



Regular City Council Meeting Agenda
City Council Chambers
September 25, 2018 - 6:00 p.m.

- A. Call To Order - Pledge Of Allegiance
- B. Roll Call - Excused Absences
- C. Minutes

Minutes Of The Regular City Council Meeting Of September 11, 2018

Documents:

[9-11-18.PDF](#)

- D. Vouchers/Payroll

Voucher Total = \$1,207,665.78

- E. Claims For Damages

Cheyenne Hatch = To Be Determined

- F. Small Contracts (Less Than \$10,000) - Approved By Mayor

- G. Information Items

- H. Appointments

- I. Citizen Comments: Open To Public (Two Minute Limit)

- J. Action Items

Public Hearings

Resolutions

1. 18-115 - Resolution E-668 - Renewal Of School Resource Officer Contract
The City and Cheney School District have contracted together for a number of years to provide a uniformed School Resource Officer. This contract renews that agreement.

Documents:

[18-115 AGENDA COVER SRO RENEWAL.PDF](#)
[E-668 RESOLUTION TO RENEW SRO CONTRACT 2018-2021.PDF](#)
[SRO AGREEMENT201819.PDF](#)

2. 18-116 - Resolution E-669 - Transfer Of Police Vehicle To Cheney School District
The Police Department purchased a 2014 Ford Explorer Police Interceptor SUV on a lease to be used as a School Resource Officer vehicle. The School District was to reimburse the City and the title transferred once payment had been received in full. Payment has now been received.

Documents:

[18-116 AGENDA COVER CAR 16 TITLE TRANSFER TO SCHOOL DISTRICT.PDF](#)
[E-669 TRANSFER CAR 16 TO SCHOOL DISTRICT.PDF](#)

3. 18-118 - Resolution E-670 - Large Single Load Policy Update
An update to the Light Department's Large Single Load Policy adding a capitalization fee to new large single load customers requesting one megawatt of power or more.

Documents:

[2018 LINE EXTENSION POLICY UPDATE 9-2018.PDF](#)
[RES E-670 LINE EXTENSION POLICY UPDATE \(2\).PDF](#)
[COUNCIL ACTION FORM FOR RESOLUTION E-670 \(2\).PDF](#)

Ordinances

Other Business

K. Staff Reports

L. Mayor's Report

M. Council Reports

N. Executive Session

O. Adjournment

REGULAR CITY COUNCIL MEETING
September 11, 2018

A. Call to Order – Pledge of Allegiance Mayor Grover called the Regular City Council meeting to order at 6:00 p.m. Charles Johnson led the Pledge of Allegiance.

B. Roll Call – Excused Absences Councilmembers present included Councilmember Overhauser, Councilmember Nixon, Councilmember Schmidt, Councilmember Weismann, Councilmember Hilton, and Councilmember Taves. Staff members present included Mr. Schuller, Ms. Niemeier, Mr. Schwartz, Ms. MacDonald, Mr. Hensley, Mr. Ableman, Mr. Johnson, and Mr. Jenkins. Councilmember Gaard was excused.

Mayor Grover recessed the meeting at 6:01 p.m. for executive session as per RCW 42.30.110(1)(b) to consider the acquisition of real estate. He stated that it would last ten minutes with possible action to follow. He asked Mr. Schwartz, Mr. Schuller, Ms. Niemeier, and Mr. Ableman to stay. The executive session was extended for five minutes at 6:11 p.m. Mayor Grover reconvened the meeting at 6:16 p.m. Mr. Schwartz recommended a motion to authorize the Mayor to present an offer to purchase parcel numbers 23182.0007 and 23182.0006 within the range discussed by the City Council and to request the seller authorize the presentation of a contract to purchase to the City Council at its next regularly scheduled meeting for approval. If that is not acceptable, the Mayor would be authorized to sign the agreement and present it at the next City Council meeting for ratification. Councilmember Overhauser moved for approval of the motion presented by Mr. Schwartz. Councilmember Taves seconded. Carried unanimously.

C. Minutes of the Regular City Council meeting of August 28, 2018 were approved as distributed.

D. Claims and Vouchers nos. 145203, 145486 through 145576, and August interdepartmental billing in the amount of \$408,334.08; payroll warrants nos. 61894 through 61959 in the amount of \$45,704.86, direct deposits in the amount of \$394,650.82, claims warrants nos. 145096 through 145098, 145217 through 145249, 145298, and 145299 in the amount of \$458,694.13, and transfers to claims clearing fund for distribution of previously expensed and reported benefit adjustments in the amount of \$17,553.82, for a total payroll of \$916,603.63 were approved as read.

