.5349</u>	<u>\$13,266</u>
<u>DEPUTY FIRE MARSHALL PARAMEDIC</u>					<u>\$80.8753</u>	<u>\$14,018</u>	<u>\$84.1590</u>	<u>\$14,588</u>
<u>TRAINING PROGRAM OFFICER EMT</u>					<u>\$73.2512</u>	<u>\$12,697</u>	<u>\$76.5349</u>	<u>\$13,266</u>
<u>TRAINING PROGRAM OFFICER PARAMEDIC</u>					<u>\$80.8753</u>	<u>\$14,018</u>	<u>\$84.1590</u>	<u>\$14,588</u>
<u>EMS PROGRAM OFFICER EMT</u>					<u>\$73.2512</u>	<u>\$12,697</u>	<u>\$76.5349</u>	<u>\$13,266</u>
<u>EMS PROGRAM OFFICER PARAMEDIC</u>					<u>\$80.8753</u>	<u>\$14,018</u>	<u>\$84.1590</u>	<u>\$14,588</u>

OFFICER MEDICAL POSITION PAYS:

EMT certification pay of \$35.00 per month is calculated into wage table above for -Lieutenant and Captain EMT positions.

OFFICER / FIREFIGHTER PARAMEDIC CERTIFICATION PAYS:

Paramedic certification pay calculated into wage table above equates to 13.5% F Step Firefighter pay.

Pay Steps for lateral and entry level Firefighter are specified in the OJT Administrative Guide.

~~The parties agree to reopen this Agreement in 2024 to bargain wages only for 2025.~~

APPENDIX A -- NOTES

Firefighter positions shall advance through Steps A, C, E, and F in twelve (12) month increments.

Fire Lieutenant and Fire Captain positions shall advance through Steps E and F in six (6) month increments.

~~1)~~ Above salaries provided 12% differential between Firefighters and Lieutenants; 10% between Lieutenants and Captains;

~~2)~~

Day shift (40 hour per week) rates are set as listed below:

~~Deputy Assistant~~ Fire Marshal – 112% of Firefighter pay

~~Assistant Deputy~~ Fire Marshal - 110% of E or F Step Captain pay

Medical Training Coordinator – 112% of Firefighter pay

EMS Program Officer - 110% of E or F Step Captain pay

Training Program Officer – 110% of E or F Step Captain pay

1) Base rate includes EMT pay.

2) Employees who obtain a Washington State Paramedic Certification will begin receiving

paramedic pay when they have been approved by the Medical Program Director. Time without pay will not exceed six (6) months. The effective date of medical position pays shall be the date the Fire Department receives the appropriate written certification. Therefore, when the MPD's Protocols Test is passed and the Washington State Certification is in hand, whichever date is last is the effective date for beginning paramedic pay.

- 3) Position pays include reimbursement for meetings and recertification time necessary to maintain said certification (except as provided in [Article 27](#)).

APPENDIX B

PREMIUM PAY

Additional Monthly
Pay Per Certification

EMT with IV Endorsement	1.0% x F Step Firefighter
AEMT	2.0% x F Step Firefighter

APPENDIX C

~~LEOFF TRUST CONTRIBUTION CALCULATIONS~~

~~The Intent of the document is to align the contribution to IAFF R&F/BC employees so that it is comparable to the benefit provided to Police Guild employees.~~

DEFINITIONS

~~**Census Data:** The total annual number of IAFF R&F/BC members as of October 31st of each year, and broken out into tiers, where applicable. Census data will only be calculated annually on October 31st for purpose of this calculation, and we must have the LEOFF Plan B Trust Rates.~~

~~**Maximum Available Benefit:** The maximum contribution the City shall pay for Police Guild employees.~~

~~**Premium (Payroll Contributions):** The final monthly cost an IAFF R&F/BC employee will pay for benefits provided.~~

~~**Total Monthly Benefit Costs:** The combination of City and Trust benefit costs provided to IAFF R&F/BC employees.~~

~~**Tiered Structure:** A tier may be comprised of Employee only or a combination of Employee plus dependents (spouse, child or children).~~

CALCULATION OF PREMIUM

~~For the purpose of calculating LEOFF Trust (Trust) Contributions for IAFF R&F/BC's benefit premiums, the following guidelines will apply:~~

- ~~I. The City of Richland (City), shall determine the annual rates for Police Guild employees, prior to the Open Enrollment period designated by the City.~~
- ~~II. Contributions for IAFF R&F/BC's benefits shall be calculated using the City's Tiered Structure. Due to different tier levels between the City and the Trust, the City shall combine the following Trust Tiers: Employee & Child and Employee & Children, and Employee, Spouse & Child and Employee, Spouse & Children into the comparable City Tier Structure.~~
 - ~~a. Should City Tiers change over time, then the Trust Tiers shall be realigned to the new comparable City Tier Structure for calculation purposes.~~
 - ~~b. Should the City add an additional plan in which a Police Guild employee could elect, the IAFF R&F/BC's premium calculation will be based on the City's lowest deductible health plan.~~

- ~~e. Should the City impose a cost share premium for the dental or vision benefits to Police Guild employees, then the IAFF R&F/BC's premium calculation will also be based on this change.~~
- ~~III. The City shall use the census data of IAFF R&F/BC's as of October 31st of each year to determine the following year's premium contribution. Premium contributions shall be determined using the City's Benefit Rate Sheet (Rate Sheet) in use at the time, and based on the following:~~
 - ~~a. The City shall input the new IAFF R&F/BC's census data into the appropriate Tiers on the Rate Sheet; and~~
 - ~~b. The City shall input the new monthly City Tiered rates into the Rate Sheet; and~~
 - ~~c. The City shall calculate the Maximum Available Benefit for IAFF R&F/BC's by multiplying the census data against the monthly City tiered rates for medical and vision; and~~
 - ~~d. The City shall input the new monthly Plan B Trust Tiered rates provided by the Trust into the Rate Sheet; and~~
 - ~~e. The City shall calculate the Total Monthly Benefit Costs by aggregating the following:~~
 - ~~i. Multiply the census data against the monthly Trust rates based on the medical/vision Trust tiers; and~~
 - ~~ii. Calculate the monthly HRA/VEBA administrative costs; and~~
 - ~~iii. Calculate the monthly HRA City contributions by tier. If an employee separates City service, the month in which they separate service will be prorated and no additional HRA contributions will be made. Additionally, this will not affect or change the census data; and~~
 - ~~iv. Deduct the 1.75% F Step contributions.~~
 - ~~f. The final IAFF R&F/BC's monthly employee premium contribution, shall be calculated annually as follows:~~
 - ~~i. The City shall take the difference between the Total Monthly Benefit Costs and the Maximum Available Benefit divided by the total number of members in the census data.~~
 - ~~ii. If the Maximum Available Benefit exceeds the Total Monthly Benefit~~

~~Costs, the IAFF R&F/BC's monthly employee premiums shall be set at \$0. Any savings illustrated by the annual calculation of costs for the coming year will not affect a reduction in contributions. At no time will a credit be paid out to IAFF R&F/BC employees. Additionally, at no time, shall the City pay more contributions to IAFF R&F/BC employees than Police Guild employees.~~

~~iii. The minimum contribution of 1.75% of F Step Firefighter will be added to the premium calculation in 111.f.ii, to determine the final monthly premium for employees with dependents. The final monthly premium for employee w/o dependents will also be calculated from 111.f.ii.~~

