



# CITY COUNCIL

Community Center – 415 S. Hwy 395

*Where Life is Sweet*

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**June 27, 2022 at 7:00 PM**

## **AGENDA**

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*Other ways of viewing or participating in live meetings are available through:  
YouTube at: <https://bit.ly/HermistonYoutube>*

*Zoom with Meeting ID: 862 026 140 4112 Passcode: 203345 Telephone number to join is:1  
253 215 8782; or submitting comments to [meetings@hermiston.or.us](mailto:meetings@hermiston.or.us)*

**1. CALL REGULAR MEETING TO ORDER – 7:00 PM**

**2. DECLARATION OF QUORUM**

**3. FLAG SALUTE**

**4. CITIZEN INPUT ON NON-AGENDA ITEMS**

*Anyone wishing to bring anything before the council that is not on the agenda is asked to please do the following: 1. Please limit comments to not more than FIVE minutes; 2. State your name and address; 3. Direct your comments to the Chair.*

**5. CONSENT AGENDA**

**A.** Replat- Diamond Run Phase 1 4N2812B - 1210 E Elm Ave

**B.** Certifying the Ward Councilors and Municipal Judge Primary Election Results

**C.** Committee Vacancy Announcements

**D.** Confirmation of Appointment to the Eastern Oregon Trade and Event Center (EOTEC) Advisory Committee: Weston Putman, Position #7, 3-year term ending June 30, 2025

**E.** Confirmation of Appointment to the Hispanic Advisory Committee: Jose Garcia, Position #4, 3-year term ending June 30, 2025

**F.** Confirmation of Appointments to the Recreation Projects Fund Advisory Committee:  
1. Representing The Chamber of Commerce: Val Hoxie, Position #2, term ending 12/31/2022  
2. Representing The Parks and Recreation Committee: Jeff Kelso, Position #3, term ending 12/31/2023

**G.** Minutes of the June 13, 2022 City Council and Urban Renewal Agency Meeting

**6. ITEMS REMOVED FROM CONSENT AGENDA**

**7. ORDINANCES AND RESOLUTIONS**

- A.** Resolution 2226 - A Resolution Re-Adopting the Financial Policies and Investment Policy for the City of Hermiston
- B.** Resolution 2227 – Adopting an IGA with Morrow County for IT Services
- C.** Resolution 2228 – Adopting an IGA with Umatilla County Fire District #1(UCFD1) for IT Services
- D.** Resolution 2229 – Adopting an IGA with City of Umatilla for IT Services

**8. OTHER**

- A.** May 2022 Financial Report
- B.** Hermiston Energy Services Wildfire Mitigation Plan Approval

**9. COMMITTEE REPORTS**

**A.** City Committee and Liaison:

Airport Advisory, Budget, Hispanic Advisory, Library Board, Parks and Recreation, Planning Commission, Recreation Projects Fund, Faith-Based Advisory, Community Enhancement, Community Accountability, Public Safety, Public Infrastructure, Transit Planning, EOTEC

- B.** Mayor's Report
- C.** Council Report
- D.** Youth Advisory Report
- E.** Manager's Report

**10. ADJOURN**

**\*\* AMERICANS WITH DISABILITIES ACT NOTICE\*\***

Please contact Hermiston City Hall, 235 E Gladys Ave, Hermiston, OR 97838 (Phone No. 541-567-5521) at least 48 hours prior to the scheduled meeting time if you need an accommodation. TTY and TDD users please call Oregon Telecommunications Relay Service at 1-800-735-2900 or 711.



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of June 27, 2022

**Title/Subject**

Replat- Diamond Run Phase 1 4N2812B - 1210 E Elm Ave

**Summary and Background**

Home Run Land LLC has submitted a request for a middle housing land division in Phase 1 of the Diamond Run subdivision on E Elm Ave. The proposal divides the duplex lots within phase 1 into attached single-family lots. In essence, each half of a duplex will become an owner-occupied lot. 1. The application replats Lots 1 through 72 of Phase 1. The lots proposed for division are Lots 1 through 7, Lots 9 through 20, Lots 29 through 35, Lots 37 through 41, Lots 44 through 48, Lots 51 and 52, Lot 54, Lots 58 through 63, Lot 66, and Lots 68 through 72. Lots not included are not replatted for attached single-family but are renumbered consistent with the revised lot numbering. The remaining lots are proposed for tri-plex housing.

A middle housing land division is a new process created by the State of Oregon in SB 458 adopted by the legislature in 2021. It is intended to facilitate splitting middle housing built under HB 2001 (duplexes for medium-sized cities such as Hermiston) so that each unit in a middle-housing development may be on a separate lot. SB 458 amended two Oregon revised statutes, ORS 92 (land divisions) and ORS 197 (land use planning). Under the amended ORS 92, section 92.031 establishes that cities shall approve a middle housing land division provided that it meets criteria established within the statute and notwithstanding local regulations.

The city may also impose conditions of approval on a middle housing land division. Conditions shall not exceed those imposed on single-family dwellings in the same zone. The conditions of approval are attached.

A middle housing land division is a unique creation in the statewide land use system. In the amended ORS 197 the city grants a tentative approval at the administrative level and then the final approvals are obtained normally as with any land plat. ORS 197.360 through 197.380 establish that this application is treated as an expedited land division and is specifically exempt from a traditional hearings process (ORS 197.365(3)(b)(A)). It is subject to traditional noticing requirements although this type of notice specifies that those notified have 14 days to submit comments and then a decision is rendered administratively. The city has complied with the procedural requirements in ORS 197.365. Notice was issued on May 18, 2022 and the comment period closed on June 1, 2022. An administrative decision compliant with ORS 197.365(3)(b) was issued on June 2, 2022. A copy of this notice of decision is attached.

As noted, the city approved the tentative land division on June 8, 2022. Additionally, the commission approved the plat itself at the regular meeting on June 8, 2022. The plat now comes before the city council for approval as well.

**Tie-In to Council Goals**

Approval of plats is a matter of city administration. In the case of this type of land division, approval is required if the criteria in ORS 92.031 are satisfied.

**Fiscal Information**

There is no impact to the city from the approval of the plat. Each attached dwelling is expected to be priced near \$200,000 to \$250,000 and generate \$1,520 in tax revenue annually.

**Alternatives and Recommendation**

Alternatives

In this type of land division, approval is required if the criteria in ORS 92.031 are satisfied. The planning commission and planning staff have determined that the criteria in OR 92.031 are satisfied.

Recommended Action/Motion

Staff recommends that the city council approve the final plat.

**Submitted By:**

Clinton Spencer, Planning Director



**Findings of Fact for Diamond Run Phase 1 Middle Housing Land Division**

**June 27, 2022**

**E Diagonal Blvd**

**ORS 92.031**

**(2) A city or county shall approve a tentative plan for a middle housing land division if the application includes:**

**(a) A proposal for development of middle housing in compliance with the Oregon residential specialty code and land use regulations applicable to the original lot or parcel allowed under ORS 197.758 (5);**

*Findings:*

1. The City of Hermiston has received an application to replat Lots 1 through 72 of Phase 1 of Diamond Run Subdivision. Said replat facilitates the development of common-wall attached single-family dwellings (i.e. duplex dwellings) on Lots 1 through 7, Lots 9 through 20, Lots 29 through 35, Lots 37 through 41, Lots 44 through 48, Lots 51 and 52, Lot 54, Lots 58 through 63, Lot 66, and Lots 68 through 72. Lots not included are not replatted for attached single-family but are renumbered consistent with the revised lot numbering.
2. Under ORS 197.758(3) Hermiston is defined a medium-sized city (having a population between 10,000 and 25,000) and shall permit development of two-family dwellings on all lots zoned for single-family development. All lots proposed for division in (1) above are zoned Medium-High Density Residential (R-3) and permit one and two-family dwellings per 157.027(A) of the Hermiston Code of Ordinances.
3. Ten building permits have been submitted to the Hermiston Building Department to construct duplex dwellings permitted under ORS 197.758(3) and the builder has participated in meetings before the planning commission on April 13, 2022 and with city development staff on May 23, 2022 and committed to developing all remaining lots not able to accommodate multi-family dwellings with two-family dwellings as permitted by the State of Oregon.
4. The City of Hermiston finds that the proposal to develop the lots listed in (1) above with duplex dwellings is a qualifying proposal for the development of middle housing and therefore eligible for a middle housing land division subject to the requirements listed herein.

**(b) Separate utilities for each dwelling unit;**

*Findings:*

5. Separate utility connections are provided for each dwelling unit. Utility connections consist of one shared service for water and sewer connecting to the respective mainline in the adjacent public street. Each utility will branch within the utility easement or right-of-way depending upon the lot configuration.
6. The proposed utility connections constitute a deviation from the city's public works standards.
7. A deviation from the city's public works standards is hereby approved for Phase 1 of Diamond Run subdivision. Approval of said deviation is a site specific process and does not constitute a precedent nor waiver of future imposition of public works standards.

**(c) Proposed easements necessary for each dwelling unit on the plan for:**

**(A) Locating, accessing, replacing and servicing all utilities;**

*Finding:*

- 8. Utility easements of 10 feet in width are provided along the front property line of all lots. Said easements were dedicated on the plat for Diamond Run Phase 1. These easements are preserved on the plat.
- 9. Multiple easements providing for electrical transmission are provided extending service from the UEC electric substation at the northwest corner of the site.

**(B) Pedestrian access from each dwelling unit to a private or public road;**

*Finding:*

- 10. Each lot abuts public right of way and no easements are needed to accommodate pedestrian access to each unit.
- 11. Pedestrian access easements providing access from the development to public trail facilities, required as part of the original Diamond Run approval, are preserved.

**(C) Any common use areas or shared building elements;**

*Finding:*

- 12. No common areas or shared building elements are proposed. This requirement is not applicable.

**(D) Any dedicated driveways or parking; and**

*Finding:*

- 13. All driveways will be the sole responsibility of the property owner on which the driveway is located. This requirement is not applicable.

**(E) Any dedicated common area;**

*Finding:*

- 14. No common areas are proposed. This requirement is not applicable.

**(d) Exactly one dwelling unit on each resulting lot or parcel, except for lots, parcels or tracts used as common areas; and**

*Finding:*

- 15. Each lot is proposed for exactly one dwelling unit. Building permit applications are on file for 10 units as of May 27, 2022 and additional permit applications are expected to be filed.
- 16. Pursuant to ORS 92.031(3) the city will prohibit further division of the lots listed in (1) above.
- 17. Pursuant to ORS 92.031(6) the city will prohibit the construction of accessory dwellings permitted under §157.136(A)(3) of the Hermiston Code of Ordinances on all lots listed in (1) above.

**(e) Evidence demonstrating how buildings or structures on a resulting lot or parcel will comply with applicable building codes provisions relating to new property lines and, notwithstanding the creation of new lots or parcels, how structures or buildings located on the newly created lots or parcels will comply with the Oregon residential specialty code.**

*Finding:*

- 18. As noted in (3) above, the building permits on file with the City of Hermiston have been reviewed and demonstrate compliance with the applicable building code requirements relating to property lines and separation of structures. The City will continue to require this compliance on all future attached single-family dwellings created for middle housing.

**Conditions of Approval for Diamond Run Phase 1 Middle Housing Land Division**

**June 27, 2022**

**E Diagonal Blvd**

1. Pursuant to ORS 92.031(3)(a) the city will prohibit further division of the lots split for middle housing. Said lots are Lots 1-14, Lots 16-39, Lots 47-52, Lots 56 and 57, Lots 60-67, Lots 69-78, Lots 80-83, Lots 86-95, Lots 98-107, and Lots 109-122.
2. Pursuant to ORS 92.031(6) the city will prohibit the construction of accessory dwellings permitted under §157.136(A)(3) of the Hermiston Code of Ordinances on all lots listed in Condition 1 above.
3. Pursuant to ORS 92.031(3)(b) a notation shall be placed on the plat stating that approval was granted under ORS 92.031.
4. Pursuant to ORS 92.031(2)(e) all attached single-family dwellings constructed on the lots listed in Condition 1 above shall be constructed in accordance with applicable building codes provisions relating to new property lines and the Oregon residential specialty code.
5. Addresses shall be removed from the final plat.

June 8, 2022

Lloyd and Lois Piercy  
PO Box 249  
Echo, OR 97826



Re: **Notice of Decision** – Middle Housing Land Division – Diamond Run Phase 1

This letter is intended to supersede and replace the city’s June 2, 2022 letter approving the above referenced middle housing land division. The June 2 letter is hereby withdrawn. The findings of fact and conditions of approval from the June 2 approval are no longer in effect and the amended findings and conditions are attached to this letter.

The City of Hermiston has reviewed and granted tentative approval of your application for a replat of Diamond Run Subdivision Phase 1. The replat is intended to provide individual lots for duplex dwellings within the development. This request is considered a middle housing land division under ORS 197.360 and regulated under ORS 197.360 through 197.380 and ORS 92.031 and is processed differently than a standard replat governed under Chapter 154 of the Hermiston Code of Ordinances.

In reviewing your application, the city has applied the standards contained in ORS 92.031 to your tentative plan. Attached to this letter are findings of fact demonstrating compliance with these standards. Additionally, conditions of approval relating to compliance with State of Oregon rules for middle housing land divisions are attached.

This letter constitutes a tentative approval as required by the State of Oregon under ORS 92.031(2). This approval is an administrative approval. Under the provisions of Chapter 154 of the Hermiston Code of Ordinances, all land divisions must also be approved by the Hermiston Planning Commission and City Council. Pursuant to ORS 197.365(3)(b), the planning commission and city council will not hold hearings on this proposal as the required notice was provided by the city for the administrative review of the tentative plan. However, the planning commission will meet on June 8, 2022 to review and approve the final plat and the city council will meet on June 27, 2022 to review and approve the final plat. Both meetings will be held at 7:00 pm at the Hermiston Community Center, 415 Highway 395 S, Hermiston, OR.

You have the right to file an appeal of the city’s decision. An appeal must be filed within 14 days of the date this letter is mailed. If no appeal is filed by 5 pm on June 22, 2022, the city’s decision is considered final.

City of Hermiston  
**PLANNING DEPARTMENT**

Sincerely,



Clinton Spencer  
Planning Director

- C: Ambience Homes
- Byron Smith
- Development Staff
- Building Department
- Rich Tovey

**Findings of Fact for Diamond Run Phase 1 Middle Housing Land Division**

**June 8, 2022**

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**ORS 92.031**

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**(b) Separate utilities for each dwelling unit;**

*Findings:*

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**(e) Evidence demonstrating how buildings or structures on a resulting lot or parcel will comply with applicable building codes provisions relating to new property lines and, notwithstanding the creation of new lots or parcels, how structures or buildings located on the newly created lots or parcels will comply with the Oregon residential specialty code.**

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**Conditions of Approval for Diamond Run Phase 1 Middle Housing Land Division**

**June 8, 2022**

**E Diagonal Blvd**

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5. Addresses shall be removed from the final plat.



Planning Department

June 13, 2022

Lloyd and Lois Piercy  
PO Box 249  
Echo, OR 97826

Re: **Notice of Decision** – Middle Housing Land Division – Diamond Run Phase 1  
Amended Findings of Fact

The City of Hermiston reviewed and granted tentative approval of your application for a replat of Diamond Run Subdivision Phase 1 on June 8. Additional comments were received from the applicant’s representative. At their request, the findings of fact were amended. Finding #5 has been amended to read:

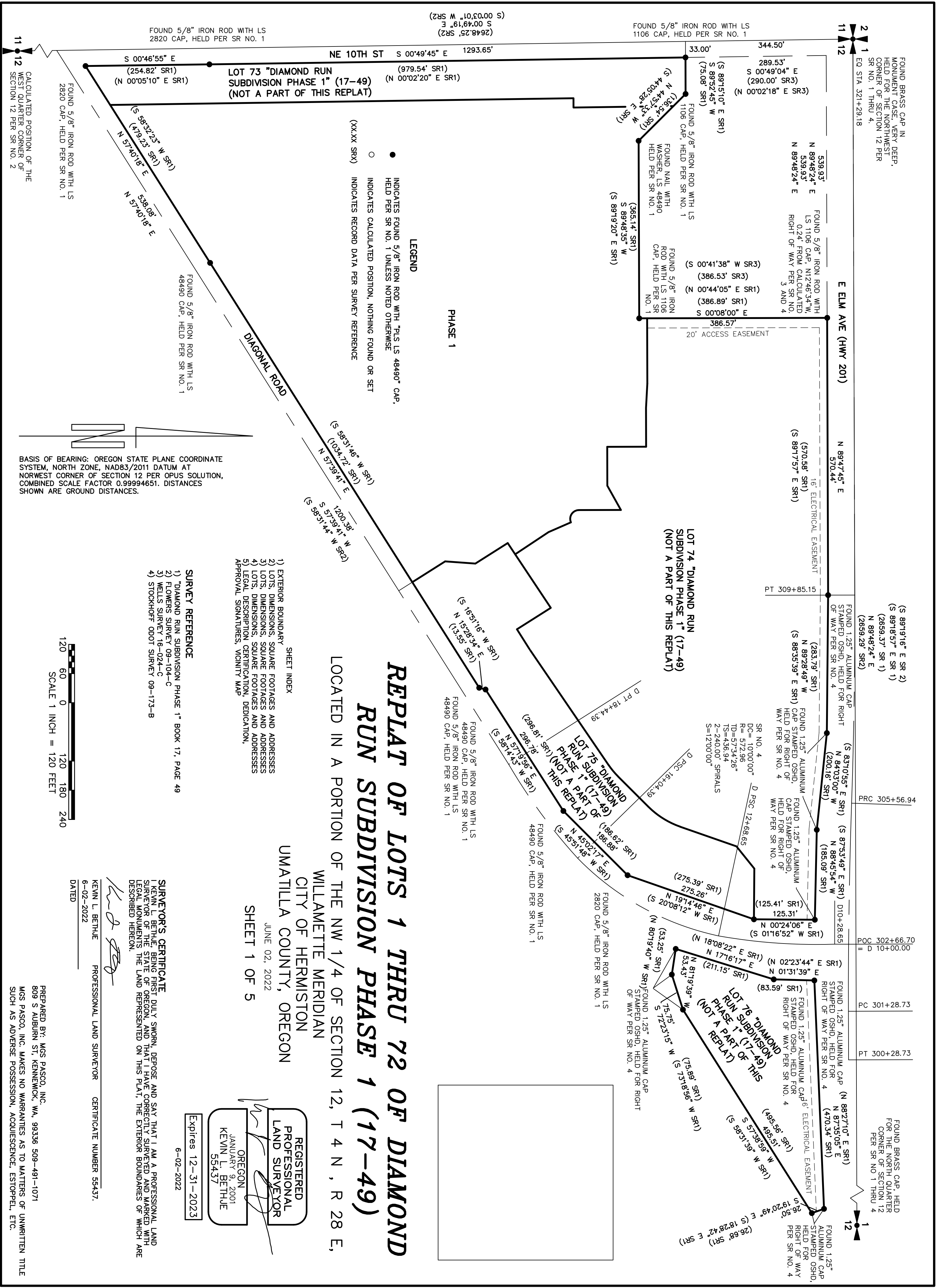
5. Separate utility connections are provided for each dwelling unit. Utility connections consist of one shared service for water and sewer connecting to the respective mainline in the adjacent public street. Each utility will branch within the utility easement or right-of-way depending upon the lot configuration.

The five conditions of approval remain as stated in the June 8 letter.

Sincerely,

Clint Spencer  
Planning Director

C: Ambience Homes  
Byron Smith  
Development Staff  
Building Department  
Rich Tovey



**REPLAT OF LOTS 1 THRU 72 OF DIAMOND RUN SUBDIVISION PHASE 1 (17-49)**

LOCATED IN A PORTION OF THE NW 1/4 OF SECTION 12, T 4 N, R 28 E,

WILLAMETTE MERIDIAN  
CITY OF HERMISTON  
UMATILLA COUNTY, OREGON

JUNE 02, 2022  
SHEET 1 OF 5

REGISTERED PROFESSIONAL LAND SURVEYOR  
KEVIN L. BETHUE  
JANUARY 9, 2001  
55457

Expires 12-31-2023  
6-02-2022

**SURVEYOR'S CERTIFICATE**  
I, KEVIN L. BETHUE, BEING THE FIRST, DUPLICATION, DEPOSE AND SAY THAT I AM A PROFESSIONAL LAND SURVEYOR IN THE STATE OF OREGON AND THAT I HAVE PERSONALLY AND DIRECTLY SUPERVISED AND CHECKED THE FIELD WORK AND CALCULATIONS AND THAT I HAVE CONNECTEDLY SUPERVISED AND CHECKED THE LEGAL MONUMENTS THE LAND REPRESENTED ON THIS REPLAT, THE EXTERIOR BOUNDARIES OF WHICH ARE DESCRIBED HEREON.

KEVIN L. BETHUE  
PROFESSIONAL LAND SURVEYOR  
CERTIFICATE NUMBER 55457  
DATED 6-02-2022

PREPARED BY: MGS PASCO, INC.  
809 S AUBURN ST., KENNEBICK, WA, 99336 509-491-1071  
MGS PASCO, INC. MAKES NO WARRANTIES AS TO MATTERS OF UNWRITTEN TITLE SUCH AS ADVERSE POSSESSION, ACQUISICENCE, ESTOPPEL, ETC.

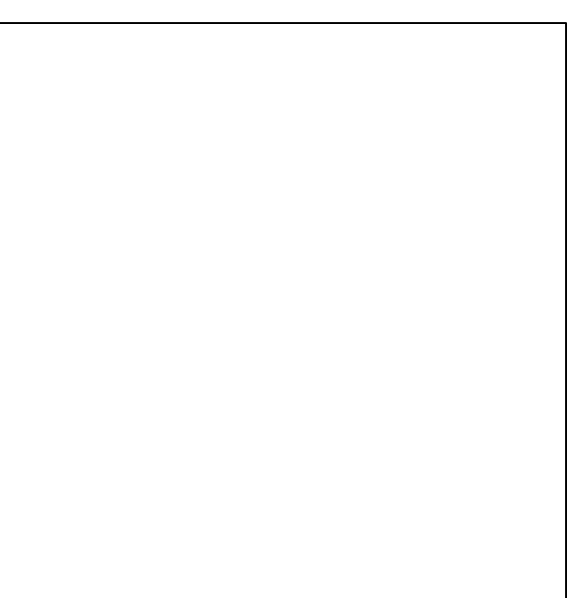
- SURVEY REFERENCE**
- 1) DIAMOND RUN SUBDIVISION PHASE 1" BOOK 17, PAGE 49
  - 2) FLOWERS SURVEY 09-104-C
  - 3) WELLS SURVEY 16-024-C
  - 4) STOCKHOF ODOT SURVEY 09-173-B

- SHEET INDEX**
- 1) EXTERIOR BOUNDARY
  - 2) LOTS, DIMENSIONS, SQUARE FOOTAGES AND ADDRESSES
  - 3) LOTS, DIMENSIONS, SQUARE FOOTAGES AND ADDRESSES
  - 4) LOTS, DIMENSIONS, SQUARE FOOTAGES AND ADDRESSES
  - 5) LEGAL DESCRIPTION, CERTIFICATION, DEDICATION, APPROVAL SIGNATURES, VICINITY MAP



BASIS OF BEARING: OREGON STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD83/2011 DATUM AT NORTHWEST CORNER OF SECTION 12 PER OPUS SOLUTION, COMBINED SCALE FACTOR 0.99994651. DISTANCES SHOWN ARE GROUND DISTANCES.

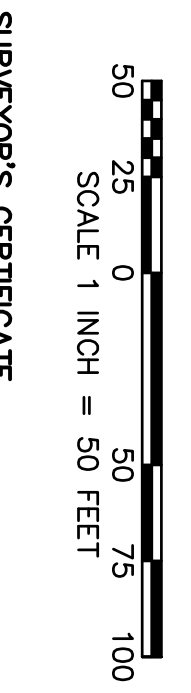
- LEGEND**
- INDICATES FOUND 5/8" IRON ROD WITH "PLS LS 48490" CAP, HELD PER SR NO. 1 UNLESS NOTED OTHERWISE
  - INDICATES CALCULATED POSITION, NOTHING FOUND OR SET
  - (XXX SRX) INDICATES RECORD DATA PER SURVEY REFERENCE



- LEGEND**
- INDICATES 5/8" x 30" IRON ROD WITH "BETHLE LS 55437" CAP SET
  - INDICATES FOUND 5/8" IRON ROD WITH "PLUS LS 48490" CAP.
  - INDICATES CALCULATED POSITION, NOTHING FOUND OR SET
  - INDICATES FOUND 2" ALUMINUM CAP STAMPED "PLUS LS 48490", HELD PER SR NO. 1

# REPLAT OF LOTS 1 THRU 72 OF DIAMOND RUN SUBDIVISION PHASE 1 (17-49)

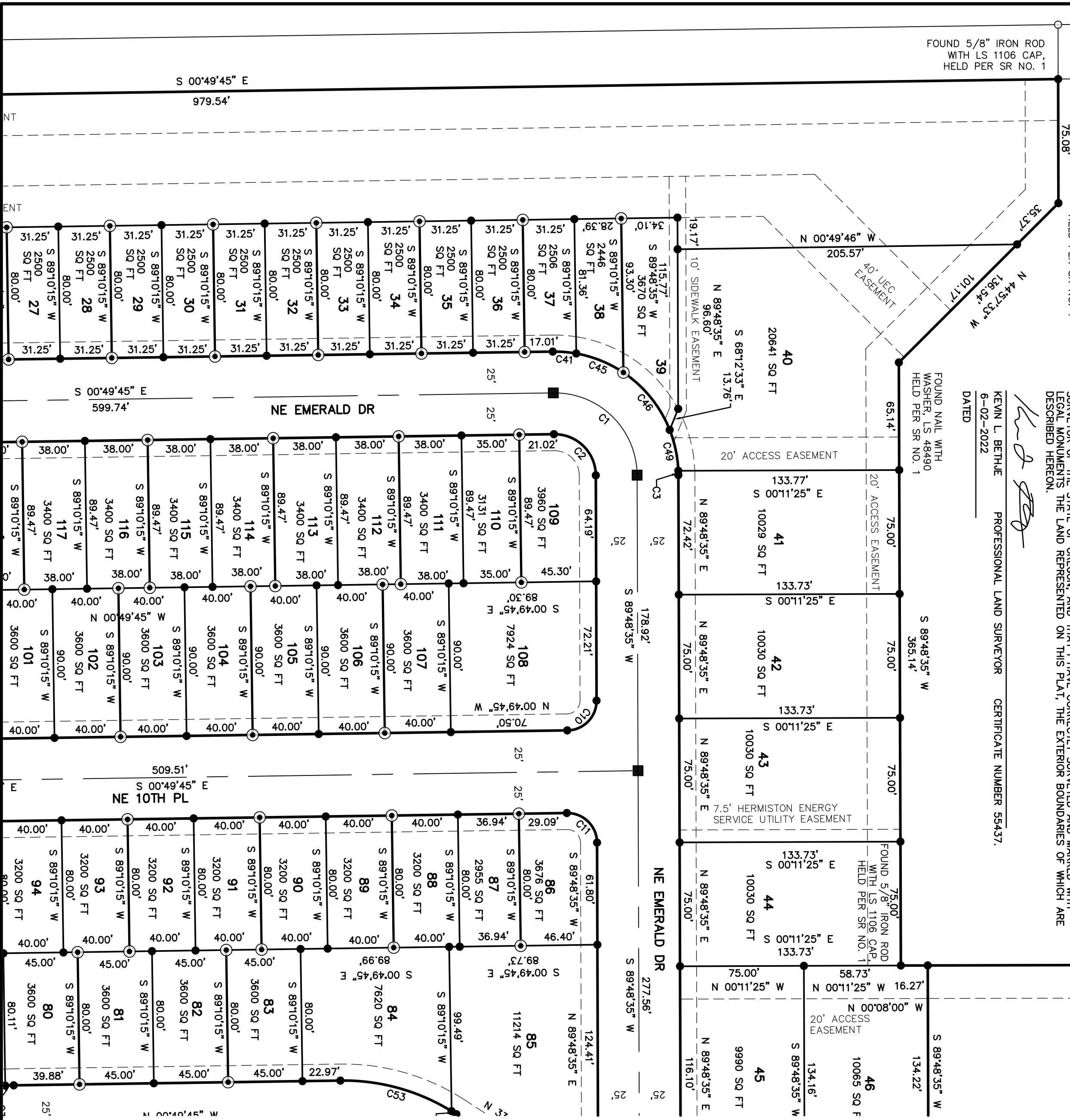
LOCATED IN A PORTION OF THE NW 1/4 OF SECTION 12, T 4 N, R 28 E, WILLAMETTE MERIDIAN CITY OF HERMISTON UMATILLA COUNTY, OREGON



**SURVEYOR'S CERTIFICATE**  
 I, KEVIN L. BETHLE, BEING FIRST DULY SWORN, DEPOSE AND SAY THAT I AM A PROFESSIONAL LAND SURVEYOR OF THE STATE OF OREGON, AND THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH LEGAL MONUMENTS THE LAND REPRESENTED ON THIS PLAT, THE EXTERIOR BOUNDARIES OF WHICH ARE DESCRIBED HEREON.