E. Claims for Damages None

F. Small Contracts None

G. Information Items Mayor Grover introduced Charles Johnson. Mr. Johnson stated that he is a Life Scout with Troop 356. He asked for four utility poles to be used for signs. He explained that he recently fixed the welcome sign on Salmave Road after it was damaged. Mayor Grover stated that he is excited to congratulate him in the future with his Eagle Scout designation.

H. Appointments None

I. Citizen Comments Cody Dickinson stated that he feels the City's recess was a violation of the Open Public Meetings Act.

J. Action Items

1. 18-106 – Resolution E-659 – 2018 Transformer Purchase Mr. Schuller stated that the low bid was \$57,085. We will add this to our inventory to get ready for several projects in the next year or so. Councilmember Schmidt moved for approval of Resolution E-659 with a corrected purchase amount. Councilmember Nixon seconded. Carried unanimously.

2. 18-107 – Resolution E-660 – 2018 Sidewalk Project Appropriation Increase Mr. Ableman stated that this is for an additional appropriation increase. There was additional work and the amount of work completed was over the increased appropriation amount. Councilmember Taves moved for passage of Resolution E-660. Councilmember Hilton seconded. Carried unanimously.

3. 18-108 – Resolution E-661 – PWWF Application for WWTP Lift Pump Replacement Project Mr. Ableman stated that we need to start replacing lift pump stations at the wastewater treatment plant. The

normal life span is 100,000 hours and we are at 130,000 hours. We will attempt to get a Public Works Trust Fund loan for this project. We are asking for approximately \$800,000. Councilmember Weiszmann moved for approval of Resolution E-661. Councilmember Taves seconded. Carried unanimously.

4. 18-109 – Resolution E-662 – WW Lift Pump Replacement Project Mr. Ableman stated that we received two bids. Evoqua Water Technologies submitted the lowest bid. The bid amount includes engineering. They are responsible for measurements and lift pumps. The lift pumps are about 30 weeks out. Councilmember Nixon moved for passage of Resolution E-662. Councilmember Taves seconded. Carried unanimously.

5. 18-110 – Resolution E-663 – 2018 Firewall Replacement Project Ms. Niemeier stated that we need to replace the existing firewalls. They are five years old and do not filter web content very well. The cost is \$22,100 including contingency. They should last approximately five years. The first year of maintenance is included. Councilmember Taves moved for approval of Resolution E-663. Councilmember Weiszmann seconded. Carried unanimously.

6. 18-111 – Resolution E-664 – Land Lease Agreement 50 Acre Park Mr. Ableman stated that this is a five year agreement to lease the land north of the 50 acre park for farming. It helps us to control weeds. There are no changes to the contract. Councilmember Nixon moved for passage of Resolution E-664. Councilmember Taves seconded. Carried unanimously.

7. 18-112 – Resolution E-665 – Before and After School Program Agreement Mr. Schuller stated that this is a great collaborative effort between us and Cheney School District to provide activities for before and after school. This is for use of Windsor Elementary and Snowdon Elementary. Councilmember Weiszmann moved for approval of Resolution E-665. Councilmember Taves seconded. Carried unanimously.

8. 18-113 – Resolution E-666 – Trailblazers After-School Program Agreement Mr. Schuller stated that this is a defined program that is handled mostly by the school district. They compensate us for the roles we play in Trailblazers. Councilmember Taves moved for approval of Resolution E-666. Councilmember Nixon seconded. Carried unanimously.

9. 18-114 – Resolution E-667 – EWU Football Games Emergency Medical Standby Agreement Mr. Jenkins stated that we have two EMT firefighters at each EWU home game. AMR provides a dedicated ambulance for players and one additional for spectators. Councilmember Nixon moved for passage of Resolution E-667. Councilmember Taves seconded. Carried unanimously.

K. Staff Reports Mr. Schuller stated that it is budget season and we are very busy.

L. Mayor's Report Mayor Grover stated that the ribbon cutting for the West Plains Transit Center is next Tuesday.

M. Council Reports Councilmember Schmidt stated that there is a Public Works meeting Thursday at 10:00 a.m. Councilmember Hilton stated that EWU starts next week. Councilmember Taves stated that Kim Pearman-Gilman from McKinstry will be talking to the Cheney Depot Society about their experience with BNSF. Councilmember Schmidt stated that he would like to acknowledge all first responders on 9/11.

N. Executive Session Held earlier

O. Adjournment Councilmember Hilton moved to adjourn the meeting. Councilmember Taves seconded. Carried unanimously. The meeting was adjourned at 6:44 p.m.