~~IV. IAFF R&F/BC employee premiums will be divided and deducted from their paychecks on the first and second payroll periods of the month. No premiums will be deducted from the third paycheck in months in which there are three payroll periods.~~

~~V. If the Police Guild transitions away from the City's offered insurance option(s), the City and the Union will open the Agreement to bargain the terms in this Appendix, including other potential comparator bargaining unit(s).~~



EXAMPLE

COMPARATIVE COST EQUATION VS. LEOFF TRUST COST FOR 2023 Based on 2022 Contract & MOU Data is based on 10/28/22 Census, 2022 F Step rate, and LEOFF Trust rate increase of 1.5%

2023 CITY PREMIUM CONTRIBUTIONS (POLICE GUILD)	CITY TIERED RATES	CENSUS	MONTHLY TOTALS
EE Only	\$1,074.09	8	\$8,592.72
EE Plus Spouse	\$1,589.84	15	\$23,847.60
EE Plus Child / Children	\$1,397.26	3	\$4,191.78
EE Plus Spouse Plus Child / Children	\$1,944.55	47	\$91,393.85
		SUB TOTAL	\$128,025.95
Monthly Vision Costs	\$20.91	73	\$1,526.43
		TOTAL	\$129,552.38

LEOFF TRUST PREMIUM 2023 - RENEWAL RATES Change in rates from 2022 (1.5%)	TRUST TIERED RATES	CENSUS	MONTHLY TOTALS
Employee, Spouse, Child	\$1,894.52	16	\$30,312.32
Employee, Spouse, Children	\$2,120.02	31	\$65,720.62
Employee only	\$687.89	8	\$5,503.12
Employee plus Spouse	\$1,465.98	15	\$21,989.70
Employee plus Child	\$1,116.43	2	\$2,232.86
Employee plus Children	\$1,341.94	1	\$1,341.94
			\$127,100.56

CITY CONTRIBUTIONS TO HRA		CENSUS	
HRA Renewal Admin Cost \$250.00/12	\$20.83		\$20.83
Plus HRA Monthly Admin	\$5.25 ppm	73	\$383.25
Plus HRA Monthly Contribution by City			
EE Only \$2250.00 / 12	\$187.50	8	\$1,500.00
EE Plus Family \$4500.00 / 12	\$375.00	65	\$24,375.00
SUB TOTAL			\$153,379.64

EMPLOYEE CONTRIBUTIONS PER CBA		CENSUS	
Employee Only Tier (no additional contribution)	\$0.00	8	\$0.00
Employee + Dependents contribute 1.75% of 2022 F Step (2022 F Step = \$7,518 per month*)	\$131.57	65	\$8,552.05
TOTAL MONTHLY COST			\$144,827.59

MAXIMUM AVAILABLE BENEFIT MONTHLY (ABOVE)		\$129,552.38
TOTAL MONTHLY BENEFIT COSTS (ABOVE)		\$144,827.59
DIFFERENCE THAT ALL EMPLOYEES MUST SHARE (Divided by 73)	\$209.25	\$15,275.21
MAXIMUM AVAILABLE BENEFIT ANNUALIZED		\$1,554,628.56
TOTAL MONTHLY BENEFIT COSTS ANNUALIZED		\$1,737,931.08
ANNUAL DIFFERENCE THAT ALL EMPLOYEES MUST SHARE		\$183,302.52

Additional per EE per Month \$209.25
Divided by 2 Payrolls \$104.62

Rounded for Each payroll Contribution 2023 No Dependents \$104.62 \$209.25

*Rounded for Each payroll Contribution 2023 W/Dependents \$170.41 \$340.82

(With Dependents rate includes 1.75% of F step)

APPENDIX ~~CD~~

MOU # 2023-02-IAFF

MEMORANDUM OF UNDERSTANDING

Between

The City of Richland

And

The International Association of Firefighters Local 1052

RESTRUCTURE OF BARGAINING UNIT WORK AND FIRE DEPARTMENT PERSONNEL STRUCTURE

The Richland Fire & Emergency Services Department ("RF&ES") projects continued growth necessary to serve our community. As our community grows so do nonoperational demands on RF&ES. The prevention division has seen a tremendous increase in community demand over the last ten years. This demand is expected to increase into the foreseeable future.

The parties recognize that the workload and complexity of fire plans review has increased to a pace that is no longer sustainable with the current workforce structure. In order for plan review to be completed timely, overtime is being expended, which is a financial burden to the City and upsetting to employee work/life balance.

The parties recognize that fire and life safety inspections as well as public education is core mission work that is currently not being done due to a lack of capacity within the bargaining unit. This work is essential to keeping our community safe, educated, and directly effects the Cities Washington Surveying and Ratings Bureau.

The parties recognize that the work performed in fire plans review, including building and life safety system review, pre-application meetings, and contractor/interdepartmental communications as well as fire and life safety inspection and public education is currently Union work.

The parties recognize that transitioning bargaining unit work to non-uniform positions is a mandatory subject of bargaining.

The Union agrees to continue to perform this work until the City can advertise, hire, train, and on-board employees to sufficiently carry out the work described.

The Union shall be allowed to assist with this work on an as needed basis at the discretion of the City to ensure continuity of business, offer technical expertise/advice, and ensure positive community engagement once it is fully transferred to management.

This MOA fully addresses the decision, impacts and effects of the Unions loss of such work for the bargaining unit. As identified below, the bargaining unit shall receive the benefits identified herein beginning January 1, 2023, until otherwise negotiated by the parties.

Key Understandings and Parameters:

1. There shall be no reduction of bargaining unit members who currently perform this work (Assistant Fire Marshal and Deputy Fire Marshal). It is also understood that no guarantees of future staffing levels are being made through this MOA.
2. Fire Prevention work that shall be reassigned to management includes but is not limited to:
 - a. Residential fire plan review
 - b. Commercial fire plan review
 - c. Building and life safety system reviews
 - d. Zoning changes
 - e. Subdivision and street plan review
 - f. Pre-application meetings
 - g. Issuing conditional use permits
 - h. Contractor/interdepartmental communications
 - i. Fire and life safety inspections
 - j. Public education related to fire and life safety
 - k. Tegris administrative responsibility
 - l. Project and plan in processing
 - m. Project and plan distribution

Benefits in Consideration for the Transition of Work to Management

In consideration of the above transition, the Bargaining unit members shall receive the following, to be defined by the CBA, unless and until the benefits are otherwise negotiated:

Sick Leave Annual Cash Out funding VEBA Contribution

Members shall participate in the annual cash out of sick leave as follows:

1. Every December and upon retirement/separation from employment, within a payroll period defined by management, bargaining unit members assigned to a 24-hour Shift during the designated pay period, and who have a Sick Leave balance over 1440 hours, shall sell back 50% of the hours over 1440, to a maximum of 150 hours, which shall be placed in the members' established VEBA account.
2. Every December and upon retirement/separation from employment, within a payroll period defined by management, those bargaining unit members assigned to a Day Shift during the designated pay period, and who have a Sick Leave balance of over 1196 hours, shall sell back 50% of the hours over 1196, to a maximum of 124 hours, which shall be placed in the members' established VEBA account.
3. The above maximum hours presumes the conversion method identified in Section 22.2 has been applied.

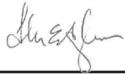
Signature Page to Follow

Dated this 25 day of July, 2023.