KEVIN L. BETHLE PROFESSIONAL LAND SURVEYOR CERTIFICATE NUMBER 55437.  
 DATED 6-02-2022

JUNE 02, 2022



**REGISTERED PROFESSIONAL LAND SURVEYOR**  
 OREGON  
 JANUARY 9, 2001  
 KEVIN L. BETHLE  
 55437

Expires 12-31-2023  
 6-02-2022

**CURVE TABLE**

CURVE	RADIUS	DELTA	ARC DIST.	CHORD BEARING	CHORD DIST.
C1	50.00'	90°38'20"	79.10'	S 44°29'25" W	71.10'
C2	25.00'	90°38'20"	39.55'	S 44°29'25" W	35.55'
C3	75.00'	1°58'10"	2.58'	S 88°49'30" W	2.58'
C4	50.00'	121°30'34"	106.04'	S 61°35'02" E	87.25'
C5	100.00'	31°30'34"	54.99'	S 16°35'02" E	54.30'
C6	100.00'	33°59'41"	59.33'	S 16°10'05" W	58.47'
C7	100.00'	33°17'56"	58.12'	N 16°30'58" E	57.30'
C8	100.00'	31°30'34"	54.99'	S 16°35'02" E	54.30'
C9	25.00'	121°30'34"	53.02'	S 61°35'02" E	43.63'
C10	18.00'	89°21'40"	28.07'	N 45°30'35" W	25.31'
C11	18.00'	90°38'20"	28.48'	S 44°29'25" W	25.60'
C12	125.00'	1°36'36"	3.51'	S 01°38'03" E	3.51'
C13	18.50'	81°17'54"	26.25'	S 17°00'44" E	24.10'
C14	18.50'	112°35'50"	36.36'	S 66°02'24" E	30.78'
C15	75.00'	8°54'44"	11.67'	S 05°17'07" E	11.65'
C16	100.00'	23°45'28"	41.47'	N 77°58'16" E	41.17'
C17	100.00'	32°12'19"	56.21'	S 16°14'10" E	55.47'
C18	18.00'	112°33'43"	35.36'	S 66°03'28" E	29.94'
C19	75.00'	9°38'36"	12.62'	S 04°57'18" E	12.61'
C20	125.00'	14°42'23"	32.08'	S 07°29'12" E	32.00'
C21	18.00'	81°12'10"	25.51'	N 17°03'35" E	23.43'
C22	125.00'	8°42'07"	18.98'	S 19°11'26" E	18.97'
C23	18.00'	90°00'00"	28.27'	S 12°39'41" W	25.46'
C24	10.00'	90°00'00"	15.71'	S 77°20'19" E	14.14'
C25	10.00'	90°00'00"	15.71'	N 12°39'41" E	14.14'
C26	18.00'	90°00'00"	28.27'	N 77°20'19" W	25.46'
C27	75.00'	12°28'16"	16.32'	N 63°53'49" E	16.29'
C28	75.00'	25°32'08"	33.43'	S 49°46'49" E	33.15'
C29	75.00'	23°16'14"	30.46'	N 81°46'04" E	30.25'
C30	75.00'	24°02'56"	31.48'	S 74°34'21" E	31.25'
C31	75.00'	8°27'00"	11.06'	S 05°03'15" E	11.05'
C32	125.00'	2°20'54"	5.12'	S 02°00'12" E	5.12'
C33	18.00'	81°28'13"	25.59'	N 16°55'34" E	23.49'
C34	18.00'	111°50'44"	35.14'	S 66°24'57" E	29.82'
C35	75.00'	9°39'50"	12.65'	S 05°39'40" E	12.64'
C36	18.00'	113°47'42"	35.75'	N 33°17'35" W	30.16'
C37	18.00'	89°56'35"	28.26'	N 44°50'17" E	25.44'
C38	125.00'	7°00'13"	15.28'	N 03°22'06" E	15.27'
C39	125.00'	20°30'36"	44.75'	N 17°07'31" E	44.51'
C40	125.00'	5°47'07"	12.62'	N 30°16'22" E	12.62'
C41	75.00'	10°56'48"	14.33'	S 04°38'39" W	14.31'
C42	18.00'	113°51'49"	35.77'	S 57°03'55" E	30.17'
C43	18.00'	80°43'12"	25.36'	S 40°13'36" W	23.31'
C44	125.00'	5°30'32"	12.02'	N 77°49'56" E	12.01'
C45	75.00'	23°41'39"	31.02'	S 21°57'52" W	30.79'
C46	75.00'	34°38'21"	45.34'	S 51°07'52" W	44.66'
C47	75.00'	9°10'38"	12.01'	S 32°25'27" E	12.00'
C48	75.00'	18°33'22"	24.29'	S 18°33'27" E	24.18'
C49	75.00'	19°23'22"	25.38'	S 78°08'44" W	25.26'
C50	75.00'	16°34'30"	21.70'	S 24°52'40" W	21.62'
C51	75.00'	17°25'11"	22.80'	S 07°52'50" W	22.71'
C52	125.00'	1°34'17"	3.43'	S 32°22'47" W	3.43'
C53	125.00'	32°25'24"	70.74'	S 15°22'56" W	69.80'
C54	125.00'	21°11'52"	46.25'	S 13°02'17" E	45.98'
C55	125.00'	20°37'53"	45.01'	S 13°29'36" E	44.77'
C56	125.00'	8°54'19"	19.43'	N 70°37'30" E	19.41'
C57	75.00'	9°33'39"	12.52'	N 28°23'06" E	12.50'

SHEET 2 OF 5

PREPARED BY: MSS PASCO, INC.  
 809 S AUBURN ST, KENNEWICK, WA, 98336  
 509-491-1071

MSS PASCO, INC. MAKES NO WARRANTIES AS TO MATTERS OF UNWRITTEN TITLE SUCH AS ADVERSE POSSESSION, ACQUISITION, ESTOPPEL, ETC.



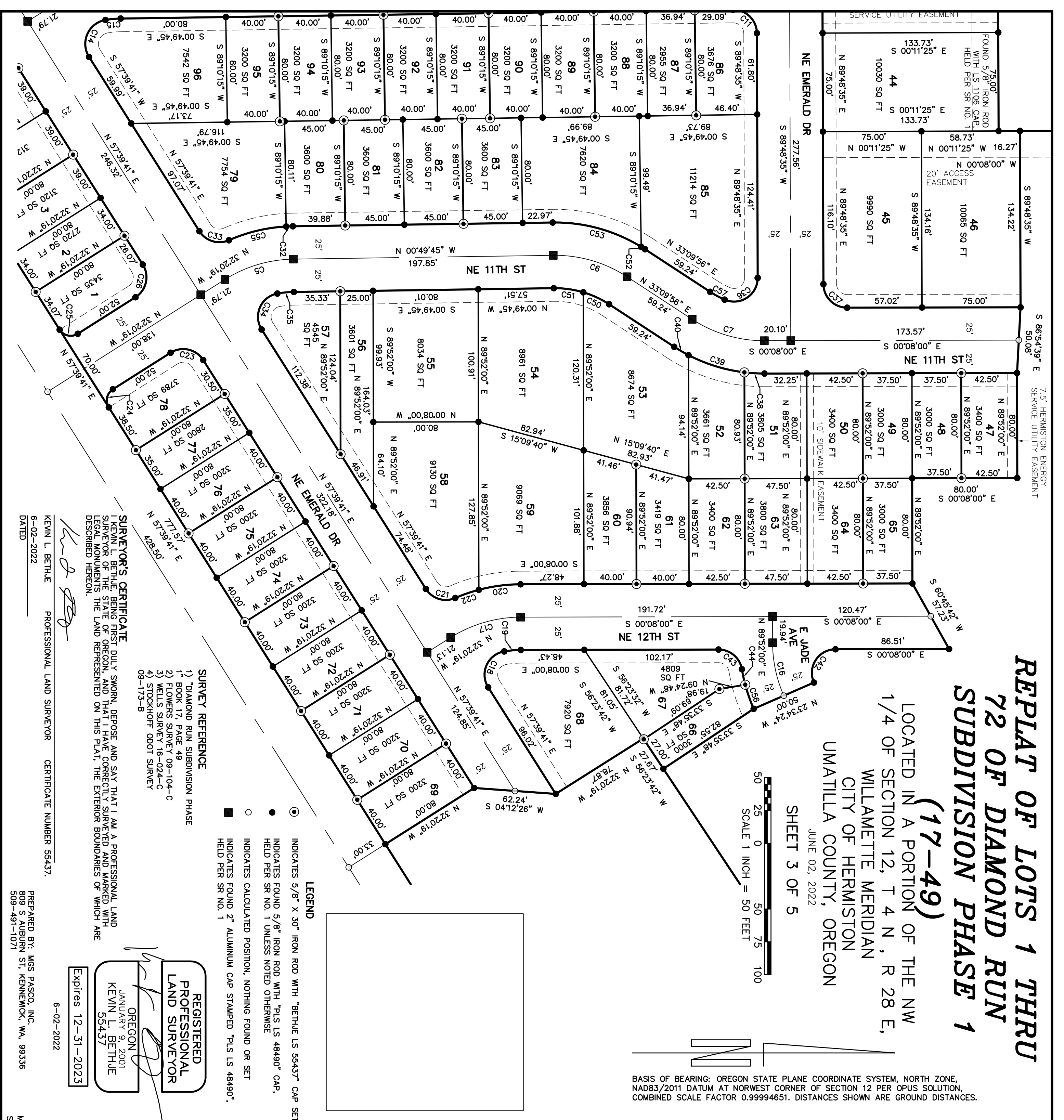
# REPLAT OF LOTS 1 THRU 72 OF DIAMOND RUN SUBDIVISION PHASE 1

LOCATED IN A PORTION OF THE NW 1/4 OF SECTION 12, T 4 N, R 28 E, WILLAMETTE MERIDIAN CITY OF HERMISTON UMATILLA COUNTY, OREGON

(17-49)  
JUNE 02, 2022  
SHEET 3 OF 5



BASIS OF BEARING: OREGON STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD83/2011 DATUM AT NORTHWEST CORNER OF SECTION 12 PER OPUS SOLUTION, COMBINED SCALE FACTOR 0.99994651. DISTANCES SHOWN ARE GROUND DISTANCES.



- SURVEY REFERENCE**
- 1) DIAMOND RUN SUBDIVISION PHASE 1 BOOK 17, PAGE 49
  - 2) FLOWERS SURVEY 09-104-C
  - 3) WELLS SURVEY 16-024-C
  - 4) STOCKHOF ODOT SURVEY 09-173-B

**SURVEYOR'S CERTIFICATE**  
I, KEVIN L. BETHLE, BEING FIRST DULY SWORN, DEPOSE AND SAY THAT I AM A PROFESSIONAL LAND SURVEYOR OF THE STATE OF OREGON, AND THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH LEGAL MONUMENTS THE LAND REPRESENTED ON THIS PLAT, THE EXTERIOR BOUNDARIES OF WHICH ARE DESCRIBED HEREON.

**REGISTERED PROFESSIONAL LAND SURVEYOR**  
KEVIN L. BETHLE  
JANUARY 9, 2001  
OREGON  
55437

Expires 12-31-2023

- LEGEND**
- INDICATES 5/8" x 30" IRON ROD WITH "BETHLE US 55437" CAP SET
  - INDICATES FOUND 5/8" IRON ROD WITH "PLS LS 48490" CAP.
  - INDICATES CALCULATED POSITION, NOTHING FOUND OR SET
  - INDICATES FOUND 2" ALUMINUM CAP STAMPED "PLS LS 48490", HELD PER SR NO. 1

KEVIN L. BETHLE PROFESSIONAL LAND SURVEYOR CERTIFICATE NUMBER 55437.  
6-02-2022 DATED

PREPARED BY: MGS PASCO, INC.  
809 S. AUBURN ST., KENNEWICK, WA, 98336  
509-491-1071

**CURVE TABLE**

CURVE	RADIUS	DELTA	ARC DIST.	CHORD BEARING	CHORD DIST.
C1	50.00'	90°36'20"	79.10'	S 44°29'25" W	71.10'
C2	25.00'	90°36'20"	39.55'	S 44°29'25" W	35.55'
C3	75.00'	1°58'10"	2.58'	S 88°49'30" W	2.58'
C4	50.00'	121°30'34"	106.04'	S 61°35'02" E	87.25'
C5	100.00'	31°30'34"	54.99'	S 16°35'02" E	54.30'
C6	100.00'	33°58'41"	59.33'	S 16°10'05" W	58.47'
C7	100.00'	33°17'56"	58.12'	N 16°30'58" E	57.30'
C8	100.00'	31°30'34"	54.99'	S 16°35'02" E	54.30'
C9	25.00'	121°30'34"	53.02'	S 61°35'02" E	43.63'
C10	18.00'	89°21'40"	28.07'	N 45°30'35" W	25.31'
C11	18.00'	90°36'20"	28.48'	S 44°29'25" W	25.60'
C12	125.00'	1°36'36"	3.51'	S 01°38'03" E	3.51'
C13	18.50'	81°17'54"	26.25'	N 17°00'44" E	24.10'
C14	18.50'	112°35'50"	36.36'	S 66°02'24" E	30.78'
C15	75.00'	8°54'44"	11.67'	S 05°17'07" E	11.65'
C16	100.00'	23°45'28"	41.47'	N 77°59'16" E	41.17'
C17	100.00'	32°12'19"	56.21'	S 16°14'10" E	55.47'
C18	18.00'	112°33'43"	35.36'	S 66°03'28" E	29.94'
C19	75.00'	9°38'36"	12.62'	S 04°57'18" E	12.61'
C20	125.00'	14°42'23"	32.08'	S 07°29'12" E	32.00'
C21	18.00'	81°12'10"	25.51'	N 17°03'35" E	23.43'
C22	125.00'	8°42'07"	18.98'	S 19°11'26" E	18.97'
C23	18.00'	90°00'00"	28.27'	S 12°39'41" W	25.46'
C24	10.00'	90°00'00"	15.71'	S 77°20'19" E	14.14'
C25	10.00'	90°00'00"	15.71'	N 12°39'41" E	14.14'
C26	18.00'	90°00'00"	28.27'	N 77°20'19" W	25.46'
C27	75.00'	12°28'16"	16.32'	N 63°53'49" E	16.29'
C28	75.00'	25°32'08"	33.43'	S 49°46'49" E	33.15'
C29	75.00'	23°16'14"	30.46'	N 81°46'04" E	30.25'
C30	75.00'	24°02'56"	31.48'	S 74°34'21" E	31.25'
C31	75.00'	8°27'00"	11.06'	S 05°03'15" E	11.05'
C32	125.00'	2°20'54"	5.12'	S 02°00'12" E	5.12'
C33	18.00'	81°28'13"	25.59'	N 16°55'34" E	23.49'
C34	18.00'	111°50'44"	35.14'	S 66°24'57" E	29.82'
C35	75.00'	9°39'50"	12.65'	S 05°39'40" E	12.64'
C36	18.00'	113°47'42"	35.75'	N 33°17'35" W	30.16'
C37	18.00'	89°56'35"	28.26'	N 44°50'17" E	25.44'
C38	125.00'	7°00'13"	15.28'	N 03°22'06" E	15.27'
C39	125.00'	20°30'36"	44.75'	N 17°07'31" E	44.51'
C40	125.00'	5°47'07"	12.62'	N 30°16'22" E	12.62'
C41	75.00'	10°56'48"	14.33'	S 04°38'39" W	14.31'
C42	18.00'	113°51'49"	35.77'	S 57°03'55" E	30.17'
C43	18.00'	80°43'12"	25.36'	S 40°13'56" W	23.31'
C44	125.00'	5°30'32"	12.02'	N 77°49'56" E	12.01'
C45	75.00'	23°41'39"	31.02'	S 21°57'52" W	30.79'
C46	75.00'	34°38'21"	45.34'	S 51°07'52" W	44.66'
C47	75.00'	9°10'38"	12.01'	S 32°25'27" E	12.00'
C48	75.00'	18°33'22"	24.29'	S 18°33'27" E	24.16'
C49	75.00'	19°23'22"	25.38'	S 78°08'44" W	25.26'
C50	75.00'	16°34'30"	21.70'	S 24°52'40" W	21.62'
C51	75.00'	17°25'11"	22.80'	S 07°52'50" W	22.71'
C52	125.00'	1°34'17"	3.43'	S 32°22'47" W	3.43'
C53	125.00'	32°23'24"	70.74'	S 15°22'56" W	69.80'
C54	125.00'	21°11'52"	46.25'	S 13°02'17" E	45.98'
C55	125.00'	20°37'53"	45.01'	S 13°29'36" E	44.77'
C56	125.00'	8°54'19"	19.43'	N 70°37'30" E	19.41'
C57	75.00'	9°33'39"	12.52'	N 28°23'06" E	12.50'

MGS PASCO, INC. MAKES NO WARRANTIES AS TO MATTERS OF UNWRITTEN TITLE SUCH AS ADVERSE POSSESSION, ACQUESCENCE, ESTOPPEL, ETC.

PREPARED BY: MGS PASCO, INC.  
 809 S AUBURN ST, KENNEWICK, WA, 99336 509-491-1071  
 MGS PASCO, INC. MAKES NO WARRANTIES AS TO MATTERS OF UNWRITTEN TITLE  
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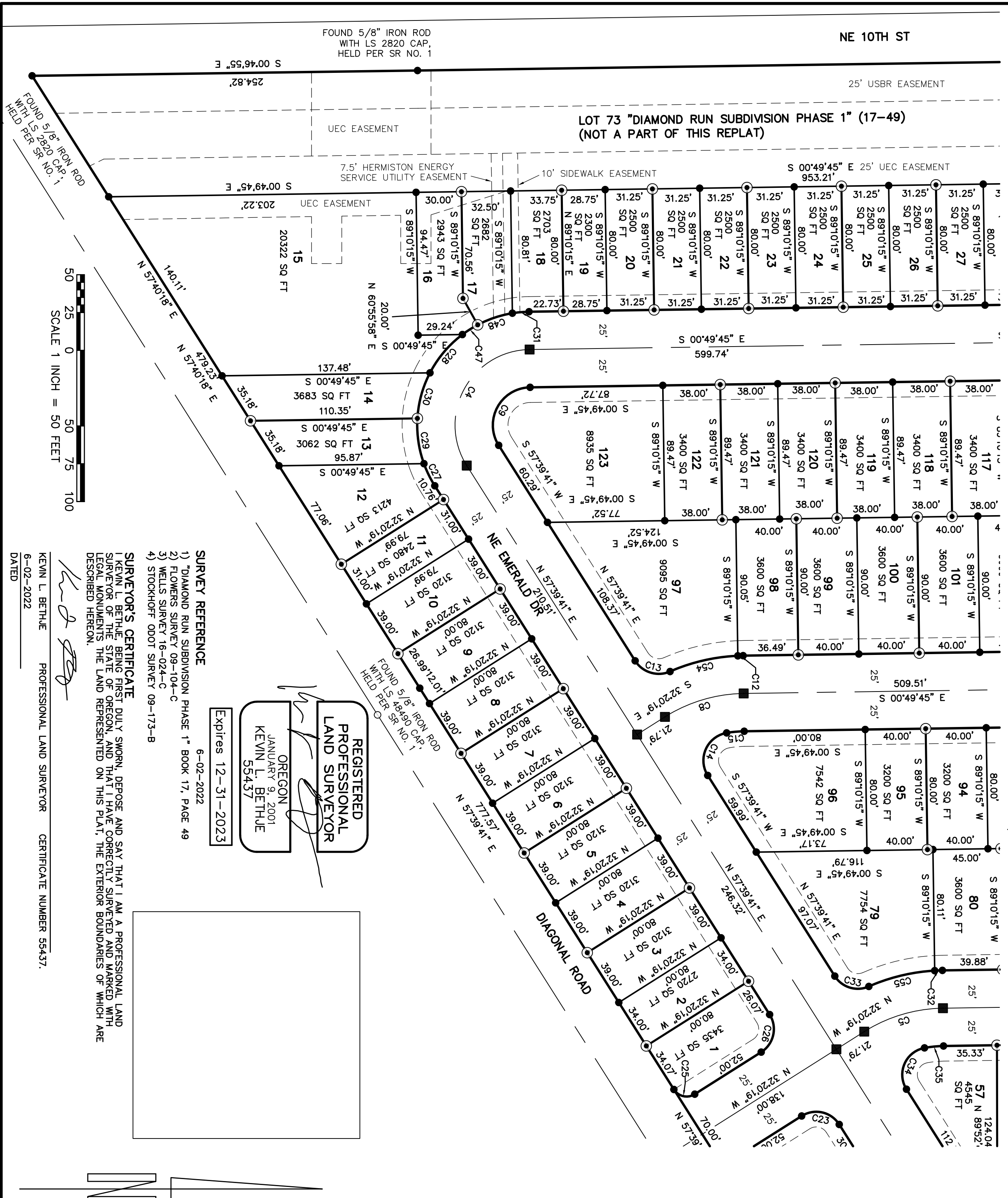
**LEGEND**

- INDICATES 5/8" X 30" IRON ROD WITH "BETHUE LS 55437" CAP SET
- INDICATES FOUND 5/8" IRON ROD WITH "PLS LS 48490" CAP, HELD PER SR NO. 1 UNLESS NOTED OTHERWISE
- INDICATES CALCULATED POSITION, NOTHING FOUND OR SET
- INDICATES FOUND 2" ALUMINUM CAP STAMPED "PLS LS 48490", HELD PER SR NO. 1

# REPLAT OF LOTS 1 THRU 72 OF DIAMOND RUN SUBDIVISION PHASE 1 (17-49)

LOCATED IN A PORTION OF THE NW 1/4 OF SECTION 12, T 4 N, R 28 E, WILLAMETTE MERIDIAN CITY OF HERMISTON UMATILLA COUNTY, OREGON

JUNE 02, 2022



**REGISTERED PROFESSIONAL LAND SURVEYOR**  
 OREGON  
 JANUARY 9, 2001  
 KEVIN L. BETHUE  
 55437

Expires 12-31-2023

- SURVEY REFERENCE**
- 1) DIAMOND RUN SUBDIVISION PHASE 1 BOOK 17, PAGE 49
  - 2) FLOWERS SURVEY 09-104-C
  - 3) WELLS SURVEY 16-024-C
  - 4) STOCKHOF 000T SURVEY 09-173-B

**SURVEYOR'S CERTIFICATE**

I, KEVIN L. BETHUE, BEING FIRST DULY SWORN, DEPOSE AND SAY THAT I AM A PROFESSIONAL LAND SURVEYOR OF THE STATE OF OREGON, AND THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH LEGAL MONUMENTS THE LAND REPRESENTED ON THIS PLAT, THE EXTERIOR BOUNDARIES OF WHICH ARE DESCRIBED HEREON.

KEVIN L. BETHUE  
 PROFESSIONAL LAND SURVEYOR  
 CERTIFICATE NUMBER 55437.  
 6-02-2022  
 DATED

**BASIS OF BEARING:** OREGON STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NAD83/2011 DATUM AT NORTHWEST CORNER OF SECTION 12 PER OPUS SOLUTION, COMBINED SCALE FACTOR 0.99994651. DISTANCES SHOWN ARE GROUND DISTANCES.