City Clerk

Mayor

CITY OF CHENEY

CITY COUNCIL ACTION REQUEST

ISSUE:	Renewal of SRO Interlocal Agreement with Cheney Public Schools	AGENDA ITEM #:	18-115
DEPT. OF ORIGIN:	Police Department	DATE:	09/17/18

EXHIBITS ATTACHED OR REFERENCED:	Resolution E-668, an Interlocal Agreement/MOU with Cheney Public Schools
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Council Committee Recommendation	Yes		No		None	
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DEPT/DEPT HEAD INITIALS	APPROVE	DO NOT APPROVE	NO COMMENT	COMMENTS
Police/JH				

FISCAL IMPACT	EXPENDITURE REQUIRED:		AMOUNT BUDGETED	
	APPROPRIATION REQUESTED:			

SUMMARY:	Cheney Public Schools and the Cheney Police Department entered a mutually beneficial arrangement for providing a uniformed police officer (SRO) in the school in 2005. It is our mutual desire to renew this program for 2018-2021 school years.
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COUNCIL ACTION REQUESTED:	Passage of Resolution E-668 authorizing the Mayor to renew the Interlocal Agreement with the Cheney Public Schools providing for a School Resource Officer and the funding thereof.
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APPROVED FOR AGENDA

DISAPPROVED

September 25, 2018

COUNCIL MEETING DATE

ADMINISTRATOR

MAYOR/CITY

City of Cheney
609 Second Street
Cheney, WA 99004

**CITY OF CHENEY, WASHINGTON
RESOLUTION No. E-668**

A RESOLUTION AUTHORIZING THE MAYOR TO RENEW AN INTERAGENCY COOPERATIVE CONTRACT WITH THE CHENEY SCHOOL DISTRICT TO FACILITATE THE DEPLOYMENT OF A SCHOOL RESOURCE OFFICER INTO THE CHENEY SCHOOLS.

WHEREAS, Chapter 39.34 RCW authorizes public agencies to contract with one another to provide services which both agencies are authorized by law to perform; and

WHEREAS, The Cheney Police Department and the Cheney School District mutually benefited from this program during the 2016-2017 school year; and

WHEREAS, The Cheney Police Department is being asked to renew the contract with Cheney School District to continue to provide a uniformed officer in the schools; and

WHEREAS, The Cheney School District is willing to reimburse the City for the purpose of providing this service during the school year; and

WHEREAS, Both the City of Cheney and the Cheney School District benefit from the renewal of this program;

NOW THEREFORE, BE IT RESOLVED the Cheney City Council by majority vote hereby authorizes the Mayor to enter into the interlocal cooperative agreement titled **Agreement Between Cheney Public Schools and The City of Cheney for The School Resource Officer (SRO) Program.**

ADOPTED, on this 25th Day of September, 2018, by the Cheney City Council at their regularly scheduled council meeting at the City Council Chambers, 609 Second Street, Cheney, WA 99004.

Chris Grover, Mayor

Attest:

Cynthia L. Niemeier, City Clerk

**Agreement Between Cheney Public Schools and
The City of Cheney for
The School Resource Officer (SRO) Program**

This agreement made and entered into by and between Cheney Public Schools, a Washington State municipal corporation (CPS) and the City of Cheney, a Washington State municipal corporation (City).

It is the intention of Cheney Public Schools and the City of Cheney to maintain collaborative efforts to provide a safe and healthy school environment for students, staff, faculty, and visitors.

1.0 Goals and Objectives

- Establish a positive working relationship in a cooperative effort to prevent juvenile delinquency and assist in student development; and
- Maintain a safe and secure environment on school campuses which will be conducive to learning; and
- Promote positive attitudes regarding the police role in society.

2.0 Term

This agreement is for three years from the effective date of this Agreement. The Agreement may be extended for additional one-year periods, by mutual agreement. If the CSD intends to exercise its option to extend the Agreement, it shall provide the City with a ninety (90) day notice prior to the expiration date of this Agreement.

3.0 Assignment of School Resource Officer

The City of Cheney agrees to provide a School Resource Officer to serve Cheney Public Schools for 180 days per calendar year. The officer's workplace will be at Cheney High School or as based upon CSD needs.

The chief of police, in conjunction with the superintendent of Cheney Public Schools (and any other school personnel determined by the superintendent) will determine which police officer will assume the roles and responsibilities of a school resource officer.