City of Richland:



Jon Amundson, ICMA-CM, City Manager



Tom Huntington, Fire Chief



Lacey Paulsen, Human Resources Director

IAFF Local 1052:



Raul Marroquin, President, IAFF Local 1052



Tim Birch, Secretary, IAFF Local 1052

APPENDIX DE

MOU # 2023-02-IAFF

MEMORANDUM OF UNDERSTANDING

Between

The City of Richland

And

The International Association of Firefighters Local 1052

TOBACCO-FREE WORKPLACE

The City of Richland ("City") and the Rank-and-File Unit ("Unit") of the International Association of Firefighters Local 1052 ("Union") enter into this Memorandum of Understanding (MOU). The City and Union are referred to herein as the "parties."

The parties acknowledge the benefits of a tobacco-free workplace for overall employee health and wellness. The parties also acknowledge Unit employees were historically permitted to use non-atomizing, smokeless tobacco products ("Products"). Recognizing the need to transition over time to a completely tobacco-free workplace, the parties wish to enter into this MOU to aid in such efforts for employees hired by the City before January 1, 2023 ("Eligible Employees").

The parties agree to the following terms and conditions:

1. The use of tobacco products in City-owned or -operated facilities and vehicles shall be governed by Richland Municipal Code Sections 2.58.010 through 2.58.060, as amended, provided that restrictions in the City Code do not apply to the use of Products for Eligible Employees. Eligible Employees must supply and maintain appropriate receptacles to dispose of such Product waste.
2. The parties shall review this MOU during negotiations for each successor Collective Bargaining Agreement to determine if this MOU shall end or be extended in writing.
3. The terms of this MOU only apply to Eligible Employees.
4. Unit employees hired on or after January 1, 2023, must fully comply with the Richland Municipal Code Sections 2.58.010 through 2.58.060, as amended.
5. This MOU may be modified by the parties' mutual agreement in writing.
6. This MOU is effective upon full execution.

Signature page to follow

The parties have executed this MOU as their free and voluntary act on the dates below.

Dated this 25 day of July, 2023.

City of Richland:



Jon Amundson, ICMA-CM, City Manager



Tom Huntington, Fire Chief



Lacey Paulsen, Human Resources Director

IAFF Local 1052:



Raul Marroquin, President, IAFF Local 1052



Tim Birch, Secretary, IAFF Local 1052



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Items of Business

Strategic Priority 2 - Financial Sustainability

Subject

Ordinance No. 2025-33, Approving the 2026 Budget and the 2026-2031 Capital Improvement Plan (Second Reading)

Department/Office

Finance

Ordinance/Resolution Number

2025-33

Document Type

Ordinance

Recommended Motion

Give second reading and pass Ordinance No. 2025-33, approving the 2026 Budget and the 2026-2031 Capital Improvement Plan.

Summary

Richland City Council received a presentation on the proposed 2026 Budget and 2026-2031 Capital Improvement Plan (CIP) on September 23, 2025. A revenue hearing was also conducted at the October 21, 2025 City Council meeting. The preliminary hearing and presentation of the 2025 Budget and 2026-2031 CIP was considered on the November 4, 2025 regular Council meeting, followed by the final budget hearing on December 2, 2025.

First reading of Ordinance No. 2025-33 adopting the 2026 Budget occurred on November 4, 2025. Testimony taken during the public hearing has been admitted to the record.

Staff recommends adoption of Ordinance No. 2025-33 for second reading and passage.

Fiscal Impact

The proposed total 2026 budgeted appropriations for all funds is \$336,476,600.

Attachments

- I. Ordinance No. 2025-33

ORDINANCE NO. 2025-33

AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON ADOPTING THE 2026 ANNUAL BUDGET OF THE CITY OF RICHLAND, INCLUDING THE 2026-2031 CAPITAL IMPROVEMENT PLAN.

BE IT ORDAINED by the City of Richland as follows:

Section 1. Budget Adopted. The Annual Budget of the City of Richland for the year 2026, including the 2026-2031 Capital Improvement Plan, and each and every fund thereof as fixed and determined in the Proposed Budget for the year 2026, as revised by the City Council, is hereby adopted as the Budget of the City for the calendar year 2026. The total appropriations for each of the funds of the City of Richland are as follows:

Funds	Total Estimated Revenues	Appropriated Beginning Fund Balances	Est. Revenues & Approp. Fund Balance	Total Appropriations
General Fund	\$ 77,736,944	\$ 5,953,270	\$ 83,690,214	\$ 83,690,214
Special Revenue Funds:				
City Streets	4,251,969	638,195	4,890,164	4,890,164
Transportation Benefit District	1,918,500	-	1,918,500	1,881,400
Park Reserve	665,786	-	665,786	476,571
Industrial Development	1,433,897	891,228	2,325,125	2,325,125
Criminal Justice	104,460	-	104,460	81,639
Public Safety Sales Tax	3,033,000	547,526	3,580,526	3,580,526
BCES Operations	7,915,860	-	7,915,860	7,915,860
Hotel/Motel Tax	1,700,710	556,389	2,257,099	2,257,099
Special Lodging Assmnt	845,000	-	845,000	845,000
Community Dev. Block Grant	289,705	-	289,705	289,705
HOME	765,306	119,481	884,787	884,787
Debt Service Funds:				
LTGO Bonds	5,405,691	-	5,405,691	5,395,618
Fire Station 74	673,306	-	673,306	671,106
Library Remodel	1,623,000	151,800	1,774,800	1,774,800
LRF Debt Service	657,310	1,188	658,498	658,498
LID Guaranty	20,000	-	20,000	30
Special Assessment	1,583	-	1,583	-
Capital Projects Funds:				
Streets Capital Projects	9,299,775	-	9,299,775	9,298,550
Capital Improvement	3,224,000	-	3,224,000	2,972,461
Parks Capital Projects	1,990,000	-	1,990,000	1,990,000

Funds	Total Estimated Revenues	Appropriated Beginning Fund Balances	Est. Revenues & Approp. Fund Balance	Total Appropriations
Enterprise Funds:				
Electric	87,178,740	9,091,674	96,270,414	96,270,414
Water	16,718,326	3,821,541	20,539,867	20,539,867
Wastewater	11,577,500	7,620,344	19,197,844	19,197,844
Solid Waste	13,050,750	1,910,262	14,961,012	14,961,012
Stormwater	4,120,050	898,514	5,018,564	5,018,564
Golf Course	2,518,073	-	2,518,073	2,449,341
Medical Services	8,724,945	1,763,125	10,488,070	10,488,070
Broadband	468,000	204,638	672,638	672,638
Internal Service Funds:				
Equipment Maintenance	6,419,894	-	6,419,894	6,162,048
Equipment Replacement	8,235,303	-	8,235,303	4,761,685
Public Works Adm & Eng.	6,030,637	-	6,030,637	6,030,637
Workers Compensation	2,443,638	205,456	2,649,094	2,649,094
Employee Benefits	13,133,832	1,060,063	14,193,895	14,193,895
Unemployment	80,548	71,656	152,204	152,204
Post Employment Benefit	1,186,969	-	1,186,969	1,050,134
Totals	\$ 305,443,007	\$ 35,506,350	\$ 340,949,357	\$ 336,476,600

Section 2. Salaries and Wages. The total cumulative salaries and wages set forth in the budget document represent the maximum approved expenditure, subject to the requirements and limitations set forth in the Compensation Plan for Unaffiliated Employees and Collective Bargaining Agreements for Affiliated Employees, or other contracts approved by Council. In the interests of operational efficiency and business need, the City Manager may amend salaries and wages within departments and divisions as long as the total labor budget is not exceeded.