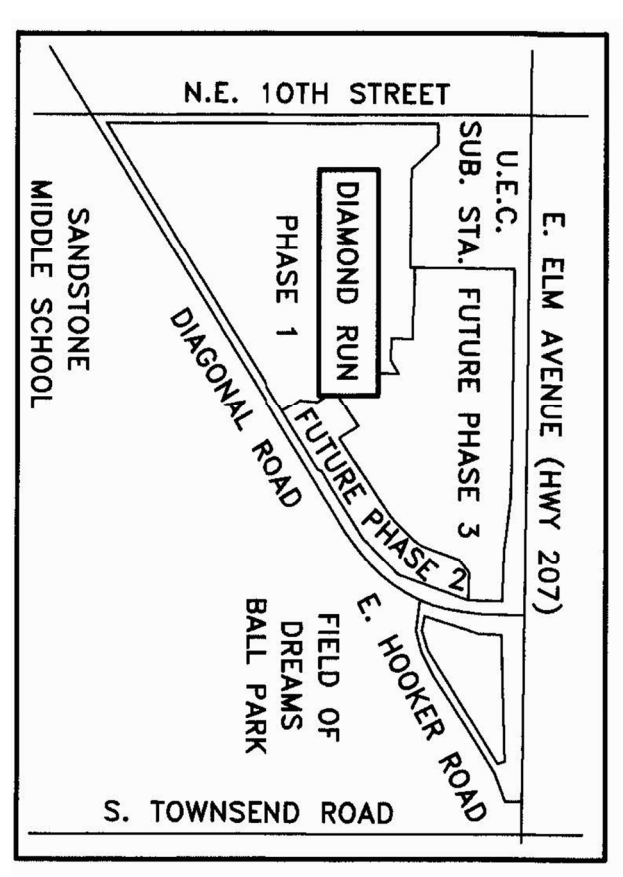
CURVE TABLE					
CURVE	RADIUS	DELTA	ARC DIST.	CHORD BEARING	CHORD DIST.
C1	50.00'	90°38'20"	79.10'	S 44°29'25" W	71.10'
C2	25.00'	90°38'20"	39.55'	S 44°29'25" W	35.55'
C3	75.00'	1°58'10"	2.58'	S 88°49'30" W	2.58'
C4	50.00'	121°30'34"	106.04'	S 61°35'02" E	87.25'
C5	100.00'	31°30'34"	54.99'	S 16°35'02" E	54.30'
C6	100.00'	33°59'41"	59.33'	S 16°10'05" W	58.47'
C7	100.00'	33°17'56"	58.12'	N 16°30'58" E	57.30'
C8	100.00'	31°30'34"	54.99'	S 16°35'02" E	54.30'
C9	25.00'	121°30'34"	53.02'	S 61°35'02" E	43.63'
C10	18.00'	89°21'40"	28.07'	N 45°30'35" W	25.31'
C11	18.00'	90°38'20"	28.48'	S 44°29'25" W	25.60'
C12	125.00'	1°36'36"	3.51'	S 01°38'03" E	3.51'
C13	18.50'	81°17'54"	26.25'	N 17°00'44" E	24.10'
C14	18.50'	112°35'50"	36.36'	S 66°02'24" E	30.78'
C15	75.00'	8°54'44"	11.67'	S 05°17'07" E	11.65'
C16	100.00'	23°45'28"	41.47'	N 77°59'16" E	41.17'
C17	100.00'	32°12'19"	56.21'	S 16°14'10" E	55.47'
C18	18.00'	112°33'43"	35.36'	S 66°03'28" E	29.94'
C19	75.00'	9°38'36"	12.62'	S 04°57'18" E	12.61'
C20	125.00'	14°42'23"	32.08'	S 07°29'12" E	32.00'
C21	18.00'	81°12'10"	25.51'	N 17°03'35" E	23.43'
C22	125.00'	8°42'07"	18.98'	S 19°11'26" E	18.97'
C23	18.00'	90°00'00"	28.27'	S 12°39'41" W	25.46'
C24	10.00'	90°00'00"	15.71'	N 77°20'19" E	14.14'
C25	10.00'	90°00'00"	15.71'	N 12°39'41" E	14.14'
C26	18.00'	90°00'00"	28.27'	N 77°20'19" E	25.46'
C27	75.00'	12°28'16"	16.32'	N 63°53'49" E	16.29'
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C29	75.00'	23°16'14"	30.46'	N 81°46'04" E	30.25'
C30	75.00'	24°02'56"	31.48'	S 74°34'21" E	31.25'
C31	75.00'	8°27'00"	11.06'	S 05°03'15" E	11.05'
C32	125.00'	2°20'54"	5.12'	S 02°00'12" E	5.12'
C33	18.00'	81°28'13"	25.59'	N 16°55'34" E	23.49'
C34	18.00'	111°50'44"	35.14'	S 66°24'57" E	29.82'
C35	75.00'	9°39'50"	12.65'	S 05°39'40" E	12.64'
C36	18.00'	113°47'42"	35.75'	N 33°17'35" W	30.16'
C37	18.00'	89°56'35"	28.26'	N 44°50'17" E	25.44'
C38	125.00'	7°00'13"	15.28'	N 03°22'06" E	15.27'
C39	125.00'	20°30'36"	44.75'	N 17°07'31" E	44.51'
C40	125.00'	5°47'07"	12.62'	N 30°16'22" E	12.62'
C41	75.00'	10°56'48"	14.33'	S 04°38'39" W	14.31'
C42	18.00'	113°51'49"	35.77'	S 57°03'55" E	30.17'
C43	18.00'	80°43'12"	25.36'	S 40°13'36" W	23.31'
C44	125.00'	5°30'32"	12.02'	N 77°49'56" E	12.01'
C45	75.00'	23°41'39"	31.02'	S 21°57'52" W	30.79'
C46	75.00'	34°38'21"	45.34'	S 51°07'52" W	44.66'
C47	75.00'	9°10'38"	12.01'	S 32°25'27" E	12.00'
C48	75.00'	18°33'22"	24.29'	S 18°33'27" E	24.18'
C49	75.00'	19°23'22"	25.38'	S 78°08'44" W	25.26'
C50	75.00'	16°34'30"	21.70'	S 24°52'40" W	21.62'
C51	75.00'	17°25'11"	22.80'	S 07°52'50" W	22.71'
C52	125.00'	1°34'17"	3.43'	S 32°22'47" W	3.43'
C53	125.00'	32°25'24"	70.74'	S 15°22'56" W	69.80'
C54	125.00'	2°11'52"	46.25'	S 13°02'17" E	45.98'
C55	125.00'	20°37'53"	45.01'	S 13°29'36" E	44.77'
C56	125.00'	8°54'19"	19.43'	N 70°37'30" E	19.41'
C57	75.00'	9°33'39"	12.52'	N 28°23'06" E	12.50'

# REPLAT OF LOTS 1 THRU 72 OF DIAMOND RUN SUBDIVISION PHASE 1 (17-49)

LOCATED IN A PORTION OF THE NW 1/4 OF SECTION 12, T 4 N , R 28 E,  
WILLAMETTE MERIDIAN  
CITY OF HERMISTON  
UMATILLA COUNTY, OREGON

JUNE 02, 2022  
SHEET 5 OF 5

**LEGAL DESCRIPTION:**  
LOTS 1 THRU 72 OF "DIAMOND RUN SUBDIVISION PHASE 1" ACCORDING TO THE PLAT THEREOF RECORDED UNDER BOOK 17 OF PLATS AT PAGE 49, RECORDS OF UMATILLA COUNTY OREGON, LOCATED IN A PORTION OF THE NORTHWEST QUARTER OF SECTION 12, TOWNSHIP 4 NORTH, RANGE 28 EAST, WILLAMETTE MERIDIAN, UMATILLA COUNTY, OREGON.



**CERTIFICATE OF OWNERSHIP AND DEDICATION:**  
WE, LOYD P. PIERCY AND LOIS J. PIERCY, OWNERS OF THE TRACT OF LAND DESCRIBED ON THE ACCOMPANYING PLAT, DO HEREBY ACKNOWLEDGE THAT WE HAVE CAUSED THIS PLAT TO BE PREPARED AND HEREBY DEDICATE THE STREETS AND EASEMENTS AS SHOWN FOR PUBLIC USE. WE ESTABLISH AND ACKNOWLEDGE THIS PLAT AS THE OFFICIAL MAP AND PLAT OF REPLAT OF DIAMOND RUN SUBDIVISION PHASE 1.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

ACKNOWLEDGEMENT: STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_  
THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022, PERSONALLY APPEARED BEFORE ME, AND BEING DULY SWORN, ACKNOWLEDGED TO ME THAT HE SIGNED THIS INSTRUMENT AS HIS VOLUNTARY ACT AND DEED IN WITNESS WHEREOF, I HAVE SET MY HAND AND OFFICIAL SEAL THE DAY AND YEAR FIRST ABOVE WRITTEN.

SIGNATURE NOTARY PUBLIC \_\_\_\_\_ DATE \_\_\_\_\_

PRINTED NAME \_\_\_\_\_

MY APPOINTMENT EXPIRES: \_\_\_\_\_

ACKNOWLEDGEMENT: STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022, PERSONALLY APPEARED BEFORE ME, AND BEING DULY SWORN, ACKNOWLEDGED TO ME THAT HE SIGNED THIS INSTRUMENT AS HIS VOLUNTARY ACT AND DEED IN WITNESS THEREOF, I HAVE SET MY HAND AND OFFICIAL SEAL THE DAY AND YEAR FIRST ABOVE WRITTEN.

SIGNATURE NOTARY PUBLIC \_\_\_\_\_ DATE \_\_\_\_\_

PRINTED NAME \_\_\_\_\_

MY APPOINTMENT EXPIRES: \_\_\_\_\_

**CERTIFICATE OF OWNERSHIP AND DEDICATION:**  
WE, AAA RENOVATIONS & CONSTRUCTION LLC, OWNER OF THE TRACT OF LAND DESCRIBED ON THE ACCOMPANYING PLAT, DO HEREBY ACKNOWLEDGE THAT WE HAVE CAUSED THIS PLAT TO BE PREPARED AND HEREBY DEDICATE THE STREETS AND EASEMENTS AS SHOWN FOR PUBLIC USE. WE ESTABLISH AND ACKNOWLEDGE THIS PLAT AS THE OFFICIAL MAP AND PLAT OF REPLAT OF DIAMOND RUN SUBDIVISION PHASE 1.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

ACKNOWLEDGEMENT: STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

THIS IS TO CERTIFY THAT ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022, PERSONALLY APPEARED BEFORE ME, AND BEING DULY SWORN, ACKNOWLEDGED TO ME THAT HE SIGNED THIS INSTRUMENT AS HIS VOLUNTARY ACT AND DEED IN WITNESS THEREOF, I HAVE SET MY HAND AND OFFICIAL SEAL THE DAY AND YEAR FIRST ABOVE WRITTEN.

SIGNATURE NOTARY PUBLIC \_\_\_\_\_ DATE \_\_\_\_\_

PRINTED NAME \_\_\_\_\_

MY APPOINTMENT EXPIRES: \_\_\_\_\_

**UMATILLA COUNTY SURVEYOR:**  
I, DAVID H. KRUMBEN, UMATILLA CO. SURVEYOR, DO HEREBY CERTIFY THAT I HAVE EXAMINED THE ACCOMPANYING PLAT, THAT IT COMPLES WITH THE LAWS OF THE STATE OF OREGON WITH REFERENCE TO THE FILING AND RECORDING OF SUCH PLATS, AND I THEREFORE APPROVE SAID PLAT FOR THE APPROVAL OF THE COUNTY COMMISSIONERS OF UMATILLA COUNTY, OREGON, DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022.

UMATILLA COUNTY SURVEYOR \_\_\_\_\_

**CITY OF HERMISTON APPROVALS**  
WE CERTIFY THAT WE HAVE EXAMINED AND APPROVED THE PLAT OF REPLAT OF DIAMOND RUN SUBDIVISION PHASE 1.

CITY OF HERMISTON PLANNING COMMISSION \_\_\_\_\_ DATE \_\_\_\_\_

CITY OF HERMISTON MAYOR \_\_\_\_\_ DATE \_\_\_\_\_

**UMATILLA COUNTY COMMISSIONERS:**  
THIS IS TO CERTIFY THAT THE ACCOMPANYING PLAT IS APPROVED FOR FILING AND RECORDING IN THE "RECORD OF TOWN PLATS" OF UMATILLA COUNTY, OREGON, BY THE UNDERSIGNED BY ITS ORDER. DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022.

CHAIRMAN \_\_\_\_\_ COMMISSIONER \_\_\_\_\_

COMMISSIONER \_\_\_\_\_

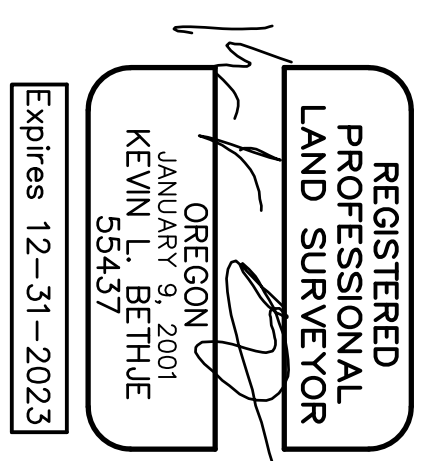
**ASSESSOR AND TAX COLLECTOR:**  
WE, THE ASSESSOR AND TAX COLLECTOR OF UMATILLA COUNTY, OREGON, DO HEREBY CERTIFY THAT WE HAVE EXAMINED THE TAX RECORDS RELATIVE TO THE LAND COVERED BY THE ACCOMPANYING PLAT AND THAT ALL MONIES DUE FOR STATE AND COUNTY TAXES AND ASSESSMENTS THAT COULD CONSTITUTE A LIEN ON SAID LAND HAVE BEEN PAID AND WE HEREBY APPROVE SAID PLAT.

COUNTY ASSESSOR \_\_\_\_\_ COUNTY TAX COLLECTOR \_\_\_\_\_

**HERMISTON IRRIGATION DISTRICT**  
THIS PLAT HAS BEEN HEREBY EXAMINED AND APPROVED.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2022

HERMISTON IRRIGATION DISTRICT \_\_\_\_\_ TITLE \_\_\_\_\_



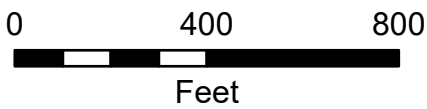
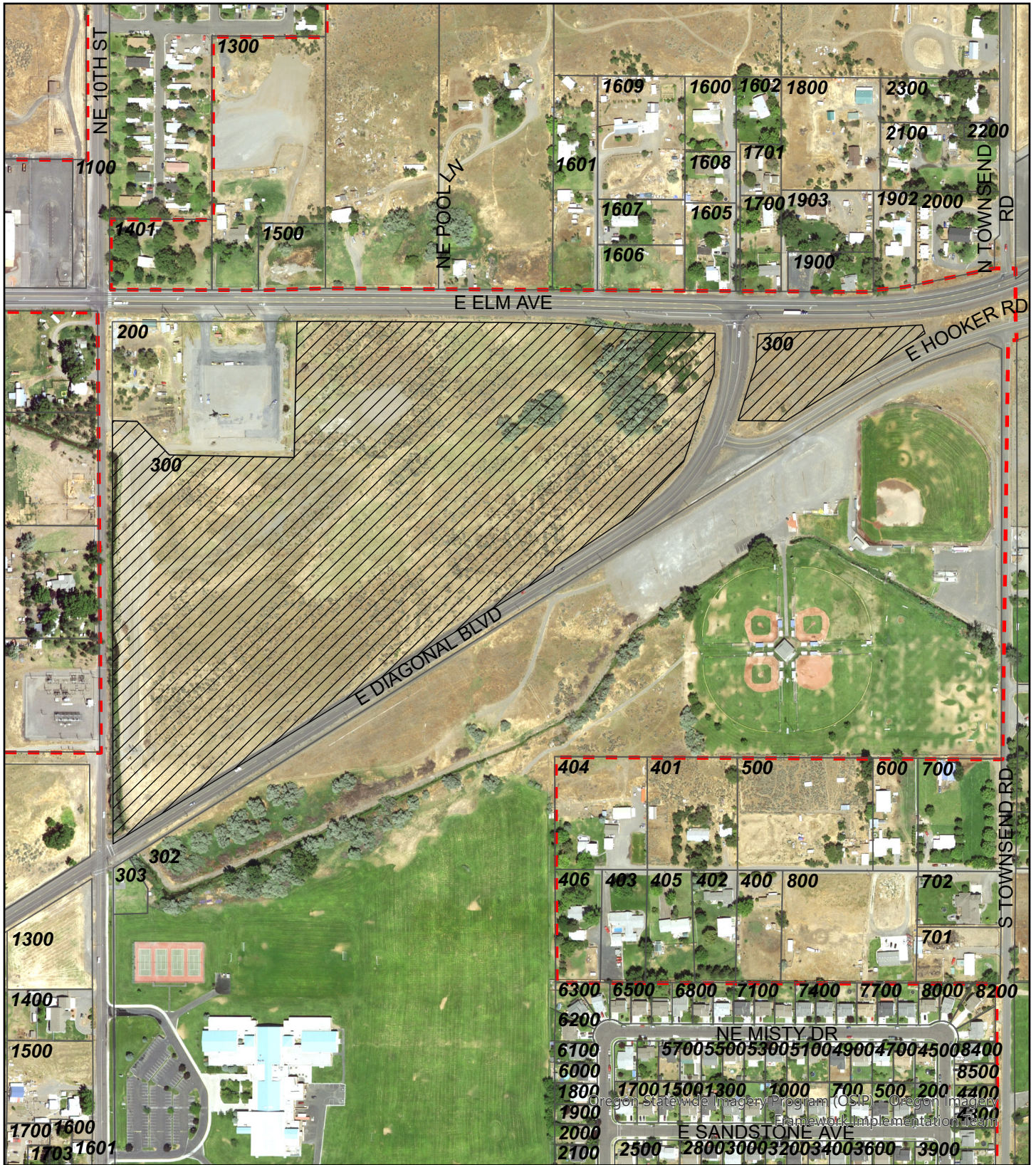
**SURVEYOR'S CERTIFICATE**  
I, KEVIN L. BETHUE, BEING FIRST DULY SWORN, DEPOSE AND SAY THAT I AM A PROFESSIONAL LAND SURVEYOR OF THE STATE OF OREGON, AND THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH LEGAL MONUMENTS THE LAND REPRESENTED ON THIS PLAT, THE EXTERIOR BOUNDARIES OF WHICH ARE DESCRIBED HEREON.

KEVIN L. BETHUE \_\_\_\_\_ PROFESSIONAL LAND SURVEYOR CERTIFICATE NUMBER 55437.

6-02-2022 \_\_\_\_\_ DATED

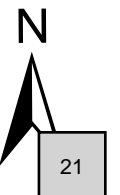
PREPARED BY: MGS PASCO, INC.  
809 S AUBURN ST, KENNEWICK, WA, 99336 509-491-1071  
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### Legend

- Minor Variance Area
- Property Line
- City Limits







*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of June 27, 2022

**Title/Subject**

Certifying the Ward Councilors and Municipal Judge Primary Election Results

**Summary and Background**

In accordance with ORS 254.548 the City Council is required to accept election results and certify that the candidates elected are qualified to hold office.

Attached are the election results provided by the County Election Manager along with a summarized table below. The results of all elections must be made a matter of record of the Council and such record needs to contain the name of each person elected to office, the office to which they were elected, the total number of votes cast, and the votes cast for each person.

<b><u>Ward I</u></b>	<b><u>Votes</u></b>
Jackie M Linton	911
Lori a Davis	822
Write-In	7

<b><u>Ward II</u></b>	<b><u>Votes</u></b>
Stan Stradley	659
Roy N. Barron	1,006
Write-In	7

<b><u>Ward III</u></b>	<b><u>Votes</u></b>
Jackie C Myers	1,388
Write-In	15

<b><u>Ward IV</u></b>	<b><u>Votes</u></b>
Phillip Spicerkuhn	500
David Patrick McCarthy	1,142
Write-In	5

<u>Municipal Court Judge</u>	<u>Votes</u>
Thomas J. Creasing Jr.,	663
Cameron R. Bendixsen	1,128
Write-In	6

The City Charter states the Municipal Judge and Ward Specific Council candidates will run in the Primary Election. If there are two or less candidates then the Primary Election will determine who will be elected into office.

**Tie-In to Council Goals**

**Fiscal Information**

None.

**Alternatives and Recommendation**

Alternatives

Do not accept the Umatilla County Elections Office Primary Election Results.

Recommended Action/Motion

Accept and certify the results of the May 17, 2022 Ward Councilors & Municipal Judge Primary Election results from the Umatilla County Elections Office.

**Submitted By:**

Elections Officer/City Recorder Lilly Alarcon-Strong

Summary Results Report  
 Umatilla County May 2022 Primary

Section 5, Item B.

**County Commissioner, Position 1 Umatilla County**

Vote For 1

	TOTAL
David Nelson	1,331
Cindy Timmons	3,194
Alvin Young	551
Susan Bower	3,310
Jesse Bonifer	1,359
Bob Barton	2,223
Write-In Totals	38
Not Assigned	38
<b>Total Votes Cast</b>	<b>12,006</b>
Overvotes	3
Undervotes	749
Contest Totals	12,758
Precincts Reporting	45 of 45

**County Commissioner, Position 2 Umatilla County**

Vote For 1

	TOTAL
John Shafer	5,605
Rick Pullen	2,832
HollyJo Beers	3,332
Write-In Totals	46
Not Assigned	46
<b>Total Votes Cast</b>	<b>11,815</b>
Overvotes	7
Undervotes	936
Contest Totals	12,758
Precincts Reporting	45 of 45

**Municipal Judge City of Hermiston**

Vote For 1

	TOTAL
Thomas J Creasing Jr	663
Cameron R Bendixsen	1,128
Write-In Totals	6
Not Assigned	6
<b>Total Votes Cast</b>	<b>1,797</b>
Overvotes	0
Undervotes	317
Contest Totals	2,114
Precincts Reporting	5 of 5

Summary Results Report  
 Umatilla County May 2022 Primary

Section 5, Item B.

**Council, Ward I City of Hermiston**

Vote For 1

	TOTAL
Jackie M Linton	911
Lori A Davis	822
Write-In Totals	7
Not Assigned	7
<b>Total Votes Cast</b>	<b>1,740</b>
Overvotes	2
Undervotes	372
Contest Totals	2,114
Precincts Reporting	5 of 5

**Council, Ward II City of Hermiston**

Vote For 1

	TOTAL
Stan Stradley	659
Roy N Barron	1,006
Write-In Totals	7
Not Assigned	7
<b>Total Votes Cast</b>	<b>1,672</b>
Overvotes	2
Undervotes	440
Contest Totals	2,114
Precincts Reporting	5 of 5

**Council, Ward III City of Hermiston**

Vote For 1

	TOTAL
Jackie C Myers	1,388
Write-In Totals	15
Not Assigned	15
<b>Total Votes Cast</b>	<b>1,403</b>
Overvotes	1
Undervotes	710
Contest Totals	2,114
Precincts Reporting	5 of 5

**Council, Ward IV City of Hermiston**

Vote For 1

	TOTAL
Phillip Spicerkuhn	500
David Patrick McCarthy	1,142
Write-In Totals	5
Not Assigned	5
<b>Total Votes Cast</b>	<b>1,647</b>
Overvotes	0
Undervotes	467
Contest Totals	2,114
Precincts Reporting	5 of 5



# PUBLIC ANNOUNCEMENT

The City is accepting applications for the following Committees:

**1) Planning Commission**

- Position 4: remaining 3-year term ending March 31, 2023 (Vacant as of: 06/01/2022)

**2) Parks & Recreation Advisory Committee**

- Position 6: remaining 3-year term ending October 31, 2022 (Vacant as of: 05/25/2022) (Position may be extended through October 31, 2025)
- Position 7: remaining 3-year term ending October 31, 2023 (vacant as of: 06/08/2022)

**3) Eastern Oregon Trade and Event Center Advisory Committee**

- Position 5: 3-year term ending June 30, 2025 (Advertised as of 04/19/2022)

**4) Budget Committee**

- Position 5: remaining 3-year term ending December 31, 2023 (Vacant as of 10/25/2021)

**5) Hispanic Advisory Committee**

- Position 3: remaining 3-year term ending June 30, 2024 (Vacant as of 01/19/2022)
- Position 5: 3-year term ending June 30, 2025 (Advertised as of 04/19/2022)

**6) Library Board**

- Position 3: remaining 4-year term ending June 30, 2025 (Vacant as of: 04/05/2021)
- Position 4: 4-year term ending June 30, 2026 (Advertised as of 04/19/2022)

**Deadline to apply for Committee(s) in Section(s) 1 - 2: June 28<sup>th</sup> or Open until filled**  
**Deadline to apply for Committee(s) in Section(s) 3 - 6: Open until filled**

Interested persons are asked to submit an application to City Hall, 235 E Gladys Ave, Hermiston, or at [alarcon-strong@hermiston.or.us](mailto:alarcon-strong@hermiston.or.us) . Application forms are available at City Hall or on the City’s website at <https://hermiston.or.us/volunteer> . If you have questions, please call Lilly Alarcon-Strong at 541-567-5521.

Proposed appointment and confirmation of these positions are made by the City Council. All appointments to city boards and commissions shall be made in accordance with the ordinances and city charter. Appointees shall not be full-time employees of the city, shall not be elected officials of the city, shall not be appointed to more than two boards or commissions at a time, and shall not sell to the city or its boards and commissions over which the council has appointive powers and budget control either directly as a prime contractor or supplier, or indirectly as a first-tier subcontractor or supplier. Sales shall be construed to mean sales, services or fees aggregating \$7,500 or more in any one calendar year. Preference for appointees shall be given to city residents.



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# CITY COUNCIL & URBAN RENEWAL AGENCY

Regular Meeting Minutes  
June 13, 2022

Mayor Drotzmann called the regular meeting to order at 7:00pm. Present were Councilors Hardin, Peterson, Barron, Spicerkuhn, Duron, Davis, Primmer, and Myers. Also in attendance was Municipal Court Judge Creasing, as well as staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Richard Tovey, Chief Edmiston, Planning Director Clint Spencer, Finance Director Mark Krawczyk, Court Administrator Jillian Viles, Parks and Recreation Director Brandon Artz, and City Recorder Lilly Alarcon-Strong. Youth Advisory Members Elizabeth Doherty, Julissa Gonzales Mendoza, and Manuel Salazar were also in attendance. The pledge of allegiance was given.

## **Presentation- New Agenda Management Software**

City Recorder Lilly Alarcon-Strong gave an overview of the new agenda management software system, Municode Meetings.

## **Presentation- Hermiston School District (HSD) Updates**

HSD Assistant Superintendent Jake Bacon gave updates regarding: Class of 2022 high school graduation, construction, hiring needs throughout the HSD, Summer School, Summer lunch program, safety upgrades to Highland Hills Elementary School, Champions Program that is offering free child care, good partnership between HSD and the City to be able to offer free swim lessons to all HSD 2<sup>nd</sup> graders, and delaying elementary school start date for the 2022-23 school year.

## **Citizen Input on Non-Agenda Items**

Virginia Rome-Garcia, Hermiston- Invited the Council and public to the Juneteenth Celebration at McKenzie Park on Saturday, June 18<sup>th</sup> from 4-8pm. There will be free food and activities as well.

## **Consent Agenda Items**

Councilor Primmer moved and Councilor Spicerkuhn seconded to approve Consent Agenda items A-I, to include:

- A. Minutes of the May 5th City and HURA Budget Committee Meetings
- B. Minutes of the May 23rd, Special & Regular City Council Meetings
- C. Minutes of the May 23, 2022 Public Infrastructure Committee Meeting
- D. Initiate annexation proceedings 4N2802CB TL 5400 & 5500- 1650 NE North St & 120 E Oregon Ave
- E. Committee Vacancy Announcements
- F. Confirmation to the Eastern Oregon Trade & Event Center Advisory Committee: Position #6, representing the At-Large Community, Luke Swanson, Term ending 06/30/2025.
- G. Recommendation of Appointment to the Eastern Oregon Trade and Event Center (EOTEC) Advisory Committee: Weston Putman, Position #7, 3-year term ending June 30, 2025
- H. Recommendation of Appointment to the Hispanic Advisory Committee: Jose Garcia, Position #4, 3-year term ending June 30, 2025
- I. Recommendation of Appointments to the Recreation Projects Fund Advisory Committee:
  - a. Representing The Chamber of Commerce: Val Hoxie, Position #2, term ending 12/31/2022
  - b. Representing The Parks and Recreation Committee: Jeff Kelso, Position #3, term ending 12/31/2023

Motion carried unanimously.



# CITY COUNCIL & URBAN RENEWAL AGENCY

Regular Meeting Minutes  
June 13, 2022

## **Public Hearing- 2022-23 Fiscal Budget (Resolutions 2222, 2223, 2224, and 2225)**

After hearing no declarations of conflict of interest from the Council, City Manager Smith read the hearing guidelines and Mayor Drotzmann opened the hearing at 7:26pm.