The officer's schedule will be determined in collaboration with CPS in order to maintain a positive and safe school environment for students under the direction of Cheney Public Schools and the Cheney Police Department. The chief of police or another designated scheduling officer will approve vacations, sick leaves, and other leaves of absence for the SRO. The SRO will communicate approved vacation, sick leaves, trainings, or any other leave that impacts SRO presence in schools with the CPS superintendent / designee.

The school resource officer shall remain an employee of the City and shall not be an employee of CPS. CPS acknowledges that the school resource officer will remain responsive to the command of the Cheney Police Department.

4.0 Duties of the School Resource Officer

- a) Assist the superintendent, principals, faculty, and staff in developing plans and strategies to prevent and / or minimize dangerous situations that may occur on school grounds.
- b) Present topics to students on various law enforcement / safety issues.
- c) Contact the principal of the school about any juvenile delinquency, incidents, charges, and arrests within a timely manner.
- d) Take law enforcement action when necessary.
- e) Conduct investigations of crimes that occur at any school and use other resources if needed for follow up investigations.
- f) Follow the guidelines of case law, school board policy, and the Cheney Police Department general orders in regards to investigations, interviews and searches relating to juveniles.
- g) Assist the superintendent, principals, faculty, and staff in enforcing the campus code of conduct and other school rules in order to maintain a safe learning environment. When it pertains to preventing a disruption that would, if ignored, place students, faculty, and/or staff at risk of harm, the SRO will resolve the problem to preserve a safe and secure school environment. In all other cases, disciplining students is a school district responsibility, and the SRO will intervene and take students who violate the code of conduct to the principal / designee where school discipline can be administered.

5.0 Responsibilities of Cheney Public Schools

Cheney Public Schools will compensate and/or reimburse the expenses of the City as follows:

- a) Total compensation and/or reimbursement of City expenses will not exceed \$69,337.
- b) CPS will compensate the City within thirty (30) days of receipt of a properly executed invoice.
- c) Cheney Public Schools will provide fuel and conduct necessary maintenance on the SRO vehicle.
- d) Should the SRO vehicle need to be disposed of, CPS will decommission the vehicle. The proceeds of such sale will be returned to CPS; however, the vehicle's emergency equipment will be returned to the City.
- e) Claims will be submitted the first of every month, beginning September 1, 2018 and ending August 31, of each year as set forth in Section 2.0 of this contract.

Cheney Public Schools shall provide to the full time SRO the following materials and facilities, which are deemed necessary to the performance of the SRO.

- a) Access to an office containing a telephone line to be used for general business purposes; and
- b) A desk with drawers, a chair, and filing drawers; and
- c) Access to a computer.

6.0 Responsibilities of the City of Cheney

- a) The City will supply the SRO with the usual and customary forms required in performance of their duty.
- b) The City will provide law enforcement services to CPS as appropriate.
- c) The City shall maintain books, records, documents and other evidence, which sufficiently and properly reflects all costs of any nature expended in the performance of this contract. These records shall be subject at all reasonable times to inspection, review or audit by personnel duly authorized by law, rule, regulation or contract. These records will be available in order to make audit examinations, excerpts and transcripts. The City shall retain all books, records, documents and other materials relevant to this contract for six (6) years after settlement and make them available for inspection by persons authorized under this provision.
- d) The City will provide a leased vehicle for the School Resource Officer program. The SRO vehicle will be used for SRO program purposes only.
- e) The City will maintain School Resource Officer vehicle insurance.

7.0 Prohibition Against Assignment

Neither this agreement nor any interest therein may be assigned by either party without first obtaining the written consent of the other party.

8.0 Independent Contractor Status of City

- a) The City and the City's employees and agents shall perform all duties pursuant to this agreement as an independent contractor. Cheney Public Schools shall not control or supervise the manner in which this agreement is performed nor withhold or pay any taxes on behalf of the City of the City's employees or agents. Liability insurance is the responsibility of the City.
- b) The City certifies they are customarily engaged in the business for which this agreement is written, that they are responsible for filing a schedule of expenses with the Internal Revenue Service on the next applicable filing date, that they have established an account with all state agencies requiring such registration or license, and that they are maintaining a separate set of books and records reflecting items of income and expense for their business.

9.0 Indemnification

Any and all claims which hereafter arise on the part of any and all persons as a direct or indirect result of the City or the City's employees' or agents' performance or failure to perform duties pursuant to this agreement shall be the City's sole obligation, and the City shall defend, pay costs of defense, indemnify, and hold harmless Cheney Public Schools and the district's employees and agents in full for any and all such acts or failures to act on the part of the City or the City's employees or agents. Claims shall include, but not be limited to, assertions that the use or transfer of any software, book document, report, film, tape, or sound reproduction or material of any kind delivered hereunder constitutes an infringement of any copyright, patent, trademark, trade name, or otherwise results in an unfair trade practice or in unlawful restraint of competition.