Section 3. This Ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the 2nd day of December, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

First Reading: November 4, 2025
Second Reading: December 2, 2025
Date Published: December 7, 2025



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Items of Business

Strategic Priority I - High Performance Government

Subject

Ordinance No. 2025-38, Amending the 2025 Budget in the General Fund, Streets Capital Construction Fund, General Government Construction Fund, Golf Course Fund, Medical Service Fund, Workers Compensation Fund, Health Care Benefits Plan Fund and Unemployment Fund (First Reading)

Department/Office

Finance

Ordinance/Resolution Number

2025-38

Document Type

Ordinance

Recommended Motion

Give first reading to Ordinance No. 2025-38, amending the 2025 Budget in multiple funds as provided therein.

Summary

Ordinance No. 2025-38 includes amendments to the adopted 2025 Budget as follows:

- Additional appropriations are needed for Fire and EMS overtime costs that are in excess of budget due to vacancies and coverage needs in the amount of \$231,779 in the General Fund and \$218,221 in the Medical Service Fund.
- Additional appropriations of \$2,133,232 are required in the Streets Capital Construction Fund to spend grant funds from the Transportation Improvement Board (TIB) and Benton County Rural County Capital Fund (RCCF) for the Duportail Driveway Improvements project.
- Increase in appropriations of \$1,574 in the General Fund offset by a decrease in the Golf Fund for the same amount to allocate appropriations into the correct fund.
- Additional appropriations of \$1,000,000 to increase budgeted medical insurance claims in the self-funded Health Care Benefits Plan Fund.
- Additional appropriations of \$100,000 to increase budgeted unemployment claims in the self-funded Unemployment Fund.
- Additional appropriations of \$385,000 to increase budgeted workers compensation claims in the self-funded Workers Compensation Fund.
- Additional appropriations of \$750,000 in the General Fund to increase transfers out to the General Government Construction Fund to move CIP funds for the future purchase of fire station land. This is accompanied by additional appropriations of \$750,000 in the General Government Construction Fund to appropriate the transfer in from the General Fund.

Staff recommends approval of Ordinance No. 2025-38 for first reading.

Fiscal Impact

Ordinance No. 2025-38 will add \$5,568,232 in appropriations to the 2025 Budget. Of this amount, \$2,883,232 is from new revenue sources and \$2,685,000 is from unappropriated fund balance.

Attachments

- I. Ordinance No. 2025-38

ORDINANCE NO. 2025-38

AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON, AMENDING THE 2025 BUDGET TO PROVIDE FOR ADDITIONAL APPROPRIATIONS IN THE CITY'S GENERAL FUND, STREETS CAPITAL CONSTRUCTION FUND, GENERAL GOVERNMENT CONSTRUCTION FUND, GOLF COURSE FUND, MEDICAL SERVICE FUND, WORKERS COMPENSATION FUND, HEALTH CARE BENEFITS PLAN FUND, AND UNEMPLOYMENT FUND, AND DECLARING THAT A PUBLIC EMERGENCY EXISTS IN CERTAIN OF THESE FUNDS.

WHEREAS, on November 19, 2024, Richland City Council approved Ordinance No. 2024-37 adopting the 2025 Budget; and

WHEREAS, certain additional revenue sources have been identified that were not anticipated when the 2025 Budget was approved, the expenditure of which is not included in current appropriations; and

WHEREAS, certain additional expenditures have been identified as necessary or desirable in the current year that do not have a specific new revenue source and no funds were appropriated for these expenditures; and

WHEREAS, sufficient unappropriated funds are available to support the required budget adjustment; and

WHEREAS, on December 2, 2025, a public hearing was held pursuant to RCW 35.33.091 regarding the increase in appropriations from beginning fund balance in the funds listed in this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the City of Richland as follows:

Section 1. Facts Constituting Emergency. The expenses contained within this Ordinance were not anticipated when the 2025 Budget was adopted.

Section 2. Declaration of Public Emergency. Due to circumstances described above, the City Council declares that a public emergency exists in the General Fund, Golf Course Fund, Medical Service Fund, Workers Compensation Fund, Health Care Benefits Fund and Unemployment Fund.

Section 3. Amendment of the 2025 Budget. The 2025 Budget is hereby amended to provide additional appropriations in the following funds, and from the following sources, as indicated:

BUDGET AMENDMENTS

Fund	Fund Title	Current Appropriations	Change In Appropriations	Amended Appropriations	Source	
					Fund Balance	New Revenue
001	GENERAL FUND	\$ 87,835,272	\$ 983,353	\$ 88,818,625	\$ 983,353	\$ -
301	STREETS CAPITAL CONSTRUCTION FUND	\$ 46,610,944	\$ 2,133,232	\$ 48,744,176	\$ -	\$ 2,133,232
385	GENERAL GOVERNMENT CONSTRUCTION FUND	1,051,035	750,000	1,801,035	-	750,000
406	GOLF COURSE FUND	2,835,704	(1,574)	2,834,130	(1,574)	-
407	MEDICAL SERVICES FUND	10,492,054	218,221	10,710,275	218,221	-
506	WORKERS COMPENSATION FUND	1,611,629	385,000	1,996,629	385,000	-
520	HEALTH CARE BENEFITS FUND	12,942,256	1,000,000	13,942,256	1,000,000	-
521	UNEMPLOYMENT FUND	70,236	100,000	170,236	100,000	-
TOTAL		\$ 163,449,130	\$ 5,568,232	\$ 169,017,362	\$ 2,685,000	\$ 2,883,232

Section 4. This Ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the ____ day of _____, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

First Reading: _____

Second Reading: _____

Date Published: _____



COUNCIL AGENDA ITEM COVERSHEET

Council Date: 12/2/2025

Agenda Category: Items of Business

Strategic Priority 2 - Financial Sustainability

Subject

Ordinance No. 2025-39, Amending Richland Municipal Code Section 14.24.060 related to Electric Retail Rates (First Reading)

Department/Office

Energy Services

Ordinance/Resolution Number

2025-39

Document Type

Ordinance

Recommended Motion

Give first reading to Ordinance No. 2025-39, amending Richland Municipal Code Section 14.24.060 related to electric retail rates.

Summary

Richland Energy Services (RES) utilizes a forward retail rate program to provide City Council and customers with planning information. Although the program forecasts five (5) years ahead, each program milestone that identifies a potential rate increase is processed independently. Staff updates all underlying assumptions in its Cost of Service Analysis (COSA) model, evaluates results with the City's Utility Advisory Committee (UAC) in open public meetings, and makes recommendations for City Council consideration.

As part of this program, staff recommends a rate increase effective January 1, 2026 to generate an 8.5% increase in electric rate revenue. This increase is primarily driven by Bonneville Power Administration's wholesale power increase of 8.9% and 19.9% in transmission costs effective October 1, 2025. Except for Schedule 90: Cable Television Amplifier/Small Cell, the last rate increase for all other rate classes was June 2019.

The proposed rate recommendations were reviewed and endorsed by the UAC at its November 12, 2025 meeting.