City Manager Byron Smith gave information regarding the proposed adopted budget as reviewed during the Budget Committee meeting and supplied in Resolution's 2222, 2223, 2224, and 2225.

### **Public Comment**

Jackie Linton, Hermiston- asked if the EOTEC costs will decrease since the City will have ended their contract with VenuWorks.

City Manager Smith stated the costs will not decrease, instead the City will be able to do more with the same amount budgeted.

There were no other parties who wished to testify and the Hearing was closed at 7:30pm.

## **Resolutions Related to the adoption of the FY 2022-23 City of Hermiston Budget**

Mayor Drotzmann stated the City will be reviewing resolutions to adopt the FY 2022-23 budget, although the process may seem to go quickly tonight, there have been many layers of transparency built into the budget process, to include: last month's Budget Committee Meeting and the many different opportunities the public has to comment and the ways in which the City provides information via the website, newspaper, and at City Council meetings.

### **Resolution No. 2222- Declaring the City of Hermiston's Election to Receive State Revenues**

City Manager Smith stated information regarding Resolution 2222 was provided in the agenda packet and earlier in the meeting, during the public hearing.

Councilor Davis moved and Councilor Hardin seconded to adopt Resolution No. 2222 and lay upon the record. Motion carried unanimously.

**Resolution No. 2223 – Adopting the City of Hermiston's Budget, make appropriations, and impose and categorize taxes for FY 2022-23-** City Manager Smith stated information regarding Resolution 2223 was provided in the agenda packet and earlier in the meeting, during the public hearing.

Councilor Duron moved and Councilor Hardin seconded to adopt Resolution No. 2223 and lay upon the record. Motion carried unanimously.

### **Resolution No. 2224- Establishes Reserve Funds for the City of Hermiston for FY 2022-2023**

City Manager Smith stated information regarding Resolution 2224 was provided in the agenda packet and earlier in the meeting, during the public hearing.

Councilor Primmer moved and Councilor Spicerkuhn seconded to adopt Resolution No. 2224 and lay upon the record. Motion carried unanimously.





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# CITY COUNCIL & URBAN RENEWAL AGENCY

Regular Meeting Minutes  
June 13, 2022

**Resolution No. 2225- Adopting the Compensation Plan for City of Hermiston Employees for FY 2022-2023, Effective July 1, 2022.** - City Manager Smith stated information regarding Resolution 2225 was provided in the agenda packet and earlier in the meeting, during the public hearing. As a point of clarity, the 2021-22 Salary Range Numbers were included - in error - with the 2022-23 Salary Range Numbers in Schedule B. Both 2021-22 and 2022-23 Salary Ranges are identified in the documents. The 2021-22 should be ignored.

Councilor Davis moved and Councilor Duron seconded to adopt Resolution No. 2225 and lay upon the record. Motion carried unanimously.

### **Committee Reports**

**Umatilla River Trails Committee** (not a City Committee)- Councilor Barron gave information regarding the trails project that will help connect pathways throughout neighboring communities. Currently, in engineering design phase 1, the Committee is working with property owners for path placement and access, as well as applying for grants and receiving estimates. Councilor Barron will bring in a concept map to present to the Council once one is available.

**EOTEC Advisory Committee**- Councilor Barron spoke regarding updates to: RV Park, barn expansion, field development, and water rights.

### **Mayor's Report**

Mayor Drotzmann spoke regarding:

- Community Counseling Services (CCS) and the great community partner they are to help make the community healthier.
- Moorehouse Apartments ground breaking event. The housing complex will add 60 units to the community. There have been additional conversations to possibly add additional housing development opportunities in the area.
- Eastern Oregon Economic Summit on June 16<sup>th</sup> and 17<sup>th</sup> at the Hermiston High School. Those interested in attending should register with City Recorder Alarcon-Strong.

### **Council Reports**

None given.

### **Youth Advisory Report**

Advisor Salazar asked for more information regarding the Eastern Oregon Economic Summit.

Mayor Drotzmann, City Manager Smith, and Daniel Wattenburger gave information regarding the Eastern Oregon Women's Coalition that hosts the Summit annually. It is an opportunity for leaders in the private and public sector to come together to hear industry experts, state and federal lawmakers, and others speak regarding current legislation and economic trends to help Eastern Oregon grow and develop stronger communities.

Advisor Gonzales Mendoza gave information regarding the opening of the Aquatic Center.



# CITY COUNCIL & URBAN RENEWAL AGENCY

Regular Meeting Minutes  
June 13, 2022

Advisor Doherty gave information regarding a recent meeting between all Student Advisors, Mr. Davis, and City Manager Smith to get feedback on the program. Student Advisors were encouraged to participate in their respective Committee’s during the summer, however, Committee assignments may change come fall. There was also some discussion regarding combining with other student leaders for volunteering opportunities for the City.

### **City Manager’s Report**

City Manager Smith spoke regarding:

- Current progress with the new IT Department. New IT Director will be presented at the next City Council Meeting along with contracts to provide IT services to other entities, and documents to add this department to the City budget will come early in July.
- Will be out of the office Thursday and Friday this week to attend an LOC Board Meeting.

(Judge Creasing exited the meeting at 7:53pm)

### **Recess the City Council Meeting and Convene the Urban Renewal Agency Meeting**

Mayor Drotzmann recessed the City Council meeting at 7:53pm and immediately convened the Urban Renewal Agency Meeting.

### **Public Hearing- HURA 2022-23 Fiscal Budget (Resolution 16)**

Hearing no declarations of conflict of interest from the Board, City Manager Smith read the hearing guidelines and Chair Drotzmann opened the hearing at 7:54pm.

Planning Director Clint Spencer gave information regarding the proposed adopted budget as reviewed during the Budget Committee meeting and supplied in Resolution 16.

Hearing no parties who wished to address the Board, the hearing was closed at 7:56pm.

### **Resolution No. 16 – Adopting the FY 2022-2023 HURA Budget**

City Manager Smith stated information regarding Resolution 16 was provided in the agenda packet and during the public hearing.

Member Primmer moved and Member Davis seconded to adopt Resolution No. 16 and lay upon the record. Motion carried unanimously.

### **Adjournment of the Urban Renewal Agency Meeting and Reconvene the City Council Meeting**

There was no other HURA business and Chair Drotzmann adjourned the HURA meeting and immediately reconvened the City Council meeting at 7:58pm.

### **Recess for Executive Session**

At 7:59pm Mayor Drotzmann announced that the City Council of the City of Hermiston will now meet in Executive Session in the Rotary Altrusa Room for the purpose of discussing matters pertaining to negotiating real property transactions. The Executive Session is held pursuant to ORS 192.660 (2) (e) which allows the



Where Life is Sweet

# CITY COUNCIL & URBAN RENEWAL AGENCY

Regular Meeting Minutes  
June 13, 2022

Council to meet in Executive Session to conduct deliberations with persons designated by the Council to negotiate real property transactions.

Representatives of the news media and designated staff shall be allowed to attend the executive session. All other members of the audience are excluded. Representatives of the news media are specifically directed not to report on any of the deliberations during the executive session, except to state the general subject of the session as previously announced. No final decision may be made in executive session. At the end of the executive session, the council will return to open session which the audience may attend. The executive session will last approximately 15 mins.

**Reconvene and Adjournment**

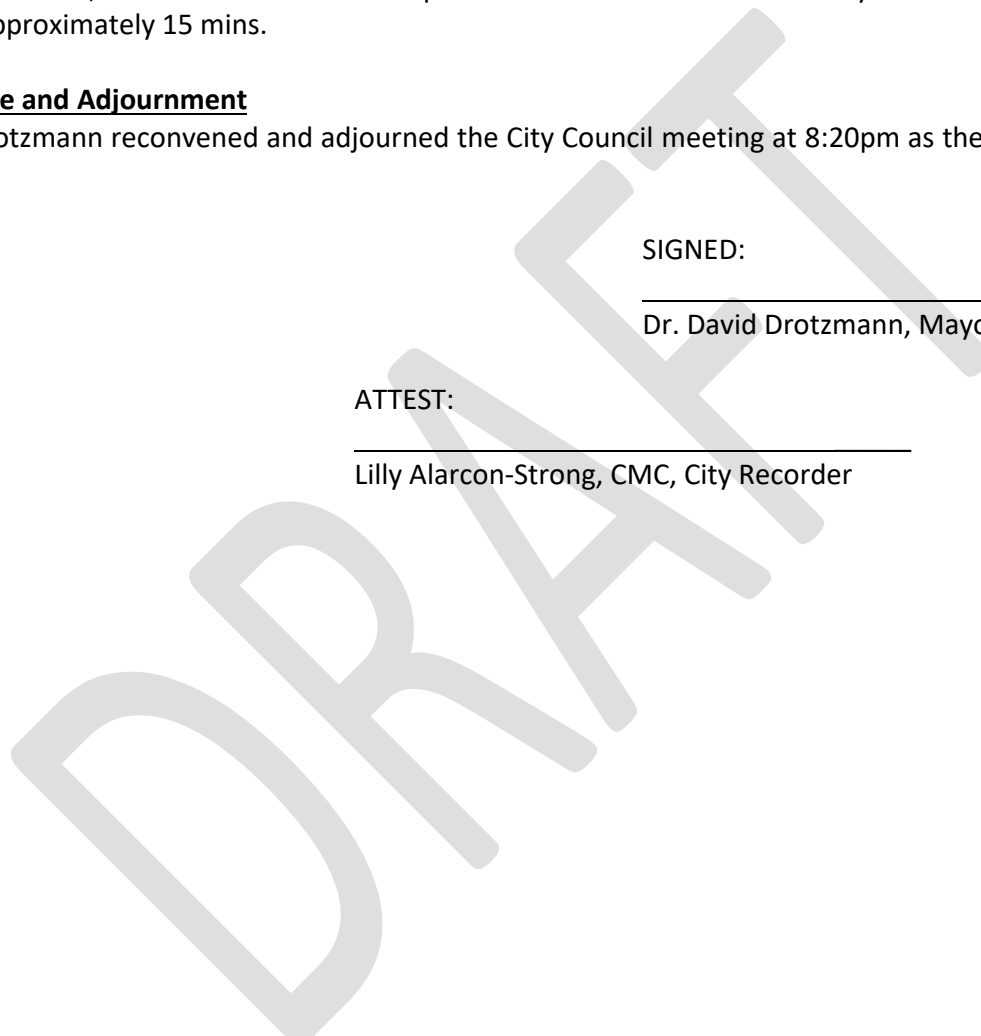
Mayor Drotzmann reconvened and adjourned the City Council meeting at 8:20pm as there was no other City business.

SIGNED:

\_\_\_\_\_  
Dr. David Drotzmann, Mayor

ATTEST:

\_\_\_\_\_  
Lilly Alarcon-Strong, CMC, City Recorder





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Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of June 27, 2022

**Title/Subject**

Resolution 2226 - A Resolution Re-Adopting the Financial Policies and Investment Policy for the City of Hermiston, Superseding Resolution 2190

**Summary and Background**

The City Council last approved/re-adopted the City of Hermiston’s Financial Policies and Investment Policy on June 28, 2021.

Today’s action by Resolution 2226 will provide for approval and re-adoption of ALL City of Hermiston’s Financial Policies (including the City of Hermiston’s Investment Policy) to satisfy the policy requirement for an annual review and adoption/approval of all of the City of Hermiston’s Financial Policies.

**Tie-In to Council Goals**

Fiscal Prudence

**Fiscal Information**

NONE

**Alternatives and Recommendation**

Alternatives

- 1. Approve Resolution 2226 as presented.
- 2. Do not approve Resolution 2226 as presented.

Recommended Action/Motion

Request a motion to approve Resolution 2226 as presented.

**Submitted By:**

Mark Krawczyk

# CITY OF HERMISTON FINANCIAL POLICIES



**Re-Adopted June 27, 2022**

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The City of Hermiston is committed to the highest level of financial integrity. We are accountable to our citizens for the use of public dollars, and resources should be used wisely to ensure adequate funding for the services, public facilities and infrastructure necessary to meet the community's present and future needs.

Written, adopted financial policies have many benefits, such as assisting the Council and City Manager in the financial management of the City, saving time and energy when discussing financial matters, fostering public confidence, and providing continuity over time as Council and staff members change. The purpose of the financial policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. The policies are adopted by the City Council and establish the framework for Hermiston's overall financial planning and management, to guide day-to-day and long-range fiscal planning and decision making, and to achieve the following general financial goals:

1. Ensure the financial integrity of the City.
2. Provide an adequate financial base to sustain a sufficient level of municipal services to maintain the social well-being and physical condition of the City.
3. Provide and maintain essential public facilities, utilities and capital equipment.
4. Enhance policy setting for and sound management of City government by providing accurate and timely information on current and anticipated financial conditions.
5. Protect and enhance the City's credit ratings.
6. Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community and respond to other changes as they affect the City's residents.

1. The City will comply with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA); Oregon Revised Statutes relating to Municipal finance; and prevailing federal, state and local statutes and regulations.
2. The City will prepare a Comprehensive Annual Financial Report (CAFR) and submit its CAFR to the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program.
3. Monthly financial reports showing revenue and expenditure activity for each fund will be distributed to the City Manager and City Council.
4. A system of internal controls and procedures will be maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions and compliance with applicable laws and regulations.
5. The City will maintain accounting records by fund. Per GAAP, proprietary funds will use the accrual basis of accounting and government funds will use the modified accrual basis of accounting. Changes in the basis of accounting will be explained in the budget message for the year in which the change is planned.
6. In accordance with Oregon Administrative Rules, the City will have its accounts and fiscal affairs audited annually in accordance with generally accepted auditing standards (GAAS) as promulgated by the American Institute of Certified Public Accountants (AICPA).
7. Full disclosure will be provided in the financial statements and bond representations.



1. The operating budget shall serve as the annual financial plan for the City. It will serve as the policy document of the City Council for implementing Council goals and objectives.
2. The City Council will adopt and maintain a balanced annual operating budget in conformance with existing state and local regulations. Per Local Budget Law, the City Council shall adopt the budget at the fund, department or program level as appropriate.
3. Budget control and accountability is maintained at the same level it is appropriated.
4. The Budget Officer shall annually prepare and present a proposed operating budget to the Budget Committee no later than May 30 of each year, and the City Council will adopt the budget no later than June 30 of each year.
5. Historical trend analysis will be performed on both revenues and expenditures as part of the budget process. Efforts will be made to identify potential deviations from the trends and this information will be factored into revenue and expenditure forecasts.
6. Funds may not be expended or encumbered for the following fiscal year until the budget has been adopted by the City Council.
7. The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
8. Monthly reports comparing budgeted to actual revenues and expenditures will be distributed to the City Manager and City Council. Significant variances will be investigated and explained.
9. The operating budget will be constrained to the total amount approved by the Budget Committee and as adjusted and adopted by the City Council.
10. A mid-year review process will be conducted by the City Manager to make any necessary adjustments to the adopted budget.
11. All resolutions adjusting the budget will be prepared by the Finance Department for Council approval to ensure compliance with budget laws.

1. The City will maintain its physical assets at a level adequate to protect the City's capital investment and to minimize future operating maintenance and replacement costs. The budget will provide for adequate maintenance and orderly replacement of capital assets from current revenues when possible.
2. The City will determine the least costly funding method for its capital projects and will obtain grants, contributions and low-cost state or federal loans whenever possible.
3. The City will establish capital equipment reserves to provide for funding of vehicles and equipment. The City will also establish major repairs and replacement reserves to provide for funding of major repairs and replacements.
4. The City will utilize "pay-as-you-go" funding for capital improvement expenditures considered recurring, operating or maintenance in nature. The City may also utilize "pay-as-you-go" funding for capital improvement expenditures when current revenues and adequate fund balances are available or when issuing debt would adversely affect the City's credit rating.
5. The City will consider the use of debt financing for capital projects under the following circumstances:
  - a. When the project's useful life will exceed the terms of the financing;
  - b. When resources are deemed sufficient and reliable to service the long-term debt; and
  - c. When market conditions present favorable interest rates for City financing.

Local government debt should not be viewed as revenue to supplement local government or municipal operating budgets. Rather, bonds are loans with significant costs and are incurred with an obligation for current and “future” taxpayers to repay. Issuing debt is theoretically justified on the basis of several factors, for example:

- Borrowing distributes costs and payments for a project or improvement to those who will benefit from it over its useful life rather than requiring today’s taxpayers or rate payers to pay for future use.
- During times of inflation, debt allows future repayment of borrowed money in cheaper dollars.
- Borrowing can improve a municipality’s liquidity to purchase needed equipment or for project construction and improvements. Debt issuance also does not exhaust current cash-on-hand, allowing such dollars to be used for operating expenses.

The following statements describe the City’s policies in regards to issuing and managing debt.

1. The City will comply with all statutory debt limitations imposed by Oregon Revised Statutes.
2. Proceeds from debt will be used for the purpose(s) specified in the debt issue. Funds remaining after the project is completed will be used in accordance with the provisions stated in the bond ordinance that authorized the issuance of the debt.
3. Interest earnings on bond proceeds will be limited to 1) funding the improvements specified in the authorizing bond ordinance, or 2) payment of debt service on the bonds.
4. The City will comply with all bond covenants, arbitrage requirements, EMMA filings, disclosure and other requirements specified by law.
5. The City will not issue long-term debt to finance current operations or to balance the budget.
6. The City may use short-term debt or inter-fund loans as permitted, to cover temporary shortages due to timing of cash flows which may result from delay in issuance of long-term debt.
7. The term of debt will not exceed the useful life of the improvements to be financed.
8. Outstanding debt may be *currently*<sup>1</sup> refunded to achieve interest cost savings or to remove debt covenants and structures which are not consistent with financial management goals. Outstanding debt may be *advance*<sup>2</sup> refunded when advantageous, legally permissible, prudent or net present value savings greater than 3% are available through refunding.
9. Total indebtedness including direct and overlapping debt will be analyzed in determining financial condition.
10. The City will prefer maturity schedules that yield level debt service payments over other schedules.
11. General and non-general obligation debt financings may be sold on a negotiated basis if it is found that the sale by negotiation provides significant cost or other advantages.
12. Agreement with commercial banks or other financial entities may be entered into for purposes of acquiring lines of credit that will provide access to credit under terms and conditions judged prudent and advantageous.

<sup>1</sup> Refundings are defined as current when new bonds are sold to refinance outstanding bonds prior to their maturities but after the call date has occurred or is about to occur. The refunding cannot take place earlier than three months before the call and any time afterwards. Under federal law the bond redemption must occur within 90 days of selling the new bonds or it will be considered an advance refunding. Under Oregon state law the bond redemption must occur within one year of selling the new bonds or is considered an advance refunding.

<sup>2</sup> Advance refundings occur when outstanding bonds are refinanced 90 days prior to their maturities and prior to the call dates for federal law purposes and one year for State of Oregon purposes.

## VI. INTER-FUND LOAN POLICIES

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In accordance with ORS 294.468 the City may loan money from one fund to another, provided the loan is authorized by an official resolution or ordinance of the City Council. In addition, the City will comply with the requirements and limitations of ORS 294.468 as follows:

- Loans may not be made from debt service funds.
- Loans made from debt service reserve funds created to provide additional security for outstanding bonds or other borrowing obligations are limited to amounts in the fund that are in excess of the amount the City has covenanted to maintain in reserve.
- Loans may not be made from moneys credited to any fund when there are constitutional provisions that restrict those moneys to specific uses, unless the purpose for which the loan is made is a use allowed under such constitutional provisions.
- The resolution or ordinance must state the fund from which the loan is made, the fund to which the loan is made, the purpose of the loan, and the principal amount of the loan.
- If the loan is an operating loan (a loan to cover operating expenses) it must be repaid to the fund from which it is borrowed by the end of the fiscal year, or the repayment must be budgeted and made in the next fiscal year.
- If the loan is a capital loan (a loan for the purpose of financing the design, acquisition, construction, installation or improvement of real or personal property), it must be repaid in full within 10 years of the date of the loan. The resolution or ordinance must set forth a schedule under which the principal and interest is to be budgeted and repaid. It must also state the rate of interest. The rate of interest may be the current rate of return on monies invested in the Local Government Investment Pool (LGIP) or such other rate as the governing body determines.
- If the loan will be repaid in the current fiscal year, no action by the City Council is necessary in regard to the budget. The budget does not need to be adjusted to show the loan transaction.
- If the loan will be repaid in one or more future fiscal year(s), the loan repayment must be budgeted and a separate debt service appropriation made for the expenditure.

The purpose of this policy is to outline the procedure for categorizing the different components of ending fund balance in conformity with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The goal of Statement 54 is "to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions."<sup>1</sup> It also "establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds."<sup>1</sup>

#### DEFINITIONS:

*Governmental Fund* – a type of fund in governmental accounting which is used to account for activities supported by taxes and general City revenues. Governmental funds are defined as the general, debt service, special revenue and capital projects funds.

*Fund Balance* – the difference between the assets and liabilities reported in a governmental fund.

*Special Revenue Fund* – a type of governmental fund used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

#### FUND BALANCE CLASSIFICATIONS:

In order of most to least restrictive fund balance classifications are:

- *Nonspendable* – resources that cannot be spent because they are either not in a spendable form, such as inventories or prepaid items, or legally or contractually required to be maintained intact.
- *Restricted* – resources that are constrained either (a) through external imposition by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) by law through constitutional provisions or enabling legislation.
- *Committed* – resources that can only be used for the specific purposes as determined by a formal action of the City Council. The Council can modify or rescind the action at any time. The same type of action that imposed the restriction must be used to modify or remove the restriction.
- *Assigned* – resources that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. An example of this is the annual budget. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
- *Unassigned* fund balance is the residual classification for the general fund and includes all spendable amounts that are not restricted, committed or assigned.

#### PROCEDURES:

When the option is available to use restricted or unrestricted resources for any purpose, the City expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, the City expends committed resources before assigned resources and assigned resources before unassigned.

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<sup>1</sup> Governmental Accounting Standards Board Summary of Statement No. 54

## VIII. EXPENDITURE POLICIES

Section 7, Item A.

1. The City will strive to ensure operating expenditures are supported by on-going operating revenues. Before the City undertakes any agreements that would create fixed, on-going expenditures, the cost implications of such agreements will be fully determined for current and future years.
2. Capital expenditures may be funded from one-time revenues.
3. Department heads are responsible for managing their budgets within the total appropriation for their department.
4. Expenditures will be controlled through appropriate internal controls and procedures.
5. All purchases of goods and services must comply with the City's Public Contracting Regulations, guidelines and procedures and with Oregon State laws and regulations.
6. The City will actively work to control expenditures to ensure City services and programs provided to its citizens and taxpayers are cost-effective and efficient.
7. Expenditures will be estimated realistically and prudently.



## IX. FINANCIAL PLANNING POLICIES

Section 7, Item A.

1. The City will prepare a long-term financial plan to promote responsible planning for the use of resources. The long-term financial plan will include projected revenues, expenditures and reserve balances for the next five years.
2. The City's financial plan will be strategic, reflecting the Council's and the community's priorities for service while providing resources that realistically fund routine operations.
3. Long-term projections of revenues and expenditures will be realistic, conservative and based on best practices established by the Government Finance Officers Association.

## X. INVESTMENT POLICY

Section 7, Item A.

The City's Investment Policy was adopted by Resolution 1946 on August 26, 2013.

The City's Investment Policy was re-adopted by Resolution 1968 on November 24, 2014.

The City's Investment Policy was re-adopted by Resolution 2011 on December 28, 2015.

The City's Investment Policy was re-adopted by Resolution 2043 on November 14, 2016.

The City's Investment Policy was re-adopted by Resolution 2111 on September 10, 2018

The City's Investment Policy was revised and adopted on February 25, 2019

The City's Investment Policy was re-adopted by Resolution 2135 on October 14, 2019

The City's Investment Policy was revised and re-adopted by Resolution 2158 on June 22, 2020

The City's Investment Policy was re-adopted by Resolution 2188 on June 28, 2021

The City's Investment Policy was re-adopted by Resolution 2226 on June 23, 2022

Maintaining adequate levels of reserves in the City’s various funds is essential to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures, and to ensure stable services, tax rates and user fees. In addition, credit rating agencies monitor reserve levels to evaluate a government’s continued creditworthiness. Thus, appropriate reserve levels also serve to lower the cost of borrowing.

1. **General Fund Reserves** – The City will maintain a minimum unrestricted fund balance<sup>1</sup> of 15% (two months) of General Fund annual operating expenditures.
2. **Utility Fund Reserves** - The City will maintain a minimum working capital<sup>2</sup> of forty-five (45) days of its Utility Fund annual operating expenses.
3. **Hermiston Energy Services (HES) Fund Reserves** - The City will maintain a minimum working capital of forty-five (45) days of HES Fund annual operating expenses.
4. **Reserve Fund** – The City will use the Reserve fund to accumulate money for long-term goals and projects of the City. Resources will be provided for the Reserve Fund primarily through appropriations from the operating funds and must be used for the specifically authorized goals listed in the resolution adopted to establish each account in the fund.
5. **Debt Service Reserves** - The City will maintain reserves for debt service as established by applicable bond covenants and other contractual agreements.

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<sup>1</sup> Unrestricted fund balance is comprised of *committed*, *assigned* and *unassigned fund balance*. Fund balance is *committed* when Council takes action to constrain the use of the resources. The constraint must be removed by Council action. Examples include pool fees to be used for pool operations or recreation program fees to be used for recreation program expenses. Fund balance is *assigned* when the Council expresses its intent that the resources are to be used for a specific purpose. An example of this is the annual budget. *Unassigned* fund balance is the remaining amount and represents resources that have not been restricted, committed or assigned.

<sup>2</sup> Working capital is defined as current assets less current liabilities.

1. The City will seek to establish and maintain a diversified and stable revenue system to prevent undue or unbalanced reliance on any one source of funds.
2. The City will avoid the use of one-time revenues to fund ongoing expenditures.
3. User fees and charges will be established for services provided that benefit specific individuals or organizations. User fees and charges will be set at a level sufficient to recover full cost of service whenever practical to minimize subsidization by taxpayers. The City will periodically review user fees and charges and adjust them as needed for additional service costs and inflation.
4. The City will not respond to long-term (greater than one year) revenue shortfalls with deficit financing and borrowing to support on-going operations. Expenses will be reduced to conform to the long-term revenue forecasts and/or revenue increases will be considered.
5. Revenues will be estimated realistically and conservatively.
6. Utility funds will be self-supporting through user fees. User charges shall be levied on all users of the system which shall cover the cost of operation and maintenance, debt service and other administrative costs of treatment works.
7. The City will seek to collect all revenues that are due, using methods and practices that comply with all state, federal and other applicable laws and regulations. When necessary, discontinuing service, employing collection agencies, filing liens and other methods of collection, such as imposing penalties, collection and late charges, may be used.
8. Grants for programs or items which address the City's current priorities and policy objectives may be considered to leverage City funds.
9. The City will consider the matching requirements and other implications in terms of ongoing obligations that will be required in connection with the acceptance of a grant before accepting it.
10. All grants, awards and other state and federal funds will be managed to comply with the laws, regulations and guidance of the grantor.

**1. Review**

The Financial Policies shall be reviewed annually to ensure continued relevance and to identify any gaps that should be addressed with new policies.