10.0 Drug Free Workplace

The City and the City's employees or agents shall perform all duties pursuant to the contract in compliance with the intent of the Cheney Public Schools Drug-Free Workplace Policy, which states in part that "...CPS recognizes its responsibility to maintain a drug-free workplace. In recognition of that responsibility and in order to be in compliance with the Drug-Free Workplace Act of 1988, no employee engaged in work shall unlawfully manufacture, distribute, dispense, possess or use without a valid prescription on or in any approved CPS building, premises, assigned work location or vehicle any alcoholic beverage, narcotic drug, hallucinogenic drug, amphetamine, barbiturate, marijuana or any other controlled substance."

11.0 Criminal Activity

The City and the City's employees or agents shall perform all duties pursuant to the contract without conviction of any crime against persons, nor be found in any dependency action by a court in a domestic relations proceeding or in any disciplinary board final decision to have sexually assaulted or exploited any minor.

The City shall ensure that the City and the City's employees or agents having unsupervised access to children in the performance of this agreement have no prior conviction, civil adjudications or disciplinary board final decisions which indicate that it is inappropriate for these individuals to be working with children. Furthermore, the City shall require that the City and the City's employees or agents who have regularly scheduled unsupervised access to children are fingerprinted and checked through the Washington State Patrol (WSP) criminal identification system and through the Federal Bureau of Investigation prior to performing services under this contract.

12.0 Termination

Either party may terminate this agreement at any time for any reason upon 90 days' written notice. The notice shall specify the date of termination and shall be conclusively deemed to have been delivered to and received as of midnight of the second day following the date of its posting in the United States mail, in the absence of proof of actual delivery and receipt by mail or other means at an earlier date and/or time.

In the event of termination by CPS, the City shall be entitled to an equitable pro ration of the total compensation provided herein for uncompensated services, which have been performed as of the date of termination of this agreement.

13.0 Verbal Agreements

This written contract constitutes the mutual agreement of the City and CPS in whole. No alteration or variation of the terms of this contract and no oral understandings or agreements not incorporated herein, unless made in writing between the parties hereto, shall be binding.

14.0 Applicable Law

This agreement shall be governed by the laws of the State of Washington. Venue for any legal action shall be proper only in Spokane County, Washington.

The City shall comply, where applicable, with the Contract Work Hours and Safety Standards Act and any other applicable federal and state statutes, rules, and regulations.

15.0 Nondiscrimination

The City assures CPS that its agency/labor union will comply with all state and federal guidelines and/or regulations. Therefore, all applicants seeking employment opportunities and all contracts for goods and services will be considered and will not be discriminated against on the basis of race, color, national origin, gender, disability, or sexual orientation. This is in accordance with Title VI of the 1964 Civil Rights Act; Section 504 of the Rehabilitation Act, 1973, as amended; Americans with Disabilities Act, July 26, 1990, P.L. 101-336; and Title IX/Chapter 28A.640 RCW of the Education Amendments of 1972, as amended.

16.0 Ethical Conduct

Neither the City nor any employee or agent of the City shall participate in the performance of any duty pursuant to this contract in which duty such person has participated as an employee of CPS and the City shall ensure there are no violations of Chapter 42.23 RCW, Code of Ethics for Municipal Officers - Contract Interests.

Neither the City nor any employee or agent of the City shall participate in the performance of any duty or service pursuant to this contract that is in violation of the Ethics in Public Service law in RCW 42.17.130 related to campaign finances and lobbying and RCW 41.06.250 prohibiting the use of public resources for political activities.

17.0 Certification Regarding Debarment, Suspension, and Ineligibility

If federal funds are the basis for this contract, the City certifies that neither it nor its principals are presently debarred, declared ineligible, or voluntarily excluded from participation in transactions by any federal department or agency.

IN WITNESS WHEREOF, Cheney Public Schools and the City of Cheney have executed this agreement consisting of five (5) pages.