If approved by City Council, Richland's electric rates will remain competitive with other regional utilities. Staff propose that the increase take effect January 1, 2026.

Staff recommends approval of Ordinance No. 2025-39 for first reading.

Fiscal Impact

Approval of the proposed rate adjustment would result in an 8.5% increase to the 2026 retail revenue in the Electric Utility Fund. The projected wholesale power costs for 2026, including the power and transmission rates of BP-26 and a \$690k BPA Financial Reserves Surcharge are \$51.3M.

Attachments

1. Ordinance No. 2025-39
2. 2026 Richland - Revenue Requirement and Rate Forecast Update

ORDINANCE NO. 2025-39

AN ORDINANCE OF THE CITY OF RICHLAND, WASHINGTON, AMENDING RICHLAND MUNICIPAL CODE SECTION 14.24.060 RELATED TO ELECTRIC RETAIL RATES.

WHEREAS, the City is responsible for recovering the costs of operating its electric utility primarily through retail rates; and

WHEREAS, additional revenues are required to fund the increasing operating costs of the electric utility, primarily due to the increase in cost of wholesale power from the Bonneville Power Administration (BPA); and

WHEREAS, the Utility Advisory Committee (UAC) has reviewed staff recommendations, including consideration of the Cost of Service Analysis (COSA), multi-year rate program methodology, the electric utility's current and projected financial status, levels of rate-financed capital, debt service coverage ratios, rate structures, and projected revenue and expense requirements; and

WHEREAS, upon review of the materials and information provided, the UAC voted in support of staff's recommended retail rate increases; and

WHEREAS, rate increases are being implemented by other electric utility providers across the region.

NOW, THEREFORE, BE IT ORDAINED by the City of Richland as follows:

Section 1. Section 14.24.060 of the Richland Municipal Code, titled Retail electrical rates, as originally enacted by Ordinance No. 90, and last amended by Ordinance No. 2024-34, is hereby amended as follows:

14.24.060 Retail electrical rates.

Rates for electricity are summarized by class of service as listed below. Rates are effective ~~with the first bill received in June 2019~~ January 1, 2026, ~~and apply to all usage during the billing period.~~

SCHEDULE 10: General Residential

- A. Availability: In all territory serviced by the city's electrical utility.
- B. Applicability: To domestic uses of electric energy by all residential customers not eligible under other rate schedules.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Delivery Point: The following rates are based upon the supply of service to the entire premises

through a single delivery and metering point. Separate supply for the same customer at other points of consumption shall be separately metered and billed.

E. Rates:

Daily Service Charge:

Single-phase service: ~~\$0.69~~ 0.75/day

Multiphase service: ~~\$0.98~~ 1.06/day

Energy Charge: ~~\$0.0741~~ 0.0804/kWh

F. Per Chapter 3.29 RMC, a discount shall be applied to the residential rates specified in this section for qualifying low-income citizens.

SCHEDULE 20: Small General Service

A. Availability: In all territory served by the city's electric utility.

B. Applicability: To all nonresidential uses supplied through a single meter where anticipated monthly maximum demand does not exceed 50 kilowatts and the load is not eligible under other rate schedules.

C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.

D. Rates:

Daily Service Charge:

Single-phase service: ~~\$0.86~~ 0.93/day

Multiphase service: ~~\$1.16~~ 1.26/day

Energy Charge: ~~\$0.0667~~ 0.0724/kWh

Billing Demand Charge: No Charge

SCHEDULE 22: Medium General Service

A. Availability: In all territory served by the city's electric utility.

B. Applicability: To all nonresidential uses supplied through a single meter, where anticipated monthly maximum demand is greater than 50 kilowatts, but less than or equal to 300 kilowatts, and the load is not eligible under other rate schedules.

C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.

D. Rates:

Daily Service Charge:

Single-phase service: ~~\$1.38~~ 1.50/day

Multiphase service: ~~\$1.66~~ 1.80/day

Energy Charge: ~~\$0.0428~~ 0.0464/kWh

Billing Demand Charge: ~~\$5.17~~ 5.61/kW

SCHEDULE 24: Large General Service

- A. Availability: In all territory served by the city's electric utility.
- B. Applicability: To all nonresidential uses supplied through a single meter, where anticipated monthly maximum demand is greater than 300 kilowatts, but less than or equal to 1,000 kilowatts, and the load is not eligible under other rate schedules.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Rates:
 - Daily Service Charge:
 - Multiphase service: ~~\$2.01~~ 2.18/day
 - Energy Charge: ~~\$0.0428~~ 0.0464/kWh
 - Billing Demand Charge: ~~\$5.58~~ 6.05/kW

SCHEDULE 30: Small Industrial

- A. Availability: In all territory served by the city's electric utility.
- B. Applicability: To all nonresidential uses supplied through a single meter where anticipated monthly maximum demand is greater than 1,000 kilowatts but less than or equal to 5,000 kilowatts and the load is not eligible under other rate schedules.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Rates:
 - Daily Service Charge:
 - Multiphase service: ~~\$8.34~~ 9.05/day
 - Energy Charge: ~~\$0.0428~~ 0.0464/kWh
 - Billing Demand Charge: ~~\$5.92~~ 6.42/kW

SCHEDULE 31: Large Industrial

- A. Availability: In all territory served by the city's electric utility.
- B. Applicability: To all nonresidential uses supplied through a single meter where anticipated monthly maximum demand is greater than 5,000 kilowatts and the load is not eligible for service under other rate schedules.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Rates:
 - Daily Service Charge: ~~\$8.34~~ 9.05/day

Energy Charge: ~~\$0.0423~~ 0.0459/kWh
Billing Demand Charge: ~~\$5.52~~ 5.99/kW

SCHEDULE 33: Economic Development Rate

- A. Terms and conditions of negotiated rate will be by contract.
- B. Will be based upon the benefits derived from the new load and/or employment opportunities that expand the local economy.
- C. Will utilize marginal costing concept.

SCHEDULE 40: Small Irrigation 0 – 60 Horsepower

- A. Availability: In all territory served by the city's electric utility.
- B. Applicability: To uses of electrical power on a continuous basis for seasonal agricultural irrigation pumping or agricultural drainage pumping.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Rates:
 - Energy Charge: ~~\$0.0650~~ 0.0705/kWh
 - Billing Demand Charge: No Charge
 - Annual Service Charge:
To be billed at beginning of irrigation season.
 - (1) ~~\$194.10~~ 210.60 single-phase service.
 - (2) ~~\$258.80~~ 280.80 multiphase service.

SCHEDULE 45: Large Irrigation Over 60 Horsepower

- A. Availability: In all territory served by the city's electric utility.
- B. Applicability: To uses of electrical power on a continuous basis for seasonal agricultural irrigation pumping or agricultural drainage pumping.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Rates:
 - Energy Charge: ~~\$0.0428~~ 0.0464/kWh
 - Billing Demand Charge: ~~\$7.30~~ 7.92/kW
 - Annual Service Charge:
To be billed at beginning of irrigation season.
 - ~~\$0.57~~ 0.62/horsepower all horsepower greater than 60, plus:
 - (1) ~~\$194.10~~ 210.60 single-phase service.

(2) ~~\$258.80~~ 280.80 multiphase service.