**2. Policy Adoption and Amendments**

These Financial Policies and any modifications to them must be formally approved in writing by the City Council of the City of Hermiston.

# CITY OF HERMISTON INVESTMENT POLICY



*Where Life is Sweet*

*Adopted August 26, 2013  
Re-adopted November 24, 2014  
Re-adopted December 28, 2015  
Re-adopted November 14, 2016  
Re-adopted September 10, 2018  
Re-adopted/ Revised February 25, 2019  
Re-adopted/ Revised June 22, 2020  
Re-Adopted June 28, 2021  
Re-Adopted June 27, 2022*



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## I. STATEMENT OF PURPOSE

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The City of Hermiston’s investment policy defines the parameters within which funds are to be invested. The City of Hermiston is a municipal corporation that provides a variety of services to its citizens. These include police protection, streets and street maintenance, sewer and water treatment, provision of building permits, city planning, library services and parks and recreation activities. This policy formalizes the framework, pursuant to ORS 294.135, for the City of Hermiston’s investment activities to ensure effective and judicious management of funds within the scope of this policy. These guidelines are intended to be broad enough to allow designated investment staff to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

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## II. GOVERNING AUTHORITY

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The City of Hermiston’s investment program shall be operated in conformance with Oregon Revised Statutes and applicable Federal Law. Specifically, this investment policy is written in conformance with ORS 294.035; 294.040; 294.052; 294.135; 294.145; and 294.810. All funds within the scope of this policy are subject to regulations established by the state of Oregon. Any revisions or extensions of these sections of the ORS shall be assumed to be part of this Investment Policy immediately upon being enacted.

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## III. SCOPE

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This policy applies to activities of the City of Hermiston with regard to investing the financial assets of all funds. Funds managed by the City of Hermiston that are governed by other investment policies are excluded from this investment policy; however, ALL funds for investment are subject to Oregon law. The amount of money falling within the scope of this policy over the next three years is expected to range between \$2 million and \$15 million.

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## IV. OBJECTIVES

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The primary objectives, in priority order, of investment activities shall be:

**1) Safety**

Preservation of principal is the most important objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The goal is to mitigate credit risk and interest rate risk.

**2) Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all reasonably anticipated operating requirements. Furthermore, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in the Oregon Short Term Fund which offers next-day liquidity. Where possible and prudent, the portfolio should be structured so that investments mature concurrent with anticipated demands.

**3) Return**

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into consideration the safety and liquidity needs of the portfolio. Although return consists of both principal return (gains and losses due to market value fluctuations) and income return (yield), this policy discourages active trading and turnover of investments. Investments should generally be held to maturity.

V. STANDARDS OF CARE

**1) Prudence**

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported and appropriate action is taken to control adverse developments within a timely fashion as defined in this policy.

The "prudent person" standard states:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

**2) Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Hermiston. Officers and employees shall, at all times, comply with the State of Oregon Government Standards and Practices code of ethics set forth in ORS Chapter 244.

**3) Delegation of Authority and Responsibilities**

**a. Governing Body**

The City Council will retain ultimate fiduciary responsibility for invested funds. The City Council will receive reports, pursuant to, and with sufficient detail to comply with ORS 294.155.

**b. Delegation of Authority**

Authority to manage investments within the scope of this policy and operate the investment program in accordance with established written procedures and internal controls is granted to the Finance Director, hereinafter referred to as Investment Officer, and derived from the following: ORS 294.035 to 294.053, 294.125 to 294.145, and 294.810. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer. The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and supporting procedures.

**c. Investment Adviser**

The Investment Officer may engage the services of one or more external investment managers to assist in the management of the entity's investment portfolio in a manner consistent with this investment policy. If the City of Hermiston hires an investment adviser to provide investment management services, the adviser is authorized to transact with its direct dealer relationships on behalf of the City of Hermiston. Investment advisers will be hired on a non-discretionary basis.

**VI. TRANSACTION COUNTERPARTIES, INVESTMENT ADVISERS AND DEPOSITORIES**

**1) Broker/Dealers**

The Investment Officer shall determine which broker/dealer firms and registered representatives are authorized for the purposes of investing funds within the scope of this investment policy. A list will be maintained of approved broker/dealer firms and affiliated registered representatives. The following minimum criteria must be met prior to authorizing investment transactions:

- a. Broker/Dealer firms must meet the following minimum criteria:
  - i. Be registered with the Securities and Exchange Commission (SEC);
  - ii. Be registered with the Financial Industry Regulatory Authority (FINRA);
  - iii. Provide most recent audited financials; and
  - iv. Provide FINRA Focus Report filings.
- b. Approved broker/dealer employees who execute transactions with the City of Hermiston must meet the following minimum criteria:
  - i. Be a registered representative with the Financial Industry Regulatory Authority (FINRA);
  - ii. Be licensed by the state of Oregon; and
  - iii. Provide certification (in writing) of having read; understood; and agreed to comply with the most current version of this investment policy.
- c. The Investment Officer may require additional criteria be met before engaging broker/dealer firms and registered representatives. Additional requisites may include:
  - i. Positive references from at least three other local government clients;
  - ii. Requirement that approved registered representatives provide notification within 30 days of any formal investigations or disciplinary actions initiated by federal or state regulators;
  - iii. Requirement that prospective registered representatives have an established history of advising local governments with similar amounts of assets under management.
- d. Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Such review will include inquiries to determine:
  - i. Existence of any pending investigations by securities regulators;
  - ii. Significant changes in net capital;
  - iii. Pending customer arbitration cases;
  - iv. Regulatory enforcement actions.

**2) Investment Advisers**

A list will be maintained of approved advisers selected by conducting a process of due diligence. The following items are required for all approved Investment Advisers:

- a. The investment adviser firm must be registered with the Securities and Exchange Commission (SEC) or licensed by the state of Oregon (*Investment adviser firms with assets under management greater than \$100 million must be registered with the SEC, otherwise the firm must be licensed by the state of Oregon*);
- b. All investment adviser firm representatives conducting investment transactions on behalf of the City of Hermiston must be registered representatives with FINRA;
- c. All investment adviser firm representatives conducting investment transactions on behalf of the City of Hermiston must be licensed by the state of Oregon;
- d. Certification, by all of the adviser representatives conducting investment transactions on behalf of the City of Hermiston, of having read, understood and agreeing to comply with this investment policy.

- e. A periodic (at least annual) review of all investment advisors under contract will be conducted by the Investment Officer to determine their continued eligibility with the portfolio guidelines. Factors to be considered would be:
  - a. Pending investigations by securities regulators
  - b. Significant changes in net capital
  - c. Pending customer arbitration cases
  - d. Regulatory enforcement actions

A Periodic (at least annual) review of all authorized broker/dealers and their respective authorized registered representatives will be conducted by the Investment Officer. Such review will include inquiries to determine:

- a. Pending investigations by securities regulators;
- b. Significant changes in net capital;
- c. Pending customer arbitration cases;
- d. Regulatory enforcement actions.

### 3) Depositories

All financial institutions who desire to become depositories must be qualified Oregon Depositories pursuant to ORS Chapter 295.

### 4) Competitive Transactions

- a. The Investment Officer should obtain and document competitive bid information on all investments purchased or sold in the secondary market. Competitive bids or offers should be obtained, when possible, from at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
- b. In the instance of a security for which there is no readily available competitive bid or offering on the same specific issue, then the Investment Officer shall document quotations for comparable or alternative securities.
- c. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.
- d. If an investment adviser provides investment management services, the adviser must retain documentation of competitive pricing execution on each transaction and provide upon request.

## VII. ADMINISTRATION AND OPERATIONS

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### 1) Delivery vs. Payment

All trades of marketable securities will be executed (cleared and settled) by delivery vs. payment (DVP) to ensure that securities are deposited in the City of Hermiston's safekeeping institution prior to the release of funds.

### 2) Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the City of Hermiston. All securities will be evidenced by safekeeping receipts in the City of Hermiston's name. Upon request, the safekeeping institution shall make available a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

### 3) Internal Controls

The Investment Officer, the City Manager and the Hermiston City Council are responsible for establishing and maintaining an adequate internal control structure designed to reasonably assure that invested funds are invested within the parameters of this Investment Policy and protected from loss, theft or misuse. Specifics for the internal controls shall be documented in writing. The established control structure shall be reviewed and updated periodically by the Investment Officer. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- a. Compliance with Investment Policy;
- b. Control of collusion;
- c. Separation of transaction authority from accounting and record keeping;
- d. Custodial safekeeping;
- e. Avoidance of physical delivery of securities whenever possible and address control requirements for physical delivery where necessary;
- f. Clear delegation of authority to subordinate staff members;
- g. Confirmation of transactions for investments and wire transfers in written or digitally verifiable electronic form;
- h. Dual authorizations of wire and automated clearing house (ACH) transfers;
- i. Staff training;
- j. Review, maintenance and monitoring of security procedures both manual and automated.

### 4) Audit

An external auditor shall provide an annual independent review to assure compliance with Oregon state law and Hermiston's policies and procedures.



## VIII. SUITABLE AND AUTHORIZED INVESTMENTS

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### 1) Permitted Investments

The following investments are permitted pursuant to ORS 294.035, 294.040 and ORS 294.810:

- a. US Treasury Obligations:** US Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the timely payment of principal and interest;
- b. US Agency Obligations:** Senior debenture obligations of US federal agencies and instrumentalities of US government sponsored enterprises (GSE);
- c. Corporate Bonds:**
  - Corporate bonds subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Such Bond shall be issued by a commercial, industrial or utility business or issued by or on behalf of a financial institution with final maturities not exceeding five years from the date of settlement.
  - The debt must be rated at least AA by Standard & Poor's, or Aa2 by Moody's, or AA by Fitch at the time of purchase. Split ratings are acceptable to no less than A. Ownership of corporate bonds shall be limited to a combined total of 35% of the portfolio, with no more than 5% of the portfolio held in any one issuer or its affiliates or subsidiaries.
  - A rating exception may be made if the bond issuer meets the criteria of ORS 294.035(3)(i)(C). The minimum corporate bond credit quality may be lowered to at least A by Standard and Poor's, A2 by Moody's, or A by Fitch on the date of settlement.
- d. Municipal Bonds**
  - As allowed under Oregon state statute ORS 294.035
- e. Oregon Short Term Fund**
- f. Bank Time Deposits/Savings Accounts/Certificates of Deposit**

### 2) Approval of Permitted Investments

If additional types of securities are considered for investment, per Oregon state statute they will not be eligible for investment until this policy has been amended and the amended version adopted by the City of Hermiston City Council.

### 3) Prohibited Investments

- a. Private Placement or "144A" Securities**

Private placement or "144A" securities are not allowed. For purposes of the policy, SEC Rule 144A securities are defined to include commercial paper privately placed under section 4(a)(2) of the Securities Act of 1933.
- b. US agency mortgage-backed Securities**

US agency mortgage-backed securities such as those securities by FNMA and FHLMC are not allowed.
- c. Corporate Indebtedness**

Although allowable under Oregon state statute, the City of Hermiston shall not purchase Commercial Paper
- d. Repurchase Agreements**

Although allowable under Oregon state statute, the City of Hermiston shall not invest in Repurchase Agreements.
- e. Bankers Acceptances**

Although allowable under Oregon state statute, the City of Hermiston shall not invest in Bankers Acceptances.

**f. Securities Lending**

The City of Hermiston shall not lend securities nor directly participate in a securities lending program

**4) Bank Demand Deposits and Time Deposits**

- a. All bank demand deposits and time deposits (e.g. certificates of deposit and savings accounts) shall be held in qualified Oregon depositories in accordance with ORS Chapter 295.
- b. Bank demand deposits in qualified depository institutions are considered cash vehicles and not investments and are therefore outside the scope and restrictions of this policy. Pursuant to ORS 294.035(3)(d), time deposits, certificates of deposit and savings accounts are considered investments and within the scope of this policy.

**IX. INVESTMENT PARAMETERS**

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**1) Credit Risk**

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. Credit risk will be mitigated by the following guidelines:

**a. Diversification**

It is the policy of the City of Hermiston to diversify its investments. Where appropriate, exposures will be limited by security type, maturity, issuance, issuer and security type. Allowed security types and investment exposure limitations are detailed in the table below.

**b. Investment Credit Ratings**

Investments must have a rating from at least two of the following nationally recognized statistical ratings organizations (NRSRO); 1) Moody’s Investor Service; 2) Standard & Poor’s; and Fitch Ratings Service as detailed in the table below. Ratings used to apply the guidelines below should be investment level ratings and not issuer level ratings.

**c. Diversification and Credit Exposure Constraints**

The following table limits exposures among investments permitted by this policy.

Issue Type	Maximum % of Holdings	Minimum Ratings Moody’s/S&P/ Fitch
US Treasury Obligations	100%	None
US Agency Securities Per Agency (Senior Obligations Only)	100% <b>33%</b>	- -
Corporates Bonds Issuer % per issue	35% 5%	AA, Aa2, or AA
Municipal Bonds Oregon, California, Idaho, Washington Issuer % per issue	10% 25%	AA, Aa2, or AA
Oregon Short Term Fund	Maximum allowed per ORS 294.810	-
Bank Time Deposits/Savings <sup>(1)</sup> Accounts/Certificates of Deposit <sup>(1)</sup> Per Institution	50% 25%	-

<sup>(1)</sup> As authorized by ORS 294.035(3)(d)

**d. Portfolio Credit Rating**

The minimum weighted average credit rating of the portfolio’s rated investments shall be Aa/AA/AA by Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings Service respectively.

**2) Liquidity Risk**

Liquidity risk is the risk that an investment may not be easily marketable or redeemable. The following strategies will be employed to mitigate liquidity risks:

- a. The value of at least 25% of funds available for investing or three months of budgeted operating expenditures will be invested in the Oregon Short Term Fund, with a qualified depository institution, or investments maturing in less than 90 days to provide sufficient liquidity for expected disbursements.
- b. Funds in excess of liquidity requirements are allowed for investments maturing in greater than one year. However, longer-term investments tend to be less liquid than shorter-term investments. Portfolio investment maturities will be limited as follows:

Maturity Constraints	Minimum % of Total Portfolio
Under 90 days	25% or three months estimated operating expenditures
Under 3 years	50%
Under 5 years	100%

- c. Reserve or Capital Improvement Project monies may be invested in securities exceeding the maximum term if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

**3) Interest Rate Risk**

Longer-term investments have the potential to achieve higher returns but are also likely to exhibit higher market value volatility due to the changes in the general level of interest rates over the life of the investment(s). Interest rate risk will be mitigated by providing adequate liquidity for short-term cash needs and by making longer-term investments only with funds that are not needed for current cash flow purposes. Certain types of securities, including variable rate securities, securities with principal pay-downs prior to maturity, and securities with embedded options, will affect the interest rate risk profile of the portfolio differently in different interest rate environments. The following strategies will be employed to control and mitigate adverse changes in the market value of the portfolio due to changes in interest rates:

- a. Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk;
- b. To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to mitigate re-investment risk;
- c. No commitments to buy or sell securities may be made more than 14 days prior to the anticipated settlement date or receive a fee other than interest for future deliveries;
- d. The maximum percent of callable securities in the portfolio shall be 75%;
- e. The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in this policy;
- f. The maximum portfolio average maturity (measured with stated final maturity) shall be three years.

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## X. INVESTMENT OF PROCEEDS FROM DEBT ISSUANCE

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- 1) Investments of bond proceeds are restricted under bond covenants that may be more restrictive than the investment parameters included in this policy. Bond proceeds shall be invested in accordance with the parameters of this policy, applicable bond covenants, ORS Chapter 294 and tax laws.
- 2) Funds from bond proceeds and amounts held in a bond payment reserve or proceeds fund may be invested pursuant to ORS 294.052. Investments of bond proceeds are typically not invested for resale and are maturity matched with outflows. Consequently, surplus funds within the scope of ORS 294.052 are not subject to this policy’s liquidity risk constraints within section IX (2).

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## XI. INVESTMENT OF RESERVE OR CAPITAL IMPROVEMENT FUNDS

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Pursuant to ORS 294.135(1)(b), reserve or capital improvement project monies may be invested in securities exceeding three years when the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the City Council, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

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## XII. GUIDELINE MEASUREMENT AND ADHERENCE

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### 1) Guideline Measurement

Guideline measurements will use par value of investments.

### 2) Guideline Compliance

- a. If the portfolio falls outside of compliance with adopted investment policy guidelines or is being managed inconsistently with this policy, the Investment Officer shall bring the portfolio back into compliance in a prudent manner and as soon as prudently feasible.
- b. Violations of portfolio guidelines as a result of transactions, actions to bring the portfolio back into compliance and reasoning for actions taken to bring the portfolio back into compliance shall be documented and reported to the City Council.
- c. Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

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## XIII. REPORTING AND DISCLOSURE

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### 1) Compliance

The Investment Officer shall prepare a report at least quarterly that allows the City Council to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the investment oversight body. The report will include, at a minimum, the following:

- a. A listing of all investments held during the reporting period showing: par/face value; accounting book value; market value; type of investment; issuer; credit ratings; and yield to maturity;
- b. Weighted average maturity of the portfolio at period-end;
- c. Maturity distribution of the portfolio at period-end;
- d. Average portfolio credit quality of the portfolio at period-end;
- e. Average weighted yield to maturity of the portfolio;
- f. Distribution by type of investment;
- g. Transactions since last report;

- h. Distribution of transactions among financial counterparties such as broker/dealers;
- i. Violations of portfolio guidelines or non-compliance issues that occurred during the prior period or that are outstanding. This report should also note actions (taken or planned) to bring the portfolio back into compliance.

**2) Performance Standards/Evaluation**

At least annually, the Investment Officer shall report comparisons of investment returns to relevant alternative investments and comparative Bond Indices. The performance of the portfolio should be compared to the performance of alternative investments such as available certificates of deposit; the Oregon Short Term Fund; US Treasury rates or against one or more bond indices with a similar risk profile. When comparing performance, all fees and expenses involved with managing the portfolio shall be included in the computation of the portfolio’s rate of return.

**3) Marking to Market**

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least quarterly.

**4) Audits**

Management shall establish an annual process of independent review by the external auditor to assure compliance with internal controls. Such audit will include tests deemed appropriate by the auditor.

**XIV. POLICY MAINTENANCE AND CONSIDERATIONS**

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**1) Review**

The Investment Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

**2) Exemptions**

Any investment held prior to the adoption of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested as provided by this policy.

**3) Policy Adoption and Amendments**

This Investment Policy and any modifications to this policy must be formally approved in writing by the City Council of the City of Hermiston.

This policy must be submitted to the Oregon Short Term Fund (OSTF) Board for review if:

- a. This policy allows maturities beyond 18 months unless the funds are being accumulated for a specific purpose, including future construction projects, and upon approval of the City Council, the maximum maturity date matches the anticipated use of the funds (ORS 294.135(1)(b) and 294.135(3)), and either
  - i. This policy has never been submitted to the OSTF Board for comment; or
  - ii. Material changes have been made since the last review by the OSTF Board.

Regardless of whether this policy is submitted to the OSTF Board for comment, this policy shall be re-submitted not less than annually to the City Council for approval.

RESOLUTION NO. 2226

A RESOLUTION RE-ADOPTING THE FINANCIAL POLICIES AND INVESTMENT POLICY FOR THE CITY OF HERMISTON AND SUPERSEDING RESOLUTION NO. 2190

WHEREAS, the City of Hermiston is committed to the highest level of financial integrity, and

WHEREAS, the City of Hermiston is accountable to its citizens for the use of public dollars, and

WHEREAS, written, adopted financial policies have many benefits, such as assisting the Council and City Manager in the financial management of the City and fostering public confidence, and

WHEREAS, the financial policies and investment policy provide for annual review and re-adoption by the governing body, and

WHEREAS, the financial policies and investment policy have been reviewed and it has been determined that no revisions are currently needed, now, therefore,

IT IS HEREBY RESOLVED that the Financial Policies, attached hereto as Exhibit "A", are hereby re-adopted as the City of Hermiston's Financial Policies, and

WHEREAS, pursuant to ORS 294.135 investments made by political subdivisions may not exceed a maturity of 18 months or the date of anticipated use of the funds, whichever period is shorter, except that investments having a maturity longer than 18 months may be made when the governing body has adopted a written investment policy, and

IT IS HEREBY RESOLVED that the Investment Policy, attached hereto as Exhibit "B", is hereby re-adopted as the City of Hermiston's Investment Policy.

IT IS FURTHER RESOLVED that this resolution is effective immediately upon its passage and that Resolution No. 2190 is superseded by this resolution.

Dated this 27th day of June, 2022.

CITY OF HERMISTON

By: \_\_\_\_\_  
David Drotzmann, MAYOR

ATTEST:

By: \_\_\_\_\_  
Lilly Alarcon-Strong, CMC, CITY RECORDER



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of June 27, 2022

**Title/Subject**

Adoption of Resolution 2227 – IGA with Morrow County for IT Services

**Summary and Background**

Earlier this fiscal year, the City was informed by the Intermountain Educational Services District (IMESD) that our rates for IT services were going to drastically increase. To get close to the level of service we were interested in, the rate was going to increase by more than 3X.

After study and research it was determined that in order to adequately meet our own needs as the City of Hermiston, we should establish an internal Information Technology Department. In discussions with surrounding cities and Morrow County it was determined that these agencies also had needs that were not being met with their current providers. We were able to reach an agreement with these agencies on cost and service level. Doing this allows us to hire a staff with the technical capabilities that we need with enough time to service additional agencies.

**Tie-In to Council Goals**

N/A

**Fiscal Information**

The costs are based on a 5 day a week contract.

\$20,800 per month

\$249,600 per year

**Alternatives and Recommendation**

**Alternatives**

1. Adopt Resolution 2227 and attached IGA without modification.
2. Adopt Resolution 2227 and attached IGA with minor modifications.
3. Direct staff to make major changes to Resolution 2227 and/or the attached IGA and return at a later date.



Recommended Action/Motion

Adopt Resolution 2227 and attached IGA without modification.

**Submitted By: Byron D. Smith**

**INTERGOVERNMENTAL AGREEMENT  
Between the City of Hermiston and Morrow County  
For Ongoing Information Technology Services**

This Intergovernmental Agreement (Agreement) is made by and between the City of Hermiston, hereinafter "COH" and Morrow County hereinafter "County" (and collectively the "Parties") pursuant to ORS Chapter 190.

**The Parties mutually agree as follows:**

**Term of Agreement.** This Agreement shall be for a term of three years commencing on July 1, 2022 and expiring on June 30, 2025 with two optional three-year renewal options, unless terminated earlier as set forth herein. Renewal of the Agreement shall be in writing and subject to the mutual agreement of the Parties. At the conclusion of the original term or any subsequent renewal term, if the parties are not able to reach a mutual agreement on the terms and conditions for a renewal option, in their sole discretion, either party may terminate the Agreement upon ninety (90) days' written notice to the other without cause.

**Scope of Work.** COH shall perform the work described in Attachment A, Statement of Work, which is attached to this Agreement and incorporated into this Agreement by this reference.

**Consideration.** County agrees to pay COH \$20,800.00 per month. County will pay for devices and any other materials required to perform the services under this Agreement, and if COH purchases those materials for County, County agrees to reimburse COH for those costs. COH agrees to notify County prior to purchasing anything over \$500 and to provide adequate documentation and invoice County for the cost.

**Payment for Work.** No payments shall be made until this Agreement is fully executed by both Parties. Invoices shall be issued on a monthly basis beginning July 31, 2022. Unless otherwise specified in Attachment A, COH will submit invoices monthly for services rendered and County shall remit payment within 30 calendar days of receipt of invoice.

**STANDARD TERMS AND CONDITIONS**

1. **Legal Relationship.** The Parties intend the legal relationship between the parties to be at all times and for all purposes under this Agreement that of independent contracting agencies.
2. **Subcontracts and Assignment.** Neither party shall subcontract or assign any part of the Agreement without the prior written approval of the other party. Any attempted assignment of this Agreement without the prior written approval of the other party shall be void. If consent to a subcontract is properly given, then in addition to any

other provisions of this Agreement, the subcontracting party shall hold its subcontractor to all the terms and conditions of this Agreement that would otherwise bind the party to whom consent was given. The Parties agree that any such subcontracts shall have no binding effect on the consenting party to this Agreement.

**3. Termination.** This Agreement may be terminated as follows unless otherwise specified herein:

- a. Mutual: The Parties may terminate this Agreement at any time by written Agreement. County shall pay COH for all materials purchased and work performed prior to the termination date.
- b. Party's Sole Discretion: Either party, in its sole discretion, may terminate this Agreement for any reason on thirty (30) calendar days' written notice to the other party. County shall pay COH for all materials purchased and work performed prior to the termination date.
- c. Breach: Either party may terminate this Agreement in the event of a breach by the other party. To be effective, the party seeking termination must give the other party written notice of the breach and its intent to terminate. If the breaching party does not entirely cure the breach within five (5) calendar days of the date of the notice, then the non-breaching party may terminate this Agreement at any time thereafter by giving a written notice of termination. County shall pay COH for all materials purchased and work performed prior to the termination date.
- d. Termination by either party shall not constitute a waiver of any claim either party may assert against the other party.

**4. Access to Records.** Upon reasonable advance notice, each party shall have access to the books, documents and other records of the other party (electronic or otherwise) which are necessary for completion of this Agreement for the purpose of examination, copying and audit unless otherwise limited by law.

**5. Confidentiality.** No reports, information, and/or data prepared or assembled by the Parties under this Agreement shall be made available to any individual or organization by either party without the prior written approval of the other party unless required by state or federal law. If COH IT staff in their work is exposed to proprietary data particularly related to Economic Development/Business Recruitment efforts, they shall not disclose that to either party to this agreement.

**6. Compliance with Applicable Laws.** Parties shall comply with all federal, state, county and local laws, ordinances and regulations applicable to the work to be done under this Agreement, including all applicable State and local public contracting provisions.

**7. Insurance.** The Parties represent that they are insured according to the statutory

limits set in the State of Oregon for any liability, property, or auto claims. The Parties represent that they will maintain insurance to cover any claim that may result from or arise out of this Agreement. COH is insured for workers' compensation as required by law and shall provide benefits as prescribed by the State of Oregon.

- 8. Indemnity and Hold Harmless.** The Parties individually accept responsibility for liability arising out of their individual performance of this Agreement. County shall hold harmless, and indemnify COH from any and all liability, settlements, loss, costs and expenses in connection with any action, suit or claim resulting or allegedly resulting from the County's negligent acts, omissions, activities or services provided pursuant to this Agreement. COH shall hold harmless, and indemnify County from any and all liability, settlements, loss, costs and expenses in connection with any action, suit or claim resulting or allegedly resulting from COH's negligent acts, omissions, activities or services provided pursuant to this Agreement.
  
- 9. Waiver, Severability.** Waiver of any default or breach under this Agreement by either party does not constitute a waiver of any subsequent default or a modification of any other provision(s) of this Agreement. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provision shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held invalid.
  
- 10. Remedies.** In case of County 's breach, COH shall be entitled to receipt of payments for work performed and to any other available legal and equitable remedies. In case of COH's breach, County shall be entitled to a refund of any prepayments of any work not performed and to any other available legal and equitable remedies.
  