Agency

Cheney Public Schools

By

By

Title

Title

Date

Date

IRS TAX ID # 91-6001236

Washington State Department of Revenue
Unified Business Identifier: #321-000-681

CITY OF CHENEY

CITY COUNCIL ACTION REQUEST

ISSUE:	Transfer of title for Police SUV to Cheney School District	AGENDA ITEM #:	18-116
DEPT. OF ORIGIN:	Police Department	DATE:	09/17/18

EXHIBITS ATTACHED OR REFERENCED:	Resolution E-669
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Council Committee Recommendation	Yes		No		None	
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DEPT/DEPT HEAD INITIALS	APPROVE	DO NOT APPROVE	NO COMMENT	COMMENTS
Police/JH				

FISCAL IMPACT	EXPENDITURE REQUIRED:		AMOUNT BUDGETED	
	APPROPRIATION REQUESTED:			

SUMMARY:	The Cheney Police Department purchased a 2014 Ford Explorer Police Interceptor vehicle for use by the School Resource Officer. Title was to be transferred to the School District when the City had been fully reimbursed. Reimbursement has now been received.
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COUNCIL ACTION REQUESTED:	Passage of Resolution E-669 authorizing the Mayor to release the title of Car #16, a 2014 Ford Explorer Police Interceptor to the Cheney School District.
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APPROVED FOR AGENDA

DISAPPROVED

September 25, 2018

COUNCIL MEETING DATE

MAYOR/CITY
ADMINISTRATOR

City of Cheney
609 Second Street
Cheney, WA 99004

**CITY OF CHENEY, WASHINGTON
RESOLUTION E-669**

**A RESOLUTION AUTHORIZING THE MAYOR TO TRANSFER THE TITLE OF A
POLICE VEHICLE TO THE CHENEY SCHOOL DISTRICT.**

WHEREAS, The City of Cheney purchased through a lease a 2014 Ford Explorer Police Interceptor SUV to be used by the School Resource Officer; and

WHEREAS, The Cheney School District agreed to reimburse the City for the purchase of the vehicle; and

WHEREAS, Car #16 has been utilized by the School Resource Officer and reimbursement has been received by the City; and

NOW THEREFORE, BE IT RESOLVED the Cheney City Council by majority vote hereby authorizes the Mayor to sign the title of car #16, a 2014 Ford Explorer Police Interceptor SUV, transferring ownership to the Cheney School District.

ADOPTED, on this 25th Day of September, 2018, by the Cheney City Council at their regularly scheduled council meeting at the City Council Chambers, 609 Second Street, Cheney, WA 99004.

Chris Grover, Mayor

Attest:

Cynthia L. Niemeier, City Clerk

CITY OF CHENEY

LIGHT DEPARTMENT POLICIES AND PROCEDURES DIRECTIVE

SUBJECT: Line Extension Charges and System Facility Fee Policy P&P: X-X
OFFICE OF ORIGIN: Effective Date: 8-8-2017
Updated: 4-24-2018
Dist: All Citizens

Page 1 of 1

I. PURPOSE

“Cheney Municipal Code 14.08.040 - Rates for new extensions and installations: The charges to the customer for the extension of new primary or secondary service or alteration of existing primary or secondary electrical service from city electrical lines, including poles, transformers, conductors and other equipment for a line extension or service change to the lines or facilities to the point of interconnection with the customer's equipment, shall be the cost of labor, equipment and materials as established by resolution of the city council.”

It shall be the policy of the City of Cheney to fairly and equitably charge for extension of its electric system as required by CMC 14.08.040. This policy provides guidance on developing cost quotes for new services, service upgrades, line relocation, and other customer driven construction requirements.

For Large Single Loads (defined below) the City finds it reasonable and necessary to require payment of a capitalization fee, which allows the City to maintain and develop additional service capacity in its electrical system, which includes infrastructure such as substations, transformers and other equipment. The New Large Single Load policy recovers a capitalization fee to be set aside and used for the development of the City's electrical facilities.

II. GENERAL INFORMATION

There are several types of cost involved with infrastructure construction. They include direct labor with overhead cost, calculated cost per hour of operation for equipment, inventoried materials charged directly to a specific project, previously expensed materials and capitalized materials used for a project. Examples of materials previously expensed when purchased are small materials with a value of less than \$15¹ and meters. Transformers are an example of materials capitalized when purchased.

III. COST INCLUDED IN CHARGES

Cost quotes for customers will be based on the summation of the following:

1. Estimated labor hours at loaded rate.
2. Estimated equipment hours at published rate.

¹ See City of Cheney inventory policy dtd 12/13/16

3. Estimated inventoried materials plus 10% to account for non-inventoried and capitalized small materials.
4. For residential and small single-phase commercial services that do not have a dedicated transformer, average cost for the capitalized transformer and expensed meter for single phase residential shall be calculated as follows:
 - a. Number of system transformers / Number of active meters X Cost of a single phase 100kva pad mount transformer + Cost of a residential single phase meter.²
 - b. The cost will be recalculated when significant changes are seen in any of the variables and generally on an annual basis.
 - c. For services that require an advanced meter the customer will be charged for the cost above a standard residential meter.
5. For services with dedicated transformers and poly-phase services the actual cost of transformers and meters will be charged in-lieu of the above charge.
 - a. This is generally multi-family, three-phase commercial, and industrial services
6. For upgraded services and line moves, at the Light Department Directors discretion, the cost may be reduced by up to the depreciated amount of infrastructure being replaced.