SCHEDULE 60: Traffic Lighting

- A. Availability: In all territory served by the city's electric utility.
- B. Applicability: To municipally owned traffic-regulating signal systems on public streets and highways.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Rates:
 - Daily Service Charge: ~~\$0.69~~ 0.75/day
 - Energy Charge: ~~\$0.0653~~ 0.0709/kWh

SCHEDULE 90: Cable Television Amplifier/Small Cell

- A. Availability: In all territory served by the city's electric utility.
- B. Applicability: To owners of cable television amplifiers or small cell installed on facilities owned by the city's electric utility.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Rates:
 - Energy Charge: ~~\$0.0667~~ 0.0724/kWh

SCHEDULE 100: New Large Single Load

- A. Availability: In all territory served by the city's electric utility.
- B. Applicability: To new large single load customers defined in Public Law 96-501 and as such constitute electrical loads greater than or equal to 10 average megawatts during any consecutive 12-month period and which cause the utility to incur wholesale power costs in excess of normal rates.
- C. Character of Service: Sixty hertz alternating current of such phase and voltage as the electric utility may have available.
- D. Rates: Terms and conditions of negotiated rate will be by contract.

Section 2. This Ordinance shall take effect the day following its publication in the official newspaper of the City of Richland.

Section 3. Should any section or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, that decision shall not affect the validity of the Ordinance as a whole or any part thereof, other than the part so declared to be invalid.

Section 4. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance, including but not limited to the correction of scrivener's errors/clerical errors, section numbering, references, or similar mistakes of form.

PASSED by the City Council of the City of Richland, Washington, at a regular meeting on the ____ day of _____, 2025.

Theresa Richardson, Mayor

Attest:

Approved as to Form:

Jennifer Rogers, City Clerk

Heather Kintzley, City Attorney

First Reading: _____

Second Reading: _____

Date Published: _____



Electric Rate Study Update

Clint Whitney, Energy Services Director
Angie Sanchez Virnoche, Principal

December 2, 2025





Presentation Overview

- FCS retained to complete a rate study update
 - » Focus on 2026-2027 rate-setting period
- Focus for today:
 - » Overview of revenue requirement process
 - » Key assumptions
 - » Findings and recommendations
- Summary/Next Steps



Rate Study Overview

- Determine the amount of annual revenue necessary to fund all financial obligations
 - » Operating expenses
 - » Debt service (principal & interest)
 - » Capital costs and funding approach
- Meet financial parameters and targets
 - » Target debt service coverage ratios
 - » Maintain target reserve balances
- Evaluate revenue sufficiency over multi-year period
- Develop rate plan to balance financial needs and minimize customer impacts



Key Assumptions

- Study period 2025 – 2029 with a **focus on 2026** rate update
- Projected rate revenue based on historical data (\$70.3M)
 - » Average annual load growth of 0.80% per year
- Existing annual debt service (\$5.6M)
- Historically adjusted actual O&M expenses used as baseline (\$16.8M)
- Power costs incorporate BPA-BP26 average effective increases (\$51.3M)
 - » 8.90% for power costs and 19.90% for transmission costs compared to BP-24 rates
 - » Includes the Financial Reserves Policy Surcharge (FRP) of \$689.8K in 2026

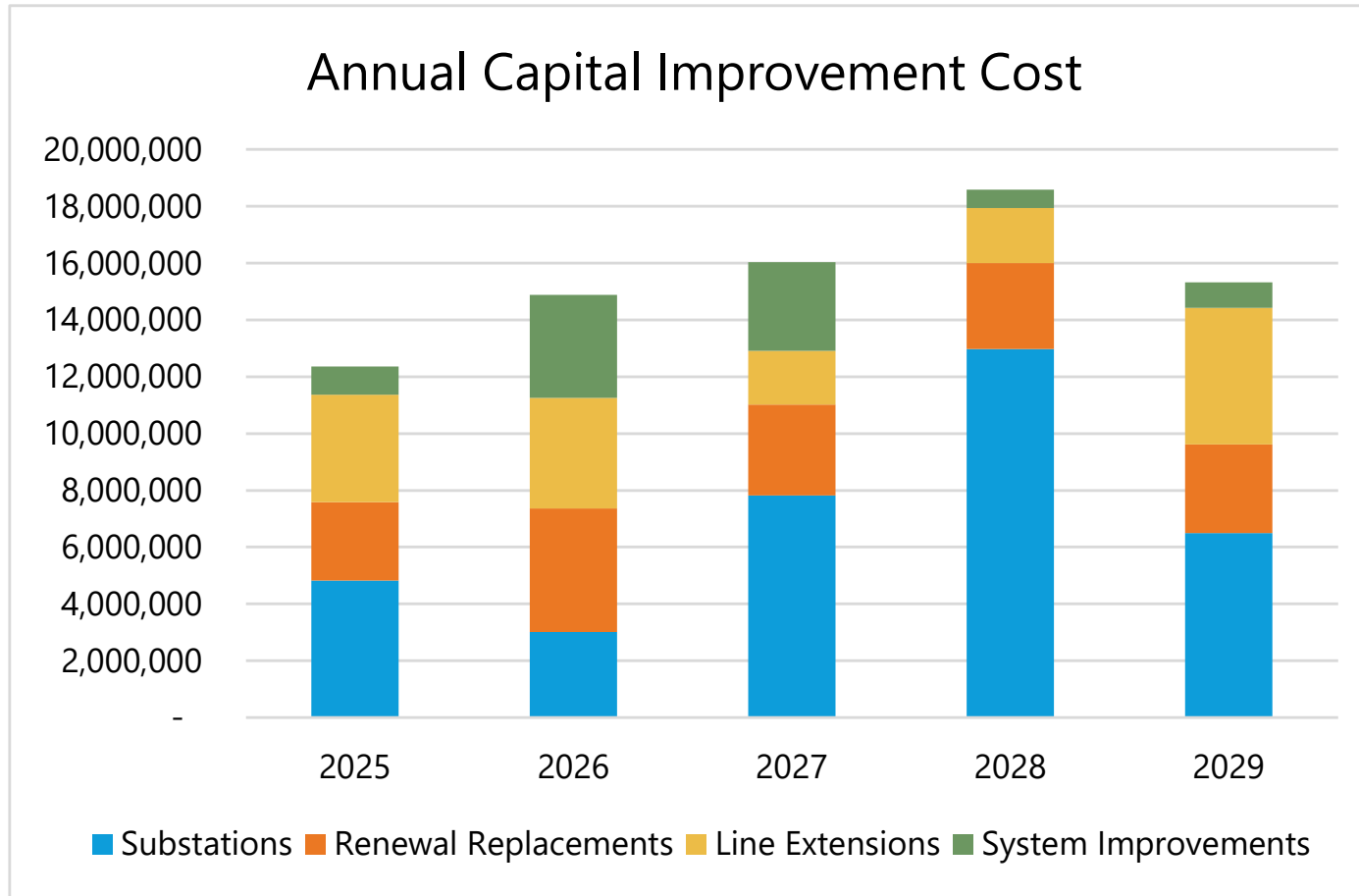


Key Assumptions (cont.)