- 11. Dispute Resolution.** The Parties shall exert every effort to cooperatively resolve any disagreements they may have under this Agreement. In the event that the Parties alone are unable to resolve any conflict under this Agreement, they agree to present their disagreements to a mutually agreeable mediator for mediation. Each party shall bear its own costs for mediation and the parties shall share the cost of the mediator. This mediation procedure shall be followed to its conclusion prior to either party seeking relief from the court, except in the case of an emergency.
  
- 12. Attorney Fees.** The Parties agree if any suit or action at law, in equity, or through arbitration is filed to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney fees, costs, and disbursements in addition to any other relief to which that party may be entitled. If the prevailing party is represented by "in-house" counsel, it shall nevertheless be entitled to recover reasonable attorney fees based upon reasonable time, rates and charges generally accepted in the Morrow/Umatilla County, Oregon area for the type

of legal services performed.

**13. Notices/Point of Contact.** All notice or demands of any kind required or desired to be given by the Parties must be in writing and shall be deemed delivered upon in-person delivery or depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the respective party at its address listed below:

City of Hermiston, Attn: City Manager  
180 NE 2<sup>nd</sup> Street; Hermiston, OR 97838  
Email: [bsmith@hermiston.or.us](mailto:bsmith@hermiston.or.us) PH: (541) 667-5002

Morrow County Board of Commissioners, Attn: Darrell Green  
P.O. Box 788  
110 N. Court St.  
Heppner, OR 97836  
Email: [dgreen@co.morrow.or.us](mailto:dgreen@co.morrow.or.us) PH: (541) 676-2529

**14. Governing Law.** The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon. Any legal action involving any question arising under this Agreement must be brought in Umatilla County Circuit Court. If the claim must be brought in a federal forum, then it shall be brought and conducted in the United States District Court for the State of Oregon. PARTIES AGREE TO THE JURISDICTION OF THESE COURTS.

**15. Force Majeure.** Neither COH nor County shall be responsible for delay or default caused by any contingency beyond their control, including, but not limited to war or insurrection, strikes or lockouts by the Parties' own employees, walkouts by the Parties' own employees, fires, natural calamities, riots or demands or requirements of governmental agencies other than COH or County.

**16. Ownership of Work Product.** Any and all goods and services developed for County pursuant to this Agreement are intended as works made for hire. Works made for hire are the exclusive property of County.

**17. Modification.** No waiver, consent, modification or change in the terms of this Agreement shall bind either party unless in writing signed by both Parties. A written waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

**18. Entire Agreement.** When signed by the authorized representatives of both parties, this Agreement and its attached exhibit(s) is their final and entire Agreement. This Agreement supersedes all prior and contemporaneous oral or written communications between the Parties, their agents, and representatives. There are no representations, promises, terms, conditions, or obligations other than those contained herein.

**I HAVE READ THIS AGREEMENT INCLUDING THE ATTACHMENT(S). I CERTIFY THAT I HAVE THE AUTHORITY TO SIGN AND ENTER INTO THIS AGREEMENT. I UNDERSTAND THIS AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.**

**MORROW COUNTY BOARD OF COMMISSIONERS**

Signature: *Darrell J. Green*

Title: *County Administrator*

Name (print): *Darrell J. Green*

Date: *5/25/2022*

**CITY OF HERMISTON**

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Name (print): \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment A: Statement of Work**

**Managed Help Desk**

- Monitor, triage and remediate IT issues submitted by County staff
- Provide SLA agreement
- Ensure Help Desk solution is updated/patched and configured, adhering to best practices
- Train County staff on process for submitting help requests

**Managed Server and Infrastructure Support**

- Monitor servers and infrastructure
- Configure for optimal performance
- Maintain updates/patches for hardware and software
- Ensure compliancy for licensing/usage

**Managed Workstations/Laptops/Software**

- Windows OS patch management
- Maintain hardware/firmware updates
- Maintain updates for standard add-on software (i.e. Adobe Reader, Java, etc.)
- Remote management/support
- Installation and configuration of any new hardware such as servers, PCs, printers, peripherals, etc.
- Installation and configuration of any new software such as MS Office, version upgrades, etc.

**Active Directory**

- Audit current AD environment
- Remediate issues
- Configure for best practices
- Review group policy

**Expectations:**

To ensure COH's ability to provide satisfaction to County, the following provisions apply as appropriate to services contracted with COH. COH is pleased to offer a complete package of IT support services for County. The IT support package is designed to handle all County's technology-related needs. All servers, workstations, and other network devices and Microsoft Operating Systems are considered covered items that will be maintained or serviced.

**What this service covers and includes:**

**Vendor Liaison:** COH will act as County 's duly appointed representative and advocate.



COH IT Team will diagnose problems and dispatch or contact third parties such as Internet service providers, hardware manufacturers, IT contractors, etc. when deemed necessary. The COH IT Team is not intended to replace third party/line-of-business applications support. County agrees to refrain from interacting with the third-parties (except line-of-business application support) because it may result in misdirected activity and/or delay of resolution.

**Best Interest:** In the event of a failure or problem, remedial activities may commence prior to notifying County of the problem. This will allow the COH IT Team the ability to begin problem resolution, open trouble tickets with other vendors, or dispatch personnel with replacement parts when deemed necessary. In doing so, COH is acting in County's best interest to resolve the issue as quickly as possible. All efforts will be made to communicate any technology-related issues that arise to County as soon as possible.

**Administrative Access:** It is imperative that COH IT Team maintain and control administrative access to the County 's network and be responsible for providing all other third-parties with needed or requested access.

**Approval of Hardware and Software:** The COH IT Team will collaborate with County's appointed staff to procure hardware and software. COH's role will be to research, evaluate and recommend with final approval coming from County's designated IT liaison.

**Advisory Role:** To assist with proper planning and third-party services involving the network, telecommunications, data access, future growth or down-sizing, County will involve the COH IT Team in such discussions as an advisor.

**IT Policy and Procedure:** The COH IT Team will work with County's designated liaison to establish relevant IT policies and procedures based on best practices.

**Support Tiers:** The Help Desk will be the first point of contact for IT support requests and is considered Tier 1. Almost all support incidents begin in Tier 1, where the initial trouble ticket is created, the issue is identified and clearly documented, and basic hardware/software troubleshooting is initiated. Support incidents that cannot be resolved in Tier 1 immediately move to Tier 2 support. Generally, these are more complex support techniques on hardware/software issues that can be provided by more experienced support staff. Support incidents that cannot be resolved by Tier 2 support are escalated to Tier 3, where support is provided by the most qualified and experienced support staff who can collaborate with third-party (vendor) support engineers to resolve the most complex issues.

**Service Level Agreements (SLAs):**

SLA 1: Service not available (not able to work, network down, workstation not turning on, etc.). This is an instant contact scenario. Submitting Help Desk Ticket is not required and may not be available. Contact information will be provided to County staff. Response time is immediate as possible.

SLA 2: Significant degradation in services (obvious slow network, internet, etc., but still functional). Submitting Help Desk Ticket required if possible. Depending on resources, impacted County staff will be provided with contact information for COH IT Team and instructed on appropriate time for direct contact. COH IT Team response time is within two hours during normal business hours.

SLA 3: Limited degradation of service. This is impacting resources, but business process can continue. Submitting Help Desk Ticket required. COH IT Team response time is within four hours during normal business hours.

SLA 4: Slight service degradation. This is when an issue needs to be researched or resolved but is not having a significant impact on business process. Submitting Help Desk Ticket required. COH IT Team will respond within one business day.

SLA 5: After hours support will be available as needed by County staff.

**RESOLUTION NO. 2227**

**A RESOLUTION AUTHORIZING THE CITY OF HERMISTON TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH MORROW COUNTY FOR THE CITY OF HERMISTON TO PROVIDE INFORMATION TECHNOLOGY SERVICES TO MORROW COUNTY AND TO AUTHORIZE THE CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS ON BEHALF OF THE CITY**

WHEREAS, the City of Hermiston (City) has established a full-service internal Information Technology (IT) department; and

WHEREAS, the City has the means to provide ongoing IT services to additional agencies outside of the City; and

WHEREAS, the City and Morrow County (County) have reached an agreement for the City to provide ongoing IT services to the County; and

WHEREAS, the County has signed the Intergovernmental Agreement; and

WHEREAS, City staff believe it is in the best interest of the City to approve and execute the Intergovernmental Agreement.

NOW, THEREFORE, THE CITY OF HERMISTON RESOLVES AS FOLLOWS:

1. That the Intergovernmental Agreement attached to this resolution between the City of Hermiston and Morrow County to provide ongoing IT services is hereby approved.
2. That the City Manager is authorized to sign the Intergovernmental Agreement.
3. That pursuant to ORS 221.310(3), that this resolution is effective immediately upon its passage.

PASSED by the Common Council this 27th day of June, 2022.

SIGNED by the Mayor this 27th day of June, 2022.

\_\_\_\_\_  
Dr. David Drotzmann, MAYOR

ATTEST:

\_\_\_\_\_  
Lilly Alarcon-Strong, CMC, CITY RECORDER



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of June 27, 2022

**Title/Subject**

Adoption of Resolution 2228 – IGA with Umatilla County Fire District #1(UCFD1) for IT Services

**Summary and Background**

Earlier this fiscal year, the City was informed by the Intermountain Educational Services District (IMESD) that our rates for IT services were going to drastically increase. To get close to the level of service we were interested in, the rate was going to increase by more than 3X.

After study and research it was determined that in order to adequately meet our own needs as the City of Hermiston, we should establish an internal Information Technology Department. In discussions with surrounding cities, Morrow County and UCFD1 it was determined that these agencies also had needs that were not being met with their current providers. We were able to reach an agreement with these agencies on cost and service level. Doing this allows us to hire a staff with the technical capabilities that we need with enough time to service additional agencies.

**Tie-In to Council Goals**

N/A

**Fiscal Information**

The costs are based on a one day a week contract.

\$4,160 per month

\$49,920 per year

**Alternatives and Recommendation**

Alternatives

1. Adopt Resolution 2228 and attached IGA without modification.
2. Adopt Resolution 2228 and attached IGA with minor modifications.

3. Direct staff to make major changes to Resolution 2228 and/or the attached IGA return at a later date.

Section 7, Item C.

Recommended Action/Motion

Adopt Resolution 2228 and attached IGA without modification.

**Submitted By: Byron D. Smith**

**INTERGOVERNMENTAL AGREEMENT**  
**Between**  
**The City of Hermiston**  
**And**  
**The City of The Fire District**  
**For Ongoing Information Technology Services**

This Intergovernmental Agreement (Agreement) is made by and between the City of Hermiston, hereinafter "COH" and Umatilla County Fire District #1 hereinafter "Fire District" (and collectively the "Parties") pursuant to ORS Chapter 190.

**The Parties mutually agree as follows:**

**Term of Agreement.** This Agreement shall be for a term of three years commencing on July 1, 2022 and expiring on June 30, 2025 with two optional three-year renewal options, unless terminated earlier as set forth herein. Renewal of the Agreement shall be in writing and subject to the mutual agreement of the Parties. At the conclusion of the original term or any subsequent renewal term, if the parties are not able to reach a mutual agreement on the terms and conditions for a renewal option, in their sole discretion, either party may terminate the Agreement upon ninety (90) days' written notice to the other without cause.

**Scope of Work.** COH shall perform the work described in Attachment A, Statement of Work, which is attached to this Agreement and incorporated into this Agreement by this reference.

**Consideration.** The Fire District agrees to pay COH \$4,160 per month. The Fire District will pay for devices and any other materials required to perform the services under this Agreement, and if COH purchases those materials for the Fire District, the Fire District agrees to reimburse COH for those costs. COH agrees to notify the Fire District prior to purchasing anything over \$500 and to provide adequate documentation and invoice the Fire District for the cost.

**Payment for Work.** No payments shall be made until this Agreement is fully executed by both Parties. Invoices shall be issued on a monthly basis beginning July 31, 2022. Unless otherwise specified in Attachment A, COH will submit invoices monthly for services rendered and the Fire District shall remit payment within 30 calendar days of receipt of invoice.

**STANDARD TERMS AND CONDITIONS**

- 1. Legal Relationship.** The Parties intend the legal relationship between the parties to be at all times and for all purposes under this Agreement that of independent contracting agencies.

- 2. Subcontracts and Assignment.** Neither party shall subcontract or assign any part of the Agreement without the prior written approval of the other party. Any attempted assignment of this Agreement without the prior written approval of the other party shall be void. If consent to a subcontract is properly given, then in addition to any other provisions of this Agreement, the subcontracting party shall hold it subcontractor to all the terms and conditions of this Agreement that would otherwise bind the party to whom consent was given. The Parties agree that any such subcontracts shall have no binding effect on the consenting party to this Agreement.
  
- 3. Termination.** This Agreement may be terminated as follows unless otherwise specified herein:

  - a. Mutual: The Parties may terminate this Agreement at any time by written Agreement. The Fire District shall pay COH for all materials purchased and work performed prior to the termination date.
  - b. Party's Sole Discretion: Either party, in its sole discretion, may terminate this Agreement for any reason on thirty (30) calendar days' written notice to the other party. The Fire District shall pay COH for all materials purchased and work performed prior to the termination date.
  - c. Breach: Either party may terminate this Agreement in the event of a breach by the other party. To be effective, the party seeking termination must give the other party written notice of the breach and its intent to terminate. If the breaching party does not entirely cure the breach within five (5) calendar days of the date of the notice, then the non-breaching party may terminate this Agreement at any time thereafter by giving a written notice of termination. The Fire District shall pay COH for all materials purchased and work performed prior to the termination date.
  - d. Termination by either party shall not constitute a waiver of any claim either party may assert against the other party.
  
- 4. Access to Records.** Upon reasonable advance notice, each party shall have access to the books, documents and other records of the other party (electronic or otherwise) which are necessary for completion of this Agreement for the purpose of examination, copying and audit unless otherwise limited by law.
  
- 5. Confidentiality.** No reports, information, and/or data prepared or assembled by the Parties under this Agreement shall be made available to any individual or organization by either party without the prior written approval of the other party unless required by state or federal law. If COH IT staff in their work is exposed to proprietary data of any kind, they shall not disclose that to either party to this agreement.



- 6. Compliance with Applicable Laws.** Parties shall comply with all federal, state, county and local laws, ordinances and regulations applicable to the work to be done under this Agreement, including all applicable State and local public contracting provisions.
- 7. Insurance.** The Parties represent that they are insured according to the statutory limits set in the State of Oregon for any liability, property, or auto claims. The Parties represent that they will maintain insurance to cover any claim that may result from or arise out of this Agreement. COH is insured for workers' compensation as required by law and shall provide benefits as prescribed by the State of Oregon.
- 8. Indemnity and Hold Harmless.** The Parties individually accept responsibility for liability arising out of their individual performance of this Agreement. The Fire District shall hold harmless, and indemnify COH from any and all liability, settlements, loss, costs and expenses in connection with any action, suit or claim resulting or allegedly resulting from the Fire District's negligent acts, omissions, activities or services provided pursuant to this Agreement. COH shall hold harmless, and indemnify the Fire District from any and all liability, settlements, loss, costs and expenses in connection with any action, suit or claim resulting or allegedly resulting from COH's negligent acts, omissions, activities or services provided pursuant to this Agreement.
- 9. Waiver, Severability.** Waiver of any default or breach under this Agreement by either party does not constitute a waiver of any subsequent default or a modification of any other provision(s) of this Agreement. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provision shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held invalid.
- 10. Remedies.** In case of the Fire District's breach, COH shall be entitled to receipt of payments for work performed and to any other available legal and equitable remedies. In case of COH's breach, the Fire District shall be entitled to a refund of any prepayments of any work not performed and to any other available legal and equitable remedies.
- 11. Dispute Resolution.** The Parties shall exert every effort to cooperatively resolve any disagreements they may have under this Agreement. In the event that the Parties alone are unable to resolve any conflict under this Agreement, they agree to present their disagreements to a mutually agreeable mediator for mediation. Each party shall bear its own costs for mediation and the parties shall share the cost of the mediator. This

mediation procedure shall be followed to its conclusion prior to either party seeking relief from the court, except in the case of an emergency.

**12. Attorney Fees.** The Parties agree if any suit or action at law, in equity, or through arbitration is filed to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney fees, costs, and disbursements in addition to any other relief to which that party may be entitled. If the prevailing party is represented by "in-house" counsel, it shall nevertheless be entitled to recover reasonable attorney fees based upon reasonable time, rates and charges generally accepted in the Morrow/Umatilla County, Oregon area for the type of legal services performed.

**13. Notices/Point of Contact.** All notice or demands of any kind required or desired to be given by the Parties must be in writing and shall be deemed delivered upon in-person delivery or depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the respective party at its address listed below:

City of Hermiston, Attn: City Manager  
180 NE 2<sup>nd</sup> Street; Hermiston, OR 97838  
Email: [bsmith@hermiston.or.us](mailto:bsmith@hermiston.or.us) PH: (541) 667-5002

Umatilla County Fire District #1, Attn: Fire Chief  
320 S. 1<sup>st</sup> Street; Hermiston, OR 97838  
Email: [sstanton@ucfd1.com](mailto:sstanton@ucfd1.com) PH: (541) 567-8822

**14. Governing Law.** The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon. Any legal action involving any question arising under this Agreement must be brought in Umatilla County Circuit Court. If the claim must be brought in a federal forum then it shall be brought and conducted in the United States District Court for the State of Oregon. PARTIES AGREE TO THE JURISDICTION OF THESE COURTS.

**15. Force Majeure.** Neither COH nor the Fire District shall be responsible for delay or default caused by any contingency beyond their control, including, but not limited to war or insurrection, strikes or lockouts by the Parties' own employees, walkouts by the Parties' own employees, fires, natural calamities, riots or demands or requirements of governmental agencies other than COH or the Fire District.

**16. Ownership of Work Product.** Any and all goods and services developed for the Fire District pursuant to this Agreement are intended as works made for hire. Works made for hire are the exclusive property of the Fire District.

**17. Modification.** No waiver, consent, modification or change in the terms of this Agreement  
IGA IT SERVICES Page 4 of 8

shall bind either party unless in writing signed by both Parties. A written waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

**18. Entire Agreement.** When signed by the authorized representatives of both parties, this Agreement and its attached exhibit(s) is their final and entire Agreement. This Agreement supersedes all prior and contemporaneous oral or written communications between the Parties, their agents, and representatives. There are no representations, promises, terms, conditions, or obligations other than those contained herein.

**I HAVE READ THIS AGREEMENT INCLUDING THE ATTACHMENT(S). I CERTIFY THAT I HAVE THE AUTHORITY TO SIGN AND ENTER INTO THIS AGREEMENT. I UNDERSTAND THIS AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.**

**UMATILLA COUNTY FIRE DISTRICT #1**

Signature: Scott J Stanton

Title: Fire Chief

Name (print): Scott J Stanton

Date: May 26, 2022

**CITY OF HERMISTON**

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Name (print): \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment A: Statement of Work**

32 assumed hours per month of service.

Current hourly billing rate: \$120 per hour.

**Managed Help Desk**

- Monitor, triage and remediate IT issues submitted by the Fire District staff
- Provide SLA agreement
- Ensure Help Desk solution is updated/patched and configured, adhering to best practices
- Train the Fire District staff on process for submitting help requests

**Managed Server and Infrastructure Support**

- Monitor servers and infrastructure
- Configure for optimal performance
- Maintain updates/patches for hardware and software
- Ensure compliancy for licensing/usage

**Managed Workstations/Laptops/Software**

- Windows OS patch management
- Maintain hardware/firmware updates
- Maintain updates for standard add-on software (i.e. Adobe Reader, Java, etc.)
- Remote management/support
- Installation and configuration of any new hardware such as servers, PCs, printers, peripherals, etc.
- Installation and configuration of any new software such as MS Office, version upgrades, etc.

**Active Directory**

- Audit current AD environment
- Remediate issues
- Configure for best practices
- Review group policy

**Expectations:**

To ensure COH's ability to provide satisfaction to the Fire District, the following provisions apply as appropriate to services contracted with COH. COH is pleased to offer a complete package of IT support services for the Fire District. The IT support package is designed to

handle all the Fire District's technology-related needs. All servers, workstations, and other network devices and Microsoft Operating Systems are considered covered items that will be maintained or serviced.

**What this service covers and includes:**

**Vendor Liaison:** COH will act as the Fire District's duly appointed representative and advocate. COH IT Team will diagnose problems and dispatch or contact third parties such as Internet service providers, hardware manufacturers, IT contractors, etc. when deemed necessary. The COH IT Team is not intended to replace third party/line-of-business applications support. The Fire District agrees to refrain from interacting with the third parties (except line-of-business application support) because it may result in misdirected activity and/or delay of resolution.

**Best Interest:** In the event of a failure or problem, remedial activities may commence prior to notifying the Fire District of the problem. This will allow the COH IT Team the ability to begin problem resolution, open trouble tickets with other vendors, or dispatch personnel with replacement parts when deemed necessary. In doing so, COH is acting in the Fire District's best interest to resolve the issue as quickly as possible. All efforts will be made to communicate any technology-related issues that arise to the Fire District as soon as possible.

**Administrative Access:** It is imperative that COH IT Team maintain and control administrative access to the Fire District's network and be responsible for providing all other third parties with needed or requested access.

**Approval of Hardware and Software:** The COH IT Team will collaborate with the Fire District's appointed staff to procure hardware and software. COH's role will be to research, evaluate and recommend with final approval coming from the Fire District's designated IT liaison.

**Advisory Role:** To assist with proper planning and third-party services involving the network, telecommunications, data access, future growth or down-sizing, the Fire District will involve the COH IT Team in such discussions as an advisor.

**IT Policy and Procedure:** The COH IT Team will work with the Fire District's designated liaison to establish relevant IT policies and procedures based on best practices.

**Support Tiers:** The Help Desk will be the first point of contact for IT support requests and is considered Tier 1. Almost all support incidents begin in Tier 1, where the initial trouble ticket is created, the issue is identified and clearly documented, and basic hardware/software troubleshooting is initiated. Support incidents that cannot be resolved in Tier 1 immediately move to Tier 2 support. Generally, these are more complex support techniques on hardware/software issues that can be provided by more experienced support staff. Support incidents that cannot be resolved by Tier 2 support are escalated to Tier 3, where support is

provided by the most qualified and experienced support staff who can collaborate with third party (vendor) support engineers to resolve the most complex issues.

**Service Level Agreements (SLAs):**

SLA 1: Service not available (not able to work, network down, workstation not turning on, etc.) This is an instant contact scenario. Submitting Help Desk Ticket is not required and may not be available. Contact information will be provided to the Fire District staff. Response time is as immediate as possible.

SLA 2: Significant degradation in services (obvious slow network, internet, etc., but still functional). Submitting Help Desk Ticket required if possible. Depending on resources, impacted the Fire District staff will be provided with contact information for COH IT Team and instructed on appropriate time for direct contact. COH IT Team response time is within two hours during normal business hours.

SLA 3: Limited degradation of service. This is impacting resources, but business process can continue. Submitting Help Desk Ticket required. COH IT Team response time is within four hours during normal business hours.

SLA 4: Slight service degradation. This is when an issue needs to be researched or resolved but is not having a significant impact on business process. Submitting Help Desk Ticket required. COH IT Team will respond within one business day.

SLA 5: After hours support will be available as needed by the Fire District staff.

**RESOLUTION NO. 2228**

**A RESOLUTION AUTHORIZING THE CITY OF HERMISTON TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH UMATILLA COUNTY FIRE DISTRICT #1 FOR THE CITY OF HERMISTON TO PROVIDE INFORMATION TECHNOLOGY SERVICES TO UMATILLA COUNTY FIRE DISTRICT #1 AND TO AUTHORIZE THE CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS ON BEHALF OF THE CITY**

WHEREAS, the City of Hermiston (City) has established a full-service internal Information Technology (IT) department; and

WHEREAS, the City has the means to provide ongoing IT services to additional agencies outside of the City; and

WHEREAS, the City and Umatilla County Fire District #1 (Fire District) have reached an agreement to provide ongoing IT services to the Fire District; and

WHEREAS, the Fire District has signed the Intergovernmental Agreement; and

WHEREAS, City staff believe it is in the best interest of the City to approve and execute the Intergovernmental Agreement.

NOW, THEREFORE, THE CITY OF HERMISTON RESOLVES AS FOLLOWS:

1. That the Intergovernmental Agreement attached to this resolution between the City of Hermiston and Umatilla County Fire District #1 to provide ongoing IT services is hereby approved.
2. That the City Manager is authorized to sign the Intergovernmental Agreement.
3. That pursuant to ORS 221.310(3), that this resolution is effective immediately upon its passage.

PASSED by the Common Council this 27th day of June, 2022.

SIGNED by the Mayor this 27th day of June, 2022.

\_\_\_\_\_  
Dr. David Drotzmann, MAYOR

ATTEST:

\_\_\_\_\_  
Lilly Alarcon-Strong, CMC, CITY RECORDER





*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of June 27, 2022

**Title/Subject**

Adoption of Resolution 2229 – IGA with City of Umatilla for IT Services

**Summary and Background**

Earlier this fiscal year, the City was informed by the Intermountain Educational Services District (IMESD) that our rates for IT services were going to drastically increase. To get close to the level of service we were interested in, the rate was going to increase by more than 3X.

After study and research it was determined that in order to adequately meet our own needs as the City of Hermiston, we should establish an internal Information Technology Department. In discussions with surrounding cities, Morrow County and UCFD1 it was determined that these agencies also had needs that were not being met with their current providers. We were able to reach an agreement with these agencies on cost and service level. Doing this allows us to hire a staff with the technical capabilities that we need with enough time to service additional agencies.

**Tie-In to Council Goals**

N/A

**Fiscal Information**

The costs are based on a three days a week contract.

\$12,500 per month

\$150,000 per year

**Alternatives and Recommendation**

Alternatives

1. Adopt Resolution 2229 and attached IGA without modification.
2. Adopt Resolution 2229 and attached IGA with minor modifications.

3. Direct staff to make major changes to Resolution 2229 and/or the attached IGA return at a later date.

Section 7, Item D.

Recommended Action/Motion

Adopt Resolution 2229 and attached IGA without modification.

**Submitted By: Byron D. Smith**

**INTERGOVERNMENTAL AGREEMENT**  
**between**  
**The City of Hermiston**  
**and**  
**The City of Umatilla**  
**For Ongoing Information Technology Services**

This Intergovernmental Agreement (Agreement) is made by and between the City of Hermiston, hereinafter "COH" and the City of Umatilla, hereinafter "COU" (and collectively the "Parties") pursuant to ORS Chapter 190.

**The Parties mutually agree as follows:**

**Term of Agreement.** This Agreement shall be for a term of three years commencing on July 1, 2022, and expiring on June 30, 2025, with two optional three-year renewal options, unless terminated earlier as set forth herein. Renewal of the Agreement shall be in writing and subject to the mutual agreement of the Parties. At the conclusion of the original term or any subsequent renewal term, if the parties are not able to reach a mutual agreement on the terms and conditions for a renewal option, in their sole discretion, either party may terminate the Agreement upon ninety (90) days' written notice to the other without cause.

**Scope of Work.** COH shall perform the work described in Attachment A, Statement of Work, which is attached to this Agreement and incorporated into this Agreement by this reference.