IV. SUBDIVISIONS

1. The developer will be charged the full cost of designing and installing the electric infrastructure to serve the subdivision.
2. The cost for the service for each lot will be pre-calculated. This price will be valid for three years and shall be paid prior to energization of the service. ____
 - a. After three years the cost per service will be per III.4.

V. NEW LARGE SINGLE LOADS

For loads equal to or greater than one megawatt (1mw) of installed capacity as described as New Large Single Loads in CMC 14.08.055, the following applies.

1. The City and customer shall enter into an electric service agreement containing the terms and conditions for receiving electric energy, facilities and equipment, payment of the System Facility Fee (described below) and other reasonable terms and conditions.
2. Payment of incurred engineering, administrative and installation expenses, to include the following.

An application fee of \$1,000.

Any required engineering studies.

VI. CAPITALIZATION FEE SYSTEM FACILITY FEE CALCULATION

1. System Facility Fee. Customer will be assessed a "System Facility Fee" for improvements to the City electric system, which include but are not limited to substations, transformers, and other equipment necessary to increase or replace system

² i.e. for 2017 1,049 transformers/5,709 meters X \$2,834 + \$61 = \$581

capacity as a result of providing electric service to the new large single load. The System Facility Fee shall be used to fund the development of additional service capacity in the City electric system that ~~exceeds their equal to or greater than~~ one megawatt (1mw) consumed by the new large single load. The system facility fee will be assessed monthly and amortized over the initial five (5) years of the Electric Service Agreement. The System Facility Fee is calculated on Attachment A. In the event that additional system facility costs are anticipated or incurred, Attachment A shall be amended by the City. The System Facility Fee ~~is non-refundable and~~ shall be paid at the same time the customer pays for electric service. A failure to pay the System Facility Fee when due, shall result in a termination of electric service until such fee is paid to the City.

2. The ~~capitalization~~ system facility fee shall be ~~roughly~~ based on the depreciated facility book value of the electric system divided by the approximate system capacity as approved by City Council Resolution. The System Impact Fee formula is based on the following.
 - a. City Existing Substation Transformer Capacity 2018:
 - i. 4-Lakes Substation 30mw
 - ii. Cheney Substation 20mw
 - b. City 2017 peak loading 28mw
 - c. 2018 CLD depreciated book value \$5,722,045
 - d. 2018 CLD \$/kw capital value = book value / total capacity = \$114/~~mk~~w
 - e. The costs/expenses shall be paid by the developer prior to scheduling of construction.
 - f. The System Facility Fee shall be paid ~~in full prior to the City supplying electricity to the customer's facilities~~ as set forth herein.
3. Reserved Electric Capacity. The City, based upon a study of the electric transmission facilities serving the City, has determined that a total of six (6) megawatts (6 mw) for the period 2018-2021 may be made available to new large single loads. For any electric service capacity that is allocated in the Electric Service Agreement but is not consumed upon commencement of the City's delivery of electric energy ("**Reserved Capacity**") the City will establish a "**Reserved Capacity Fee**" in the amount of \$114.00 per ~~megakilowatt~~ hour. The Reserved Capacity Fee is non-refundable and shall be paid in equal installments over a twelve (12) month period, unless such Reserved Capacity is released or terminated as set forth herein. If such Reserved Capacity is not put to use by the customer within a period of six (6) months from the date of the Electric Service Agreement, such capacity shall be deemed released and returned to the benefit of the City electric system, provided that if the customer is making substantial progress, in the reasonable discretion of the City, toward utilizing the Reserved Capacity, an additional six (6) month extension will be granted in order to use the Reserved Capacity. ~~If the Reserved Capacity is not used within one year, as set forth above, ninety five percent (95%) of the Reserved Capacity Fee shall be refunded. Thereafter, the Reserved Capacity shall terminate, unless otherwise agreed by the City.~~

4. The Reserved Capacity may be allocated on a "first come-first serve" basis or other methodology determined by the City Council. If Reserved Capacity is used in increments of less than one megawatt, the Reserved Capacity Fee shall be prorated based on the unused Reserved Capacity. A failure to pay the Reserve Capacity Fee shall result in a termination of the right to receive the Reserved Capacity.
5. This policy is based upon a Network Integration Transmission Service, System Impact Study, City of Cheney Load Increase July 31, 2018 performed by Avista Utilities, which controls the transmission lines that serve the City electric system.

