



MINUTES

RICHLAND CITY COUNCIL WORKSHOP MEETING

Richland City Hall ~ 505 Swift Boulevard

Tuesday, January 23, 2018

City Council Workshop - 6:00 p.m.

Mayor Thompson called the Council workshop to order at 6:00 p.m. in the Council Chamber at City Hall.

Attendance: Mayor Thompson, Mayor Pro Tem Christensen, Councilmembers Lukson and Alvarez were present.

Also present were City Manager Reents, Assistant City Manager Amundson, City Attorney Kintzley, Administrative Services Director Koch, Public Works Director Rogalsky, Fire and Emergency Services Director Huntington, Community Development Director Jensen, Parks and Public Facilities Director Schiessl, Redevelopment Project Manager Thomas, Energy Services Director Hammond and City Clerk Hopkins.

Agenda Items

1. Electric Utility Revenue Bond (30 Minutes)

Mr. Hammond introduced Susan Musselman, the City's financial advisor with PFM Financial Advisor LLC and Dan Porter, Utility Advisory Committee Chair who were members of the presentation team along with Administrative Services Director Koch.

Ms. Musselman discussed the Power Point presentation and explained the details of a proposed bond issuance for this new money for capital investments and also a refunding of the remaining indebtedness of the electric utility's 2007 bonds. As recommended, the refunding proposed would result in a net present value savings of just under \$1 million which equates to an average annual savings of approximately \$68,000.

Mr. Hammond said since 2014, the City of Richland Energy Services Department (RES), working with the City's Utility Advisory Committee (UAC), have kept current a ten year forward rate model to anticipate possible retail rate changes needed to operate the City's electric utility. In 2016, this model anticipated needing a 9% rate increase in July 2017 and over \$10 million in new bond proceeds sometime in 2017 in order to accomplish the critical capital investment needs of the utility.

Due to some favorable operating conditions in 2015 and 2016, that model was revised in early 2017 and allowed the July rate increase to be deferred to January 2018 at a

smaller increase of 6.5%. Similarly, the bond proceeds could be deferred until sometime in 2018 and be sized at around \$5.6 million in order to accomplish the RES capital investment plan through 2019. The UAC unanimously endorsed the proposed recommendation.

Councilmembers had a question and answer period with the presentation team.

2. Vehicle Based Food Vendor Ordinance (15 Minutes)

Mr. Jensen said several questions regarding the proposed ordinance amendments on Vehicle Based Food Vendors were voiced during the second reading of the proposed ordinance on December 5th, 2017. The City of Richland Business and Economic Development Division initiated a code amendment to address concerns voiced by the City's Economic Development Committee regarding allowance and clarity for the operation of Vehicle Based Food Vendors (Food Trucks). In preparation for this code amendment, staff reviewed Kennewick and Pasco's municipal code, and discussed recent code amendments with City of Kennewick staff. Staff solicited input from four food truck operators (with experiences in each city) and Marilou Shae; Marilou teaches Columbia Basin College's Food Truck Academy and is a member of the Washington Food Truck Association. In writing these amendments staff sought to reduce complexity while continuing to maintain safe and fair standards that would protect the public interest.

An oft-repeated question was whether these provisions are similar to the rest of the region, which staff can readily confirm that each provision is addressed similarly in the other cities that regulate this use. Richland's proposal is the least restrictive of the cities in our region, which was confirmed by the operators and representatives we spoke with. While each provision exists in other ordinances, staff utilized only the most prudent and necessary provisions that provided sufficient consumer and business owner safety.

Councilmembers had a question and answer period with Mr. Jensen and Mr. Thomas.

3. Compressed Natural Gas Fleet Fueling (20 Minutes)

Mr. Rogalsky said the purpose of this workshop item was to provide Council with a first touch explanation of an exploratory feasibility study being conducted by the Fleet Division of the Administrative Services Department and the Solid Waste Division of the Public Works Department. The consultant study, scoped to cost approximately \$35,000, will explore the costs and benefits of using compressed natural gas as a fuel for some of the City's heavy trucks. The study is being funded by the Solid Waste Utility because it will focus first on the Solid Waste collection fleet. The Solid Waste Collection fleet is the largest consumer of diesel fuel in the City's fleet. If the project proceeds additional fleet uses for compressed natural gas will be considered.

Compressed natural gas is a very efficient vehicle fuel, with costs per mile approximately fifty percent (50%) lower when compared to diesel. Many large solid waste and transit fleets utilize compressed natural gas for this reason, and because

emissions are environmentally cleaner than diesel fuel emissions. Development of compressed natural gas fueling requires significant capital expenses that make deployment for relatively small fleets uneconomical. Washington State has several funding programs that may assist the City with startup costs, thus making deployment advantageous.

The planned feasibility study will help determine the break-even point at which grant funded startup costs turn compressed natural gas into an economic winner for the City. It will also prepare a detailed deployment plan that will contribute to well-constructed grant applications when the opportunities arise.

Council had a question and answer period with Mr. Rogalsky and Ms. Koch.

4. Long-Range Fire Station Deployment Plan (30 minutes)

Mr. Huntington said the Fire and Emergency Services staff has built out a 25-30 year long range station deployment model for the City's future growth needs that will be presented in detail for Council's review. Captains Van Beek and Aust explained the process and considerations they used to develop the full station deployment model that will span over 25-30 years and add 9 fire stations. They gave details of the locations and response time needs of the growing population.

Council had a question and answer period with Fire Chief Huntington and Captains Van Beek and Aust.

5. Potential Co-Location Agreement with Mission Support Alliance, on Behalf of the Department of Energy, at the City of Richland Data Center (15 minutes)

Mr. Amundson said Mission Support Alliance, on behalf of the Department of Energy, has approached the City of Richland with a request to co-locate their servers in the City of Richland data center. He gave a detailed presentation and said this is an opportunity to discuss the impacts, advantages, and disadvantages of such an agreement. He explained what a co-location entails and current co-location agreements.

Council had a question and answer period with Mr. Amundson and expressed support for the agreement.

Adjournment

Ms. Reents said a member of the Richland Public Facilities District interview team requested to participate in the interviews by phone. Council concurred that they do not support that request. Council asked that the applicant information be forwarded to them. Mayor Pro Tem Christensen asked for status on the 2018 Council Assignments. Ms. Reents said the Council Assignment resolution will be on the February 6, 2018, agenda.

Mayor Thompson adjourned the meeting at 7:30 p.m.

Respectfully Submitted,



Marcia Hopkins, City Clerk

FORM APPROVED:



Robert J. Thompson, Mayor

DATE APPROVED:

February 6, 2018