**Consideration.** COU agrees to pay COH \$12,500.00 per month. COU will pay for devices and any other materials required to perform the services under this Agreement, and if COH purchases those materials for COU. COU agrees to reimburse COH for those costs. COH agrees to notify COU prior to purchasing anything over \$500 and to provide adequate documentation and invoice COU for the cost.

**Payment for Work.** No payments shall be made until this Agreement is fully executed by both Parties. Invoices shall be issued on a monthly basis beginning July 31, 2022. Unless otherwise specified in Attachment A, COH will submit invoices monthly for services rendered and COU shall remit payment within 30 calendar days of receipt of invoice.

**STANDARD TERMS AND CONDITIONS**

- 1. Legal Relationship.** The Parties intend the legal relationship between the parties to be at all times and for all purposes under this Agreement that of independent contracting agencies.

2. **Subcontracts and Assignment.** Neither party shall subcontract or assign any part of the Agreement without the prior written approval of the other party. Any attempted assignment of this Agreement without the prior written approval of the other party shall be void. If consent to a subcontract is properly given, then in addition to any other provisions of this Agreement, the subcontracting party shall hold it subcontractor to all the terms and conditions of this Agreement that would otherwise bind the party to whom consent was given. The Parties agree that any such subcontracts shall have no binding effect on the consenting party to this Agreement.
  
3. **Termination.** This Agreement may be terminated as follows unless otherwise specified herein:
  - a. Mutual: The Parties may terminate this Agreement at any time by written Agreement. COU shall pay COH for all materials purchased and work performed prior to the termination date.
  - b. Party's Sole Discretion: Either party, in its sole discretion, may terminate this Agreement for any reason on thirty (30) calendar days' written notice to the other party. COU shall pay COH for all materials purchased and work performed prior to the termination date.
  - c. Breach: Either party may terminate this Agreement in the event of a breach by the other party. To be effective, the party seeking termination must give the other party written notice of the breach and its intent to terminate. If the breaching party does not entirely cure the breach within five (5) calendar days of the date of the notice, then the non-breaching party may terminate this Agreement at any time thereafter by giving a written notice of termination. - COU shall pay COH for all materials purchased and work performed prior to the termination date.
  - d. Termination by either party shall not constitute a waiver of any claim either party may assert against the other party.
  
4. **Access to Records.** Upon reasonable advance notice, each party shall have access to the books, documents, and other records of the other party (electronic or otherwise) which are necessary for the completion of this Agreement for the purpose of examination, copying, and audit unless otherwise limited by law.
  
5. **Confidentiality.** No reports, information, and/or data prepared or assembled by the Parties under this Agreement shall be made available to any individual or organization by either party without the prior written approval of the other party unless required by state or federal law. If COH IT staff in their work is exposed to proprietary data particularly related to Economic Development/Business Recruitment efforts, they shall not disclose that to either party to this agreement.

- 6. Compliance with Applicable Laws.** Parties shall comply with all federal, state, county and local laws, ordinances and regulations applicable to the work to be done under this Agreement, including all applicable State and local public contracting provisions.
- 7. Insurance.** The Parties represent that they are insured according to the statutory limits set in the State of Oregon for any liability, property, or auto claims. The Parties represent that they will maintain insurance to cover any claim that may result from or arise out of this Agreement. COH is insured for workers' compensation as required by law and shall provide benefits as prescribed by the State of Oregon.
- 8. Indemnity and Hold Harmless.** The Parties individually accept responsibility for liability arising out of their individual performance of this Agreement. COU shall hold harmless, and indemnify COH from any and all liability, settlements, loss, costs and expenses in connection with any action, suit, or claim resulting or allegedly resulting from the COU 's negligent acts, omissions, activities, or services provided pursuant to this Agreement. COH shall hold harmless, and indemnify COU from any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim resulting from or allegedly resulting from COH's negligent acts, omissions, activities, or services provided pursuant to this Agreement.
- 9. Waiver, Severability.** Waiver of any default or breach under this Agreement by either party does not constitute a waiver of any subsequent default or a modification of any other provision(s) of this Agreement. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held invalid.
- 10. Remedies.** In case of COU's breach, COH shall be entitled to receipt of payments for work performed and to any other available legal and equitable remedies. In case of COH's breach, COU shall be entitled to a refund of any prepayments of any work not performed and to any other available legal and equitable remedies.
- 11. Dispute Resolution.** The Parties shall exert every effort to cooperatively resolve any disagreements they may have under this Agreement. In the event that the Parties alone are unable to resolve any conflict under this Agreement, they agree to present their disagreements to a mutually agreeable mediator for mediation. Each party shall bear its own costs for mediation and the parties shall share the cost of the mediator. This mediation procedure shall be followed to its conclusion prior to either party seeking relief from the court, except in the case of an emergency.

**12. Attorney Fees.** The Parties agree if any suit or action at law, in equity, or through arbitration is filed to enforce any of the terms of this Agreement, the prevailing party shall be entitled to recover from the other party its reasonable attorney fees, costs, and disbursements in addition to any other relief to which that party may be entitled. If the prevailing party is represented by "in-house" counsel, it shall nevertheless be entitled to recover reasonable attorney fees based upon reasonable time, rates and charges generally accepted in the Morrow/Umatilla County, Oregon area for the type of legal services performed.

**13. Notices/Point of Contact.** All notice or demands of any kind required or desired to be given by the Parties must be in writing and shall be deemed delivered upon in-person delivery or depositing the notice or demand in the United States mail, certified or registered, postage prepaid, addressed to the respective party at its address listed below:

City of Hermiston, Attn: City Manager  
180 NE 2<sup>nd</sup> Street; Hermiston, OR 97838  
Email: bsmith@hermiston.or.us PH: (541) 667-5002

City of Umatilla, Attn: City Manager  
700 6<sup>th</sup> Street, Umatilla, OR 97882  
Email: david@umatilla-city.org PH: (541) 922-3226x102

**14. Governing Law.** The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon. Any legal action involving any question arising under this Agreement must be brought to Umatilla County Circuit Court. If the claim must be brought in a federal forum then it shall be brought and conducted in the United States District Court for the State of Oregon. PARTIES AGREE TO THE JURISDICTION OF THESE COURTS.

**15. Force Majeure.** Neither COH nor COU shall be responsible for delay or default caused by any contingency beyond their control, including, but not limited to war or insurrection, strikes or lockouts by the Parties' own employees, walkouts by the Parties' own employees, fires, natural calamities, riots or demands or requirements of governmental agencies other than COH or COU.

**16. Ownership of Work Product.** Any and all goods and services developed for COU pursuant to this Agreement are intended as works made for hire. Works made for hire are the exclusive property of COU.

**17. Modification.** No waiver, consent, modification, or change in the terms of this Agreement shall bind either party unless in writing signed by both Parties. A written

waiver, consent, modification, or change shall be effective only in the specific instance and for the specific purpose given.

**18. Entire Agreement.** When signed by the authorized representatives of both parties, this Agreement and its attached exhibit(s) is their final and entire Agreement. This Agreement supersedes all prior and contemporaneous oral or written communications between the Parties, their agents, and representatives. There are no representations, promises, terms, conditions, or obligations other than those contained herein.

**I HAVE READ THIS AGREEMENT INCLUDING THE ATTACHMENT(S). I CERTIFY THAT I HAVE THE AUTHORITY TO SIGN AND ENTER INTO THIS AGREEMENT. I UNDERSTAND THIS AGREEMENT AND AGREE TO BE BOUND BY ITS TERMS.**

**CITY OF UMATILLA**

Signature: 

Title: City Manager

Name (print): David L. Stockdale

Date: 6/22/22

**CITY OF HERMISTON**

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Name (print): \_\_\_\_\_

Date: \_\_\_\_\_

**Attachment A: Statement of Work**

COU assumed hours per week/month of service.

Current hourly billing rate: \$120 per hour.

**Managed Help Desk**

- Monitor, triage and remediate IT issues submitted by COU staff
- Provide SLA agreement
- Ensure Help Desk solution is updated/patched and configured, adhering to best practices
- Train COU staff on process for submitting help requests

**Managed Server and Infrastructure Support**

- Monitor servers and infrastructure
- Configure for optimal performance
- Maintain updates/patches for hardware and software
- Ensure compliancy for licensing/usage

**Managed Workstations/Laptops/Software**

- Windows OS patch management
- Maintain hardware/firmware updates
- Maintain updates for standard add-on software (i.e. Adobe Reader, Java, etc.)
- Remote management/support
- Installation and configuration of any new hardware such as servers, PCs, printers, peripherals, etc.
- Installation and configuration of any new software such as MS Office, version upgrades, etc.

**Active Directory**

- Audit current AD environment
- Remediate issues
- Configure for best practices
- Review group policy

**Expectations:**

To ensure COH's ability to provide satisfaction to COU the following provisions apply as appropriate to services contracted with COH. COH is pleased to offer a complete package of IT support services for COU. The IT support package is designed to handle all COU 's



technology-related needs. All servers, workstations, and other network devices, and Microsoft Operating Systems are considered covered items that will be maintained or serviced.

**What this service covers and includes:**

**Vendor Liaison:** COH will act as COU's duly appointed representative and advocate. COH IT Team will diagnose problems and dispatch or contact third parties such as Internet service providers, hardware manufacturers, IT contractors, etc. when deemed necessary. The COH IT Team is not intended to replace third-party line-of-business applications support. COU agrees to refrain from interacting with the third parties (except line-of-business application support) because it may result in misdirected activity and/or delay of resolution.

**Best Interest:** In the event of a failure or problem, remedial activities may commence prior to notifying COU of the problem. This will allow the COH IT Team the ability to begin problem resolution, open trouble tickets with other vendors, or dispatch personnel with replacement parts when deemed necessary. In doing so, COH is acting in COU 's best interest to resolve the issue as quickly as possible. All efforts will be made to communicate any technology-related issues that arise to COU as soon as possible.

**Administrative Access:** It is imperative that COH IT Team maintain and control administrative access to the COU 's network and be responsible for providing all other third parties with needed or requested access.

**Approval of Hardware and Software:** The COH IT Team will collaborate with COU 's appointed staff to procure hardware and software. COH's role will be to research, evaluate and recommend with final approval coming from COU 's designated IT liaison.

**Advisory Role:** To assist with proper planning and third-party services involving the network, telecommunications, data access, future growth, or down-sizing, COU will involve the COH IT Team in such discussions as an advisor.

**IT Policy and Procedure:** The COH IT Team will work with COU 's designated liaison to establish relevant IT policies and procedures based on best practices.

**Support Tiers:** The Help Desk will be the first point of contact for IT support requests and is considered Tier 1. Almost all support incidents begin in Tier 1, where the initial trouble ticket is created, the issue is identified and clearly documented, and basic hardware/software troubleshooting is initiated. Support incidents that cannot be resolved in Tier 1 immediately move to Tier 2 support. Generally, these are more complex support techniques on hardware/software issues that can be provided by more experienced support staff. Support incidents that cannot be resolved by Tier 2 support are escalated to Tier 3, where support is provided by the most qualified and experienced support staff who can collaborate with third-party (vendor) support engineers to resolve the most complex issues.

**Service Level Agreements (SLAs):**

SLA 1: Service not available (not able to work, network down, workstation not turning on, etc.) This is an instant contact scenario. Submitting a Help Desk Ticket is not required and may not be available. Contact information will be provided to COU staff. Response time is immediate as possible.

SLA 2: Significant degradation in services (obvious slow network, internet, etc., but still functional). Submitting Help Desk Ticket required if possible. Depending on resources, impacted COU staff will be provided with contact information for COH IT Team and instructed on the appropriate time for direct contact. COH IT Team response time is within two hours during normal business hours.

SLA 3: Limited degradation of service. This is impacting resources, but business process can continue. Submitting Help Desk Ticket required. COH IT Team response time is within four hours during normal business hours.

SLA 4: Slight service degradation. This is when an issue needs to be researched or resolved but is not having a significant impact on business process. Submitting Help Desk Ticket required. COH IT Team will respond within one business day.

SLA 5: After hours support will be available as needed by COU staff.

**RESOLUTION NO. 2229**

**A RESOLUTION AUTHORIZING THE CITY OF HERMISTON TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF UMATILLA FOR THE CITY OF HERMISTON TO PROVIDE INFORMATION TECHNOLOGY SERVICES TO THE CITY OF UMATILLA AND TO AUTHORIZE THE CITY MANAGER TO SIGN ALL NECESSARY DOCUMENTS ON BEHALF OF THE CITY**

WHEREAS, the City of Hermiston (City) has established a full-service internal Information Technology (IT) department; and

WHEREAS, the City has the means to provide ongoing IT services to additional agencies outside of the City; and

WHEREAS, the City and the City of Umatilla (Umatilla) have reached an agreement to provide ongoing IT services to Umatilla; and

WHEREAS, Umatilla has signed the Intergovernmental Agreement; and

WHEREAS, City staff believe it is in the best interest of the City to approve and execute the Intergovernmental Agreement.

NOW, THEREFORE, THE CITY OF HERMISTON RESOLVES AS FOLLOWS:

1. That the Intergovernmental Agreement attached to this resolution between the City of Hermiston and the City of Umatilla to provide ongoing IT services is hereby approved.
2. That the City Manager is authorized to sign the Intergovernmental Agreement.
3. That pursuant to ORS 221.310(3), that this resolution is effective immediately upon its passage.

PASSED by the Common Council this 27th day of June, 2022.

SIGNED by the Mayor this 27th day of June, 2022.

\_\_\_\_\_  
Dr. David Drotzmann, MAYOR

ATTEST:

\_\_\_\_\_  
Lilly Alarcon-Strong, CMC, CITY RECORDER



*Where Life is Sweet*

Members of Committees and Boards  
**STAFF REPORT**  
For the Meeting of June 27, 2022

**Title/Subject**

May 2022 Financial Report

**Summary and Background**

This is the monthly overview of the previous month’s financial position of the city.

**Tie-In to Council Goals**

Fiscal Prudence

**Fiscal Information**

None

**Alternatives and Recommendation**

Alternatives

None

Recommended Action/Motion

Request a motion to accept/approve the May 2022 Financial Report as presented.

**Submitted By:**

Mark Krawczyk

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# May 2022 Financial Report

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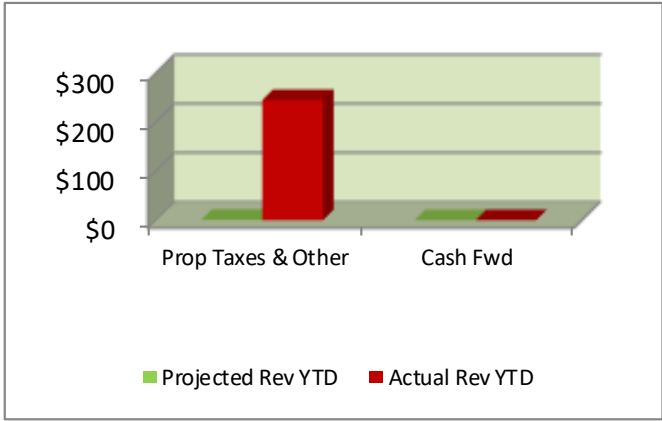
Department of Finance  
May 2022  
(Unaudited)

# FY2021-2022 Monthly Financial Report

## Hermiston Urban Renewal Agency (HURA)

For the Month Ending May 31, 2022

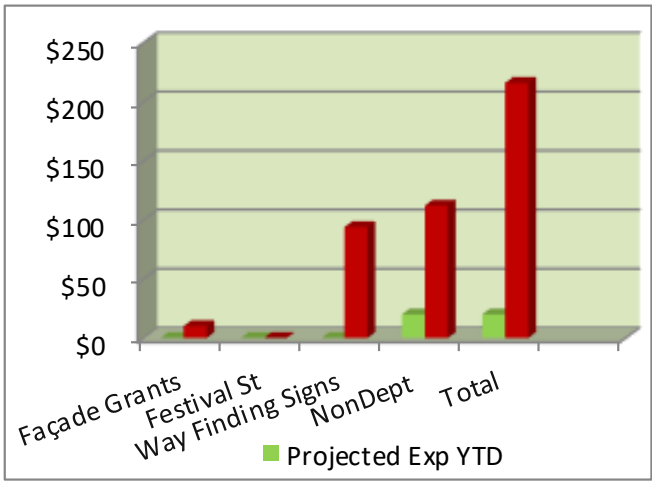
### Resources Through April May 31, 2022 by Category



	Annual Proj Rev	Actual Rev ( YTD	% Var
Prop Taxes & Other	\$ 240	\$ 245	102%
Cash Fwd	167	-	0%
<b>Total</b>	<b>\$ 407</b>	<b>\$ 245</b>	<b>60%</b>

**Note:** Variance is calculated as % of revenue YTD

### Expenditures Through April May 31, 2022 by Character (in \$1,000)



	Annual Proj Exp	Actual Exp ( YTD	% Var
Façade Grants	\$ 50	\$ 10	20%
Festival St	\$ 3	\$ -	0%
Way Finding Signs	\$ 105	\$ 94	90%
NonDept	\$ 249	\$ 112	45%
<b>Total</b>	<b>\$ 407</b>	<b>\$ 216</b>	<b>53%</b>

**Note:** variance is calculated as % of expenses YTD.

The FY2021-22 budget for the Urban Renewal Agency is \$ 406,918. This includes \$50,000 for Façade Grants, \$3,000 for the Festival Street, \$105,500 in Way Finding Signs, and \$245,418 for Non-Departmental expenses.

Revenues collected in May, 2022 for HURA amounted to \$3,840 for total revenue to date of \$244,851, or 102% of the revenue projection for FY2022.

# FY2021-2022 Monthly Financial Report

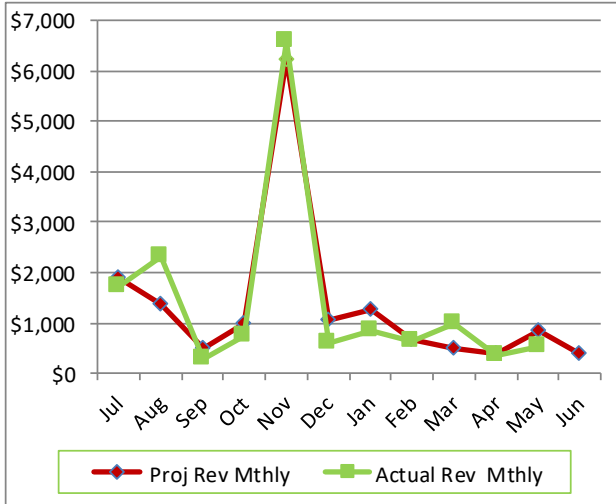
Section 8, Item A.

## City of Hermiston, Oregon General Fund Resources & Expenditures For the Month Ending May 31, 2022

### General Fund Resources Summary

Through May 31, 2022

(in \$1,000)



	Proj Rev Mthly	Rev Proj YTD	Actual Rev Mthly	Var Fav/ (Unfav)	% Var
Jul	\$ 1,899	\$ 1,899	\$ 1,727	\$ (172)	-9%
Aug	\$ 1,384	\$ 1,384	\$ 2,316	\$ 932	67%
Sep	\$ 515	\$ 515	\$ 305	\$ (211)	-41%
Oct	\$ 975	\$ 975	\$ 728	\$ (247)	-25%
Nov	\$ 6,239	\$ 6,239	\$ 6,592	\$ 353	6%
Dec	\$ 1,046	\$ 1,046	\$ 620	\$ (425)	-41%
Jan	\$ 1,253	\$ 1,253	\$ 842	\$ (410)	-33%
Feb	\$ 669	\$ 669	\$ 631	\$ (39)	-6%
Mar	\$ 499	\$ 499	\$ 974	\$ 475	95%
Apr	\$ 380	\$ 380	\$ 365	\$ (15)	-4%
May	\$ 837	\$ 837	\$ 522	\$ (315)	-38%
Jun	\$ 382		\$ -	\$ -	0%
<b>Total YTD</b>	<b>16,079</b>	<b>15,695</b>	<b>15,621</b>	<b>(74)</b>	<b>0%</b>
Cash Fwd	874	-	-	-	0%
<b>Total</b>	<b>\$ 16,954</b>	<b>\$ 15,695</b>	<b>\$ 15,621</b>	<b>(74)</b>	<b>0%</b>

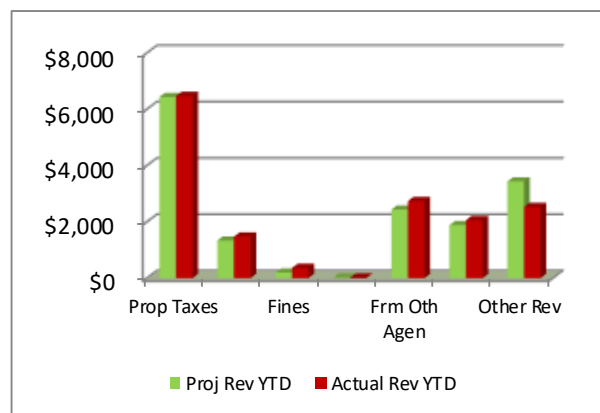
Estimated General Fund revenues for the 2021-22 fiscal year are **\$16,951,709**. Projected revenues for May were **\$836,953**, compared to actual revenues of **\$522,027**, a variance of **\$314,926**. The fund is currently **\$73,631** less than projected through May, or, statistically equal to projections for the year-to-date through eleven months of FY2022.

### General Fund - All Resources

Through May 31, 2022

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 6,466	\$ 6,429	\$ 6,468	\$ 39	1%
Lic	\$ 1,309	\$ 1,331	1,473	142	11%
Fines	\$ 200	\$ 188	360	172	91%
Interest Rev	\$ 15	\$ 15	10	(5)	-35%
Frm Oth Agen	\$ 2,629	\$ 2,428	2,733	306	13%
Svc Chgs	\$ 1,993	\$ 1,877	2,055	178	9%
Other Rev	\$ 3,466	\$ 3,429	2,523	(906)	-26%
Cash Fwd	\$ 874	\$ -	-	-	0%
<b>Total</b>	<b>\$16,952</b>	<b>\$ 15,695</b>	<b>\$ 15,621</b>	<b>\$ (74)</b>	<b>0%</b>

Note: variance is calculated as a percent of the projected revenue YTD.

# FY2021-2022 Monthly Financial Report

Section 8, Item A.

City of Hermiston, Oregon

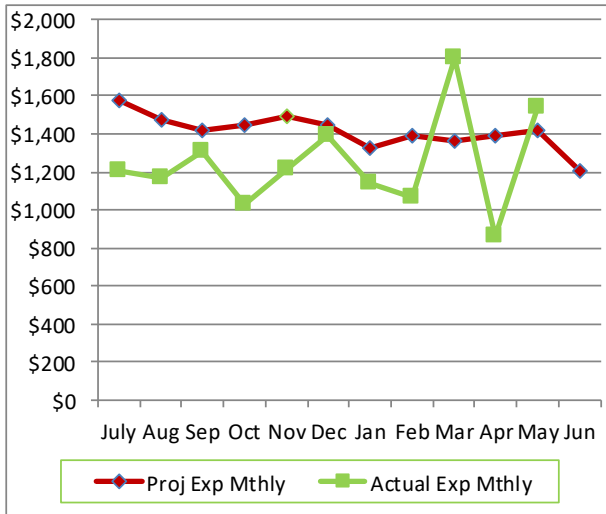
General Fund Expenditures

For the Month Ending May 31, 2022

## General Fund Expenditure Summary

Through May 31, 2022

(in \$1,000)



	Proj Exp Mthly	Proj Exp YTD	Actual Exp Mthly	Var Fav/ (Unfav)	% Var
July	\$ 1,579	\$ 1,579	\$ 1,207	\$ 372	24%
Aug	\$ 1,476	\$ 1,476	\$ 1,165	\$ 311	21%
Sep	\$ 1,418	\$ 1,418	\$ 1,305	\$ 113	8%
Oct	\$ 1,443	\$ 1,443	\$ 1,025	\$ 418	29%
Nov	\$ 1,495	\$ 1,495	\$ 1,211	\$ 284	19%
Dec	\$ 1,444	\$ 1,444	\$ 1,389	\$ 55	4%
Jan	\$ 1,328	\$ 1,328	\$ 1,139	\$ 189	14%
Feb	\$ 1,389	\$ 1,389	\$ 1,070	\$ 319	23%
Mar	\$ 1,367	\$ 1,367	\$ 1,797	\$ (431)	-32%
Apr	\$ 1,391	\$ 1,391	\$ 860	\$ 531	38%
May	\$ 1,419	\$ 1,419	\$ 1,540	\$ (121)	-9%
Jun	\$ 1,202		\$ -	\$ -	0%
<b>Total YTD</b>	<b>16,952</b>	<b>15,750</b>	<b>13,708</b>	<b>2,041</b>	<b>13%</b>
Contngcy		-	-	-	0%
<b>Total</b>	<b>\$ 16,952</b>	<b>\$ 15,750</b>	<b>\$ 13,708</b>	<b>\$ 2,041</b>	<b>13%</b>

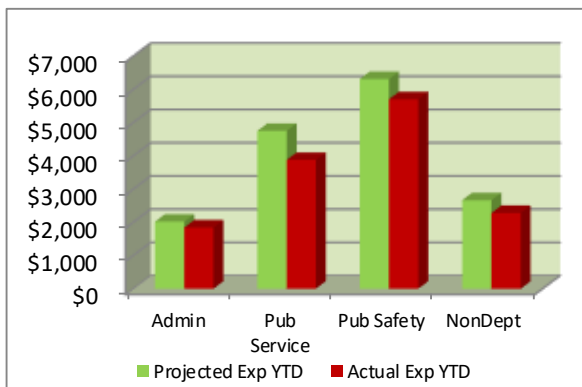
Projected General Fund monthly expenditures for May were **\$1,419,391**. Actual expenditures were **\$1,540,385**, which is **\$120,993** more than projected. Even with this overage in May, the General Fund expenditures are still **\$2,041,461** below projected for eleven months of FY2022.

## General Fund Expenditures

Through May 31, 2022

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 2,199	2,021	1,844	177	9%
Pub Service	5,140	4,752	3,878	874	18%
Pub Safety	6,710	6,314	5,704	610	10%
NonDept	2,904	2,662	2,282	381	14%
Unapp	-	-	-	-	0%
<b>Total</b>	<b>\$16,952</b>	<b>\$ 15,750</b>	<b>\$ 13,708</b>	<b>\$ 2,041</b>	<b>13%</b>

Note: variance is calculated as a percent of the projected expenditures YTD.



# FY2021-2022 Monthly Financial Report

Section 8, Item A.