- Fiscal policies incorporated:
 - » Operating balance
 - Minimum balance: \$2.4M
 - Target balance: 120 days of O&M (\$5.5M - \$6.2M)
 - Debt service coverage target ratio minimum: 1.25x
 - » Rate financed capital at 100% of annual depreciation
 - Ranges between \$8.1M - \$9.4M over the study period



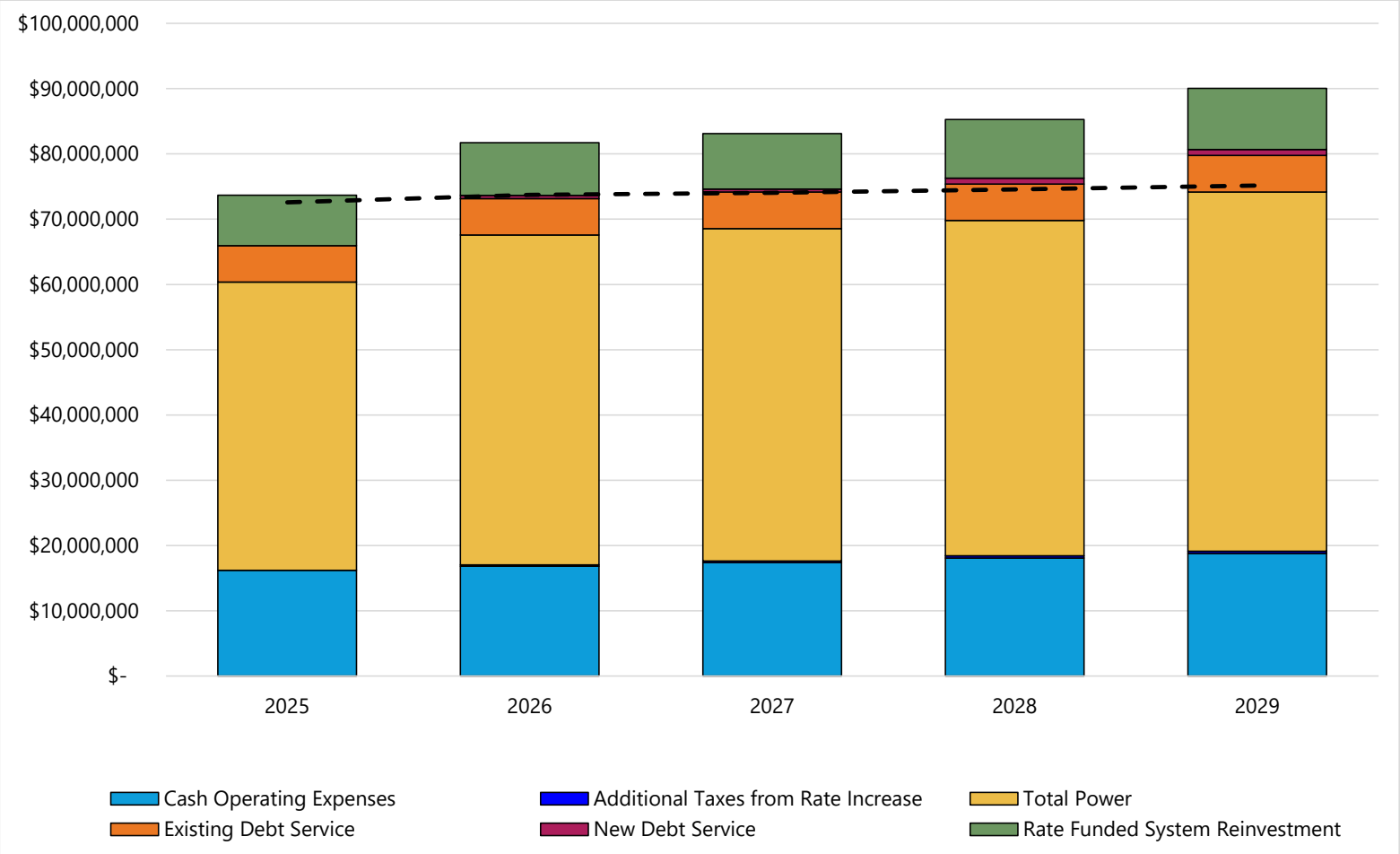
Capital Improvement Plan



- \$77.2M CIP (2025-2029) funded through:
 - » Reserves
 - » Facility fees
 - » Rate funded capital
 - » New Debt Proceeds
 - \$7.50M in 2026 and \$6.50M in 2028
 - Revenue Bonds: 30 year term, 5.0% interest, 1.5% issuance cost update



Revenue Requirement Summary



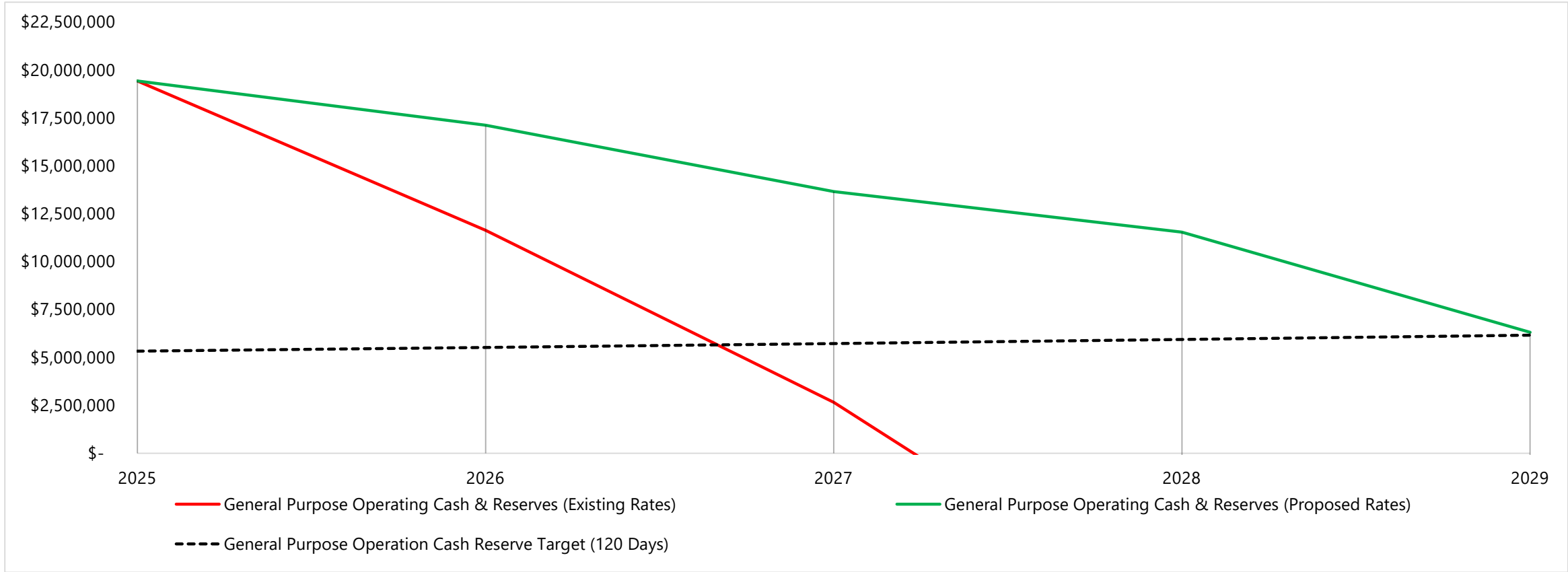
- Existing Revenue falls short of meeting annual obligations
- 8.5% rate increase needed in 2026

Description	Current	2026	2027	2028	2029
Proposed Increase		8.50%	0.00%	5.50%	0.00%
Avg. Residential Bill*	\$ 113.61	\$ 123.27	\$ 123.27	\$ 130.05	\$ 130.05
\$/Month Increase		\$ 9.66	\$ -	\$ 6.78	\$ -