VII. AUTHORITY

This policy is based upon RCW 35.92.050 and CMC Chapter 14.08.

[End of Policy]

City of Cheney, Washington
609 Second Street
Cheney, WA 99004

**CITY OF CHENEY, WASHINGTON
RESOLUTION NO. E-670**

**A RESOLUTION OF THE CITY OF CHENEY, SPOKANE COUNTY, WASHINGTON,
TO UPDATE THE LINE EXTENSION POLICY**

WHEREAS, the City of Cheney has received requests for new large single loads; and

WHEREAS, the West Plains has limitations on the amount of power that can be distributed in the area; and

WHEREAS, this type and class of customer has a significant impact on our available system capacity; and

WHEREAS, the City of Cheney desires to fairly and equitably charge for extension of its electric system as required by CMC 14.08.040; and

WHEREAS, the City updated a policy providing guidance on developing cost quotes for new services, service upgrades, line relocation, and other customer driven construction requirements; and

WHEREAS, the City finds it reasonable and necessary to require payment of a capitalization fee for those customers wishing to secure one megawatt (MW) of power or more, which allows the City to maintain and develop additional service capacity in its electrical system, which includes infrastructure such as substations, transformers, and other equipment; and

WHEREAS, the new Large Single Load Policy recovers such capitalization fee to be set aside and used for the development of the City's electrical facilities; and

WHEREAS, the City and customer shall enter into an electric service agreement containing the terms and conditions for receiving electric energy, facilities and equipment, payment of the System Facility Fee, and other reasonable terms and conditions; and

WHEREAS, the City, based upon a study of the electric transmission facilities serving the City, has determined that a total of six (6) megawatts (6MW) for the period of 2018-2021 may be made available to new large single loads; and

WHEREAS, any electric service capacity that is allocated in the Electric Service Agreement but is not consumed, upon commencement of the City's delivery of electric energy ("Reserved Capacity"), the City will establish a "Reserved Capacity Fee" in the amount of \$114.00 per kilowatt hour. The Reserved Capacity Fee is nonrefundable and shall be paid in equal installments over a twelve- (12) month period, unless such Reserved Capacity is released or terminated as set forth herein. If such Reserved Capacity is not put to use by the customer within a period of six (6) months from the date of the Electric Service Agreement, such capacity shall be deemed released and returned to the benefit of the City electric system, provided that if the customer is making substantial progress, in the reasonable discretion of the City, toward utilizing the Reserved Capacity, an additional six- (6) month extension will be granted in order to use the Reserved Capacity. Thereafter, the Reserved Capacity shall terminate, unless otherwise agreed by the City; and

WHEREAS, the Reserved Capacity may be allocated on a "first-come first-served" basis or other methodology determined by the City Council. If Reserved Capacity is used in increments of less than one megawatt, the Reserved Capacity Fee shall be prorated based on the unused Reserved Capacity. A failure to pay the Reserve Capacity Fee shall result in a termination of the right to receive the Reserved Capacity.

NOW, THEREFORE, be it resolved by the City Council of the City of Cheney, Spokane County, Washington, that the attached Light Department Line Extension Policy is approved.

Adopted by the City Council this 25th day of September, 2018.

Chris Grover, Mayor

Attest:

Cynthia Niemeier, City Clerk

CITY OF CHENEY
CITY COUNCIL ACTION REQUEST

ISSUE Update to the Light Department Large AGENDA ITEM# 18-118
 Single Load Policy

DEPT. OF ORIGIN: City Administrator DATE 9/21/2018

EXHIBITS ATTACHED OR REFERENCED: Resolution E-670
 Large Single Load Policy Update text

Council Committee Recommendation Yes No None

DEPT/DEPT HEAD INITIALS	APPROVE	DO NOT APPROVE	NO COMMENT	COMMENTS
MAS				

FISCAL IMPACT EXPENDITURE REQUIRED Additional AMOUNT BUDGETED
 APPROPRIATION REQUESTED \$-0-

SUMMARY: A resolution updating the large single load policy for power requested by customers desiring one megawatt or more of power.

COUNCIL ACTION REQUESTED: Approval of Resolution E-670 authorizing the update to the policy.

APPROVED FOR AGENDA

DISAPPROVED

9/25/2018
 COUNCIL MEETING DATE

 MAYOR/CITY ADMINISTRATOR