* Assumes 1,200 kWh of use



General Purpose Cash & Reserves



Description	2025	2026	2027	2028	2029
Proposed Increase	0.00%	8.50%	0.00%	5.50%	0.00%
General Purpose Cash & Reserves	\$ 19,012,841	\$ 16,734,640	\$ 13,076,098	\$ 11,751,286	\$ 6,333,961
General Purpose Operation Cash Reserve Target (120 Days)	\$ 5,322,286	\$ 5,524,109	\$ 5,717,813	\$ 5,939,172	\$ 6,165,349



Findings & Recommendations

- City has held rates constant since 2019
- 8.5% rate increase is needed in 2026 to meet utility obligations
 - » Power cost increases & FRP surcharge
 - » Funding of \$15.5M average capital costs in 2026-2027
 - » New annual debt service \$7.5M proceeds, \$530K debt service
 - » Maintain General Purpose Operating Cash at or above target levels
- Future rate increases and bond issues to be revisited before adoption



Existing & Proposed Rates

Existing (2025)

Class	Daily Service Charge		Energy Charge (\$/kWh)	Demand Charge (\$/kW)
	Single	Multi		
Residenital	\$ 0.69	\$ 0.98	\$ 0.07	\$ -
Small General	\$ 0.86	\$ 1.16	\$ 0.07	\$ -
Medium General	\$ 1.38	\$ 1.66	\$ 0.04	\$ 5.17
Large General	\$ -	\$ 2.01	\$ 0.04	\$ 5.58
Small Industrial	\$ -	\$ 8.34	\$ 0.04	\$ 5.92
Large Industrial	\$ -	\$ 8.34	\$ 0.04	\$ 5.52
Small Irrigation	\$ 194.10	\$ 258.80	\$ 0.07	\$ -
Large Irrigation	\$ 194.10	\$ 258.80	\$ 0.04	\$ 7.30

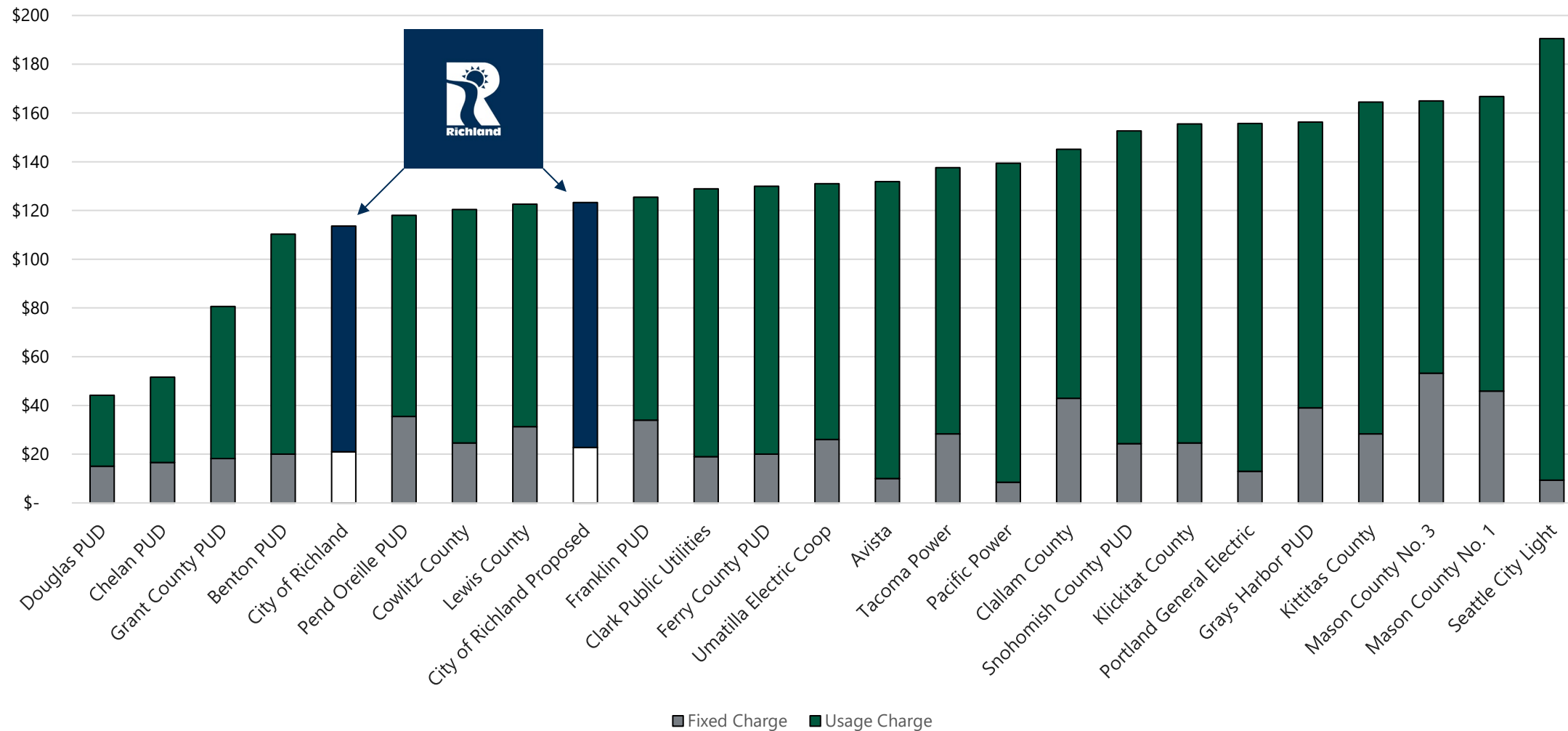
Proposed (2026)

Class	Daily Service Charge		Energy Charge (\$/kWh)	Demand Charge (\$/kW)
	Single	Multi		
Residenital	\$ 0.75	\$ 1.06	\$ 0.08	\$ -
Small General	\$ 0.93	\$ 1.26	\$ 0.07	\$ -
Medium General	\$ 1.50	\$ 1.80	\$ 0.05	\$ 5.61
Large General	\$ -	\$ 2.18	\$ 0.05	\$ 6.05
Small Industrial	\$ -	\$ 9.05	\$ 0.05	\$ 6.42
Large Industrial	\$ -	\$ 9.05	\$ 0.05	\$ 5.99
Small Irrigation	\$ 210.60	\$ 280.80	\$ 0.07	\$ -
Large Irrigation	\$ 210.60	\$ 280.80	\$ 0.05	\$ 7.92

- Proposed 8.5% rate increase applied proportionally to all current charges
- No rate structure changes incorporated during this update



Monthly Residential Rate Survey



*Residential power usage assumed at 1250 kWh



Summary/Next Steps

- Staff Recommendation – 8.5% increase to cover 2026-2027 time period
- Incorporate feedback on initial rate strategy
- December 2nd council consideration & first ordinance reading
- December 16th council consideration & second ordinance reading
- Rates effective January 1st, 2026
- Future rate increases to be revisited before adoption
- Full cost of service rate study with rate structure review beginning Q1 of 2026

Thank you! Questions?

Angie Sanchez Virnoche, Principal
(425) 336-4157
Angie.Virnoche@bowman.com

www.fcsgroup.com