## General Fund Expenditure Detail For the Month Ending May 31, 2022

### General Fund Expenditures by Department

	Annual Projected			Var Fav/ (Unfav)	% Var Fav/ (Unfav)
	Exp	Projected Exp YTD	Actual Exp YTD		
City Council	65,599	64,889	35,806	29,084	45%
City Manager/Planning	1,192,109	1,092,766	1,057,109	35,657	3%
Finance	642,502	588,961	570,819	18,142	3%
Legal	298,450	274,478	180,205	94,273	34%
<b>Total Administration</b>	<b>2,198,660</b>	<b>2,021,095</b>	<b>1,843,939</b>	<b>177,156</b>	<b>9%</b>
Transportation	362,000	349,463	260,517	88,946	25%
Airport	329,500	297,389	247,106	50,283	17%
Bldg Inspection	618,377	566,847	414,210	152,637	27%
Parks	756,809	703,723	655,696	48,027	7%
Parks/Utility Landscaping	61,003	49,981	27,766	22,216	44%
Pool	608,329	525,267	421,931	103,336	20%
Municipal Buildings	142,436	130,567	128,082	2,485	2%
Library	963,386	908,013	779,214	128,799	14%
Recreation	976,804	923,763	722,144	201,619	22%
Community Center	257,569	239,392	171,887	67,505	28%
Harkenrider Center	63,258	57,987	49,786	8,201	14%
<b>Total Public Services</b>	<b>5,139,471</b>	<b>4,752,391</b>	<b>3,878,339</b>	<b>874,053</b>	<b>18%</b>
Court	753,538	711,559	493,276	218,283	31%
Public Safety Center	68,000	63,965	52,067	11,898	19%
Police Operations	5,887,789	5,538,456	5,158,992	379,464	7%
<b>Total Public Safety</b>	<b>6,709,327</b>	<b>6,313,981</b>	<b>5,704,335</b>	<b>609,646</b>	<b>10%</b>
Non-Departmental	2,904,253	2,662,231	2,281,624	380,607	14%
Unappropriated	0	0	0	0	0%
<b>Total Non-Dept</b>	<b>2,904,253</b>	<b>2,662,231</b>	<b>2,281,624</b>	<b>380,607</b>	<b>14%</b>
<b>Total</b>	<b>16,951,711</b>	<b>15,749,698</b>	<b>13,708,236</b>	<b>2,041,461</b>	<b>13.0%</b>

For May, Total **Administration** is \$177,156 less than projected for YTD. **Total Public Services** is \$874,053 less than projected for YTD. **Public Safety** is \$609,646 less than projected for YTD. The total **General Fund expenses** are **\$2,041,461 less than projected (12.96%)** through 11 months of FY2022.

# FY2021-2022 Monthly Financial Report

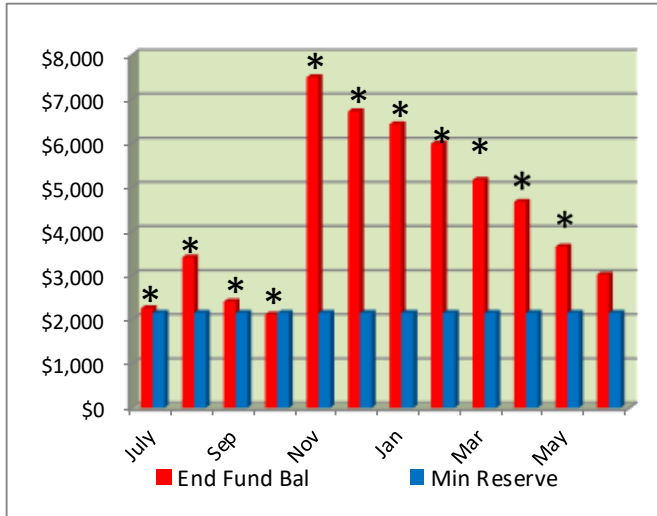
## Fund Balance - General Fund For the Month Ending May 31, 2022

### General Fund

Through May 31, 2022

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$2,150,851

	Begin Fund Bal	Revenue	Expense	End Fund Bal	ACT/PROJ Fund Bal
July	\$ 1,737	\$ 1,727	\$ (1,207)	\$ 2,257	ACT*
Aug	\$ 2,257	\$ 2,316	\$ (1,165)	\$ 3,408	ACT*
Sep	\$ 3,408	\$ 305	\$ (1,305)	\$ 2,408	ACT*
Oct	\$ 2,408	\$ 728	\$ (1,025)	\$ 2,111	ACT*
Nov	\$ 2,111	\$ 6,592	\$ (1,211)	\$ 7,491	ACT*
Dec	\$ 7,491	\$ 620	\$ (1,389)	\$ 6,723	ACT*
Jan	\$ 6,723	\$ 842	\$ (1,139)	\$ 6,426	ACT*
Feb	\$ 6,426	\$ 631	\$ (1,070)	\$ 5,987	ACT*
Mar	\$ 5,987	\$ 974	\$ (1,797)	\$ 5,164	ACT*
Apr	\$ 5,164	\$ 365	\$ (860)	\$ 4,669	ACT*
May	\$ 4,669	\$ 522	\$ (1,540)	\$ 3,650	ACT*
June	\$ 3,650	\$ 373	\$ (1,008)	\$ 3,015	PROJ
<b>Total</b>	<b>\$ 1,737</b>	<b>\$ 15,994</b>	<b>\$ (14,716)</b>	<b>\$ 3,015</b>	

The General Fund balance at the end of May is approximately **\$3,650,000**, which is approximately **\$1,499,149 (or 1.7 times)** the current Minimum Reserve requirement of \$2,150,851.

The General Fund reserve policy is to maintain a 15% fund balance (approximately two months of expenditures) based on the prior fiscal year activity.

# FY2021-2022 Monthly Financial Report

Section 8, Item A.

## Special Revenue Funds Report For the Month Ending May 31, 2022

### Special Revenue Funds Resources & Requirements

	2021-22 Annual Budget	Actual YTD	Remaining Budget
<b>02 Bonded Debt Fund</b>			
Resources	692,980	509,807	183,173
Expenditures	533,120	533,105	15
Unappropriated Balance	159,860	N/A	N/A
<b>05 Transient Room Tax (TRT)</b>			
Resources	953,230	1,066,857	<b>113,627</b>
Expenditures	953,230	889,941	63,289
Unappropriated Balance	-	N/A	N/A
<b>08 Reserve Fund</b>			
Resources	12,632,203	4,274,840	8,357,363
Expenditures	12,632,203	3,067,118	9,565,085
Unappropriated Balance	1,094,394	N/A	N/A
<b>11 Miscellaneous Special Revenue</b>			
Resources	273,000	56,430	216,570
Expenditures	273,000	194,167	78,833
Unappropriated Balance	-	N/A	N/A
<b>19 Christmas Express Special Revenue</b>			
Resources	45,037	25,151	19,886
Expenditures	40,037	19,129	20,908
Unappropriated Balance	5,000	N/A	N/A
<b>20 Law Enforcement Special Revenue</b>			
Resources	103,118	19,848	83,270
Expenditures	82,125	35,659	46,466
Unappropriated Balance	20,993	N/A	N/A
<b>21 Library Special Revenue</b>			
Resources	35,800	7,146	28,654
Expenditures	3,300	6,062	(2,762)
Unappropriated Balance	32,500	N/A	N/A
<b>23 Enterprise Zone Project Fund</b>			
Resources	2,206,674	500,013	1,706,661
Expenditures	1,743,300	887,125	856,175
Unappropriated Balance	463,374	N/A	N/A
<b>25 EOTEC Operations</b>			
Resources	627,793	427,541	200,252
Expenditures	627,793	543,159	84,634
Unappropriated Balance		N/A	N/A

Beginning with the 2016-17 fiscal year the City began distinguishing within the funds some part of ending fund balance as contingency and some as reserved for future expenditure. The contingency is included in appropriations while the reserve for future expenditures is unappropriated.

The City uses multiple Special Revenue funds to account for revenues that are restricted to expenditure for particular purposes. They include funds for debt service, economic development, parks and recreation, capital projects, and grants. Since these funds are not operational in nature and used for specific purposes from year-to-year, their expenditures do not typically follow a predictable pattern so budget variances are not calculated for them.

# FY2021-2022 Monthly Financial Report

## Utility and Street Funds Report

### For the Month Ending May 31, 2022

#### Utility and Street Funds Report

##### Resources & Expenditures

	2021-22		Actual YTD	Variance	
	Annual Budget	Projected YTD		Fav/(Unfav)	% Variance
<b>04 Street Fund</b>					
Resources	1,950,474	1,434,114	1,758,651	324,537	23%
Expenditures	1,900,474	1,742,101	1,457,293	284,808	16%
Contingency	50,000	N/A	N/A	N/A	N/A

<b>06 Utility Fund</b>					
Resources	11,293,901	8,510,530	9,601,872	1,091,343	13%
Expenditures	10,757,600	9,861,133	8,921,442	939,691	10%
Contingency	536,301	N/A	N/A	N/A	N/A

<b>13 HES Fund</b>					
Resources	12,178,457	9,023,046	9,801,021	777,975	9%
Expenditures	10,139,906	9,294,914	8,695,174	599,740	6%
Contingency	2,038,551	N/A	N/A	N/A	N/A

<b>15 Regional Water Fund</b>					
Resources	1,775,591	1,385,083	1,063,318	(321,765)	-23%
Expenditures	1,310,402	1,201,202	1,006,020	195,182	16%
Contingency	465,189	N/A	N/A	N/A	N/A

All four of these funds are projected on a straight line, 1/12<sup>th</sup> of budgeted expense or revenue per month. This practice means the seasonal/cyclical nature of the various funds is not accounted for on a month-to-month projected basis.

Revenues for the **Street Fund** are **\$324,537** over projected. Expenditures are **\$284,808** below projected.

Revenues in the **Utility Fund** are **\$1,091,343** over projected. Expenditures are **\$939,691** below projected.

The **HES Fund** revenue is **\$777,975** over projected. Expenditures are **\$599,740** below over projected.

The **Regional Water Fund** revenues are **\$321,765** below projected. Expenditures-to-date are **\$195,182** below projected.

# FY2021-2022 Monthly Financial Report

## City of Hermiston, Oregon Utilities/Streets Capital Projects Report For the Month Ending May 31, 2022

	2021-2022 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Well #6 B/U Generator	\$ 320,000	\$ 35,883	\$ 320,000	\$ 41,658	13.02%
Lift Station #3 Upgrade	\$ 550,000	\$ 323,121	\$ 550,000	\$ 356,096	64.74%
Geer & Harper Re-alignment	\$ 125,000	\$ 5,887	\$ 125,000	\$ 11,062	8.85%
N. 1st Place Reconstruction	\$ 100,000	\$ 62,000	\$ 100,000	\$ 75,000	75.00%
N. 1st Place Water Line Replacement	\$ 100,000	\$ 22,500	\$ 100,000	\$ 22,500	22.50%
Gladys & Main Waterline Replacement	\$ 100,000	\$ -	\$ 100,000	\$ -	0.00%
Lift Station #6 Reconstruction	\$ 450,000	\$ 21,657	\$ 450,000	\$ 25,157	5.59%
McDonald's & 395 Sewer Main Replacement	\$ 330,000	\$ 19,500	\$ 330,000	\$ 22,000	6.67%
<b>Total</b>	<b>\$ 2,075,000</b>	<b>\$ 490,548</b>	<b>\$ 2,075,000</b>	<b>\$ 553,473</b>	<b>26.67%</b>

### Well #6 Backup Generator

Well No. 6 is the primary well and the only well available that could provide minimal water supply to lower pressure zones in the city during a power outage. The current pump was last repaired in 1994, and the backup pump lacks the capacity to service the pressure zone. The pump covers service area including Walmart Distribution Center, Eastern Oregon Higher Education Center, Pioneer Seed, and EOTEC. Preventative maintenance will avoid significant inconvenience and loss of water to area businesses.

**Current Update:** Due to ongoing global supply chain issues, or at least that's the excuse being offered by the contractor, the main component of the project (the generator itself) is now not expected to be ready for delivery until late 2022. Since the price is locked in, and this project is mainly a system resiliency project, the delay is of little actual consequence. In fact, the delay may end up being more efficient for the system's operations anyway, as the system demand is exponentially lower in the winter-time, which makes taking Well #6 offline for a period of time to connect the new generator more palatable in the winter.

### Lift Station #3 Upgrade

Lift Station No. 3 was built in approximately 1981 and is located underneath Highway 395. The pump and electrical systems need to be replaced. This project calls for the install of duplex pumps and upgraded electrical and control systems. It also will include evaluation of extending a gravity line to Lift Station No. 6, which is also in poor shape. Extending the line under Union Pacific Railroad tracks may be more cost effective than replacing both lift stations. Traffic control will be necessary during design phase

**Current Update:** The boring contractor stuck an obstruction believed to be a buried steel railcar. The contractor has demobilized, with plans to remobilize in early September with a larger 36" casing (up from 18") which will allow a person to squeeze in with a blow-torch, shimmy the 127' to the obstruction, cut through and continue boring. The obstruction will result in an estimated 25% increase in the cost of the project. **The contractor has finally supplied Anderson Perry with an updated cost estimate to complete the work, and it is not good. It now appears that the total project cost will finish in the vicinity of \$1.1 million; roughly double the original cost estimate. However, keep in mind that the alternative, which is to replace the existing mechanical lift station was originally estimated at \$950,000 four years ago. So, not only is it likely that replacement of the station would be in the vicinity of \$1.2 million now, but the mechanical nature of that solution means another replacement would be likely within 20-40 years, compared to 80-100 years with the gravity-fed line that we are installing. Finally, it is important to note that we are already \$265,000 into this project. I hate to swallow this cost increase, but given all of the options, it is in the best long-run financial interests of the system users to proceed.**

### Geer & Harper Re-alignment

This intersection needs to be reconstructed to improve traffic/pedestrian access and ensure connectivity to property east of N. 1st Place. The current configuration makes access difficult for large trucks and traffic backs up on Harper Road during busy times during the day.

**Current Update:** No change in the status of this project. Still waiting for additional right-of-way acquisition.

# FY2021-2022 Monthly Financial Report

## City of Hermiston, Oregon Utilities/Streets Capital Projects Report For the Month Ending May 31, 2022

	2021-2022 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
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Geer & Harper Re-alignment	\$ 125,000	\$ 5,887	\$ 125,000	\$ 11,062	8.85%
N. 1st Place Reconstruction	\$ 100,000	\$ 62,000	\$ 100,000	\$ 75,000	75.00%
N. 1st Place Water Line Replacement	\$ 100,000	\$ 22,500	\$ 100,000	\$ 22,500	22.50%
Gladys & Main Waterline Replacement	\$ 100,000	\$ -	\$ 100,000	\$ -	0.00%
Lift Station #6 Reconstruction	\$ 450,000	\$ 21,657	\$ 450,000	\$ 25,157	5.59%
McDonald's & 395 Sewer Main Replacement	\$ 330,000	\$ 19,500	\$ 330,000	\$ 22,000	6.67%
<b>Total</b>	<b>\$ 2,075,000</b>	<b>\$ 490,548</b>	<b>\$ 2,075,000</b>	<b>\$ 553,473</b>	<b>26.67%</b>

### **North 1<sup>st</sup> Place Reconstruction**

North 1<sup>st</sup> Place is a critical secondary north/south arterial in Hermiston’s transportation system. The existing road is cracking, there are no sidewalks and there is unrestricted access to the roadway from parking and undeveloped areas.

**Current Update:** Anderson Perry continues to design the project. A lot of work has been going in to examining the impacts that the new curbing and sidewalks on the industrial businesses located at the north end of the project. I think we have some good solutions that strike the right balance between maintaining good access for the businesses and achieving the overall goal of increasing traffic throughput on that section of roadway. Staff has also been working closely with Parks staff to refine the landscaping plan for the walking trail so that it is visually impactful, low maintenance, and cost effective. Bidding is anticipated in October/November, with construction expected early Spring '23. .

### **North 1<sup>st</sup> Place Water Line Replacement**

This project will eliminate failing, deteriorating lines which will minimize future repair work. It will also eliminate steel pipes from the 1920’s and will improve public safety by ensuring no lead pipes.

**Current Update:** In consultation with Anderson Perry, and their new capital projects manager on staff, it has been determined to be more efficient and less disruptive to the public and the businesses affected to fully combine the water line project with the roadway demolition project. This will slide the actual water line project back a few months.

### **Gladys & Main Waterline Replacement**

Sections of this water distribution system were installed in the 1920s with steel pipe – some of the oldest pipe in the city water system. This project will eliminate failing, deteriorating and undersized line, reduce repair work, and improve public safety.

**Current Update:** Due to the decision to slide the N 1<sup>st</sup> Place water line project back to coincide with the roadway construction, I have directed AP to slow down the schedule on the Gladys and Main project as well. This is entirely because these are major projects that place a large demand on department leadership to oversee and manage the contractors doing the work, so I didn’t want to have two major projects going at the same time and risk mistakes. AP will now begin the design work for this project in early 2023, for bidding in the Spring, and a Fall construction time. No expenses this month.

# FY2021-2022 Monthly Financial Report

Section 8, Item A.

## City of Hermiston, Oregon Utilities/Streets Capital Projects Report For the Month Ending May 31, 2022

	2021-2022 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Well#6 B/U Generator	\$ 320,000	\$ 35,883	\$ 320,000	\$ 41,658	13.02%
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Geer & Harper Re-alignment	\$ 125,000	\$ 5,887	\$ 125,000	\$ 11,062	8.85%
N. 1st Place Reconstruction	\$ 100,000	\$ 62,000	\$ 100,000	\$ 75,000	75.00%
N. 1st Place Water Line Replacement	\$ 100,000	\$ 22,500	\$ 100,000	\$ 22,500	22.50%
Gladys & Main Waterline Replacement	\$ 100,000	\$ -	\$ 100,000	\$ -	0.00%
Lift Station #6 Reconstruction	\$ 450,000	\$ 21,657	\$ 450,000	\$ 25,157	5.59%
McDonald's & 395 Sewer Main Replacement	\$ 330,000	\$ 19,500	\$ 330,000	\$ 22,000	6.67%
<b>Total</b>	<b>\$ 2,075,000</b>	<b>\$ 490,548</b>	<b>\$ 2,075,000</b>	<b>\$ 553,473</b>	<b>26.67%</b>

### **Lift Station #6 Reconstruction**

Lift station #6 was built in 1981. The submersible duplex pump station has experienced corrosion of both metal and brick. Replacement of the wetwell will increase capacity, eliminate porous brick, and safeguard the environment. Ventilation of the structure is inadequate and electrical systems are nearing the end of their useful life.

**Current Update:** Bids were opened April 19. The pre-construction meeting was held with the contractor, and due to lead times for critical components, the construction is anticipated to occur in the Fall; wrapping up before the close of the paving-window.

### **McDonald's & 395 Sewer Main Replacement**

Segments of this piping have been found to have structural failures in multiple locations and failing joints. These line failures cause pipe blockage and requires monthly cleaning. In addition, pipe failures may be allowing sewage to exfiltrate the surrounding soil. A new sewer line would eliminate current monthly maintenance costs and provide watertight lines to protect existing groundwater resources from contamination.

**Current Update:** AP is completing bid documents but will not be advertising the work until an easement can be secured.

# FY2021-22 Monthly Financial Report

Section 8, Item A.

## City of Hermiston, Oregon Other City Capital Projects Report For the Month Ending May 31, 2022

	2021-2022 Budget	YTD Expenditures	Project Budget	Project To-Date Expenditures	% Complete
Airport Apron Rehab	\$ 2,355,000	\$ 499,963	\$ 2,355,000	\$ 764,778	32.47%
Riverfront Park Rebuild	\$ 390,000	\$ 193,426	\$ 510,000	\$ 323,300	63.39%
New City Hall Construction	\$ 7,348,498	\$ 5,276,329	\$ 8,690,000	\$ 6,566,809	75.57%
<b>Total</b>	<b>\$ 10,093,498</b>	<b>\$ 5,969,718</b>	<b>\$ 11,555,000</b>	<b>\$ 7,654,887</b>	<b>66.25%</b>

### **Airport Apron Rehab**

This project will demolish and rebuild all of the remaining aircraft parking and movement areas at the airport, which are used for accessing public facilities. The scope of the project does NOT include rebuilding taxiways to individual hangars. This project is necessary to rehabilitate parking areas which have been deemed “Very Poor” or “Failing” by the Oregon Department of Aviation. In addition to serving small aircraft, and a surprising amount of corporate jet traffic, this aircraft parking area facilitates loading/unloading of air-cargo operators that currently service up to 12 UPS truckloads of freight each day.

#### **Current Update:**

Swaggart Brothers completed the project in early June, with punch-list items expected to be finished by June 30.

### **Riverfront Park Rebuild**

This project encompassed the work done to clean up the Riverfront Park after the flood of the park in the spring of 2020. This project consisted of three distinct phases;

- Removing all debris from the existing parking lot and driveway (gravel repair) – **COMPLETED**
- Removing all debris, silt and vegetation from facilities in the park – **COMPLETED**
- Providing for relocating the playground and the parking lot and improvement of park facilities – **IN PROGRESS**

**Current Update:** Parks staff will be installing the playground equipment over the summer. They were pulled away to help get the pool ready for the season.

### **New City Hall**

This project encompasses the demolition of the old City Hall; the demolition of the Lanham building (to the east) for additional parking for City Hall; the construction of a new City Hall and parking lot; the complete rebuild of the “Banner Bank” parking lot across 2<sup>nd</sup> street from City Hall to the west; and the replacement of water and sewer lines in the alley from 1<sup>st</sup> street to 3<sup>rd</sup> street.

**Current Update:** The exterior is nearly complete. There are only a few other items on the landscaping that need to be done. Cabinets have been set. Flooring has been installed in the basement. The council dais is being constructed. The elevator is being installed.





*Where Life is Sweet*

Members of Committees and Boards  
**STAFF REPORT**  
For the Meeting of June 27, 2022

**Title/Subject**

Hermiston Energy Services Wildfire Mitigation Plan Approval

**Summary and Background**

As part of Senate Bill 762 passed during the 2021 legislative session, Municipal electric utilities, people’s utility districts organized under ORS chapter 261 that sell electricity, and electric cooperatives organized under ORS chapter 62 must file with the Oregon Public Utility Commission a copy of its approved risk-based wildfire mitigation plan or plan update within 30 days of approval from its governing body.

It established standards for electric utility wildfire mitigation plans, including the information utilities must include in their plans such as identification of risk areas in the utility’s service territory, actions to minimize those risks and protocols for implementing public safety power shutoffs.

This year, HES with assistance from Umatilla Electric Cooperative and BKI Engineering Services undertook a comprehensive effort to formalize its existing wildfire mitigation practices into a formal plan. The plan will undergo a biennial review and be updated as needed or required.

The plan takes an active and comprehensive approach tailored for HES’s service territory with the ultimate objective to minimize HES’s assets as the origin or contributing factor in a wildfire’s ignition. Goals and metrics measure effectiveness while allowing for retooling and improving it as practices evolve to adopt new technologies when available and feasible.

We can anticipate, plan, and prepare for the unexpected. With safety as our highest priority, HES continues to take constructive steps toward mitigating the threat of wildfires in Hermiston and the surrounding areas of our community.

**Tie-In to Council Goals**

N/A

**Fiscal Information**

WMP adoption was included in HES's 2022-23 approved budget.

**Alternatives and Recommendation**

Alternatives

Approve plan as presented

Disapprove and Direct Staff to make changes

Recommended Action/Motion

Approve plan as presented.

**Submitted By: Nate Rivera**



# **2022 WILDFIRE MITIGATION PLAN**

**HERMISTON ENERGY SERVICES**

**DATE: JUNE, 2022  
VERSION: V1**

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## 1 Introduction

The Pacific Northwest experiences some of the most devastating and catastrophic wildfires in the country. Despite a mild fire season in 2019 due to cooler temperatures, Oregon’s 2020 wildfire season became the most destructive in the state's history, burning more than 1.5 million acres<sup>1</sup>.

Wildfire mitigation has played an essential role in operational practices and decision-making at Hermiston Energy Services (HES). HES through our contract with Umatilla Electric Cooperative has existing policies, programs, and procedures to directly or indirectly manage wildfire risk. Going forward, HES will implement additional programs to adapt to evolving fire related conditions, incorporate technological advances, and improve operational practices to mitigate the potential for ignitions and more effectively respond to increasing wildfire risk conditions.

The HES Wildfire Mitigation Plan (WMP or Plan) takes an active approach to reduce fire-related risks for its customers while allowing for retooling and improvement over time. As new technology and information emerge, HES will assess, enhance, and refine its practices. The Plan describes HES’ ongoing vegetation management (VM), asset inspection and maintenance, de-energization, communication plans, and restoration of

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<sup>1</sup> The Oregon Department of Forestry; [https://apps.odf.oregon.gov/DIVISIONS/protection/fire\\_protection/fires/dailyFireReps.asp](https://apps.odf.oregon.gov/DIVISIONS/protection/fire_protection/fires/dailyFireReps.asp)

service processes. Additionally, the WMP outlines roles and responsibilities for its implementation, performance metrics, deficiency identification, and the audit process.

### 1.1 Purpose of the Plan

The Plan describes HES’ strategies and programs to mitigate the threat of electrical equipment ignited wildfires, and addresses the unique features of its service territory, such as topography, weather, infrastructure, grid configuration, and areas most prone to wildfire risks.

HES’ General Manager in coordination with Umatilla Electric Cooperative reviews and approves the Plan as needed, while the General Manger is responsible for its implementation.

### 1.2 Objectives of the WMP

The main objectives of this WMP are to:

1. Implement an actionable plan to increase reliability and safety while minimizing likelihood of HES assets becoming the origin or contributing factor for wildfire.
2. Maintain a plan that prioritizes safety, situational awareness, preventative methods, and recovery.
3. Continue to assess and incorporate new industry best practices, technologies, and risk mitigation activities.
4. Measure the effectiveness of HES’ wildfire mitigation strategies through annual evaluation of the WMP.

### 1.3 HES Profile and History

HES is a Consumer-Owned, Non-Profit Electric Municipality formed October 1, 2001, after acquiring PacifiCorps’ Hermiston distribution facilities. HES currently serves 5,356 customers, with annual sales of 110 million kilowatt-hours.

HES’ facilities consists of 36.3 miles of overhead and 19.6 miles of underground primary distribution lines. HES serves approximately 63% of the area of Hermiston. 51.5% of sales to residential customers and 47.9% to commercial customers. The utility has invested millions of dollars into new and upgraded infrastructure since its inception.

HES upholds a commitment to service excellence while delivering safe, affordable, and reliable electricity to its customers. These principal focuses are further enhanced with

innovative energy solutions and a deep-rooted involvement in the communities it serves.

Hermiston uses a “Council-Manager” form of government; all powers of the city are vested in the City Council. The Council, made up of eight elected Hermiston residents, ultimately decides the policies and procedures of HES. The Mayor is elected separately from the City Council, and only votes in the event of a tie. The Council hires a City Manager to manage day-to-day decisions of the city and oversee and retains the General Manager who is responsible for HES’ overall management and operations.

### 1.4 HES Contract with Umatilla Electric Cooperative (UEC)

In 2001, The City of Hermiston entered into an agreement with PacifiCorp to purchase PacifiCorp's electric distribution system within the City. Upon completion, it was the City's desire for UEC to provide certain services to the City in connection with the City's municipal electric utility (HES) operation.

The City entered into a Management, Operation & Maintenance Service Agreement between the City of Hermiston and UEC that was updated July 1, 2012 and is effective through June 30, 2032.

As part of this agreement, UEC provides technical operation services, including line work, meter reading, tree trimming, drafting, dispatch, supervision, repairs, inspection, maintenance, and day-to-day engineering and planning services for the HES system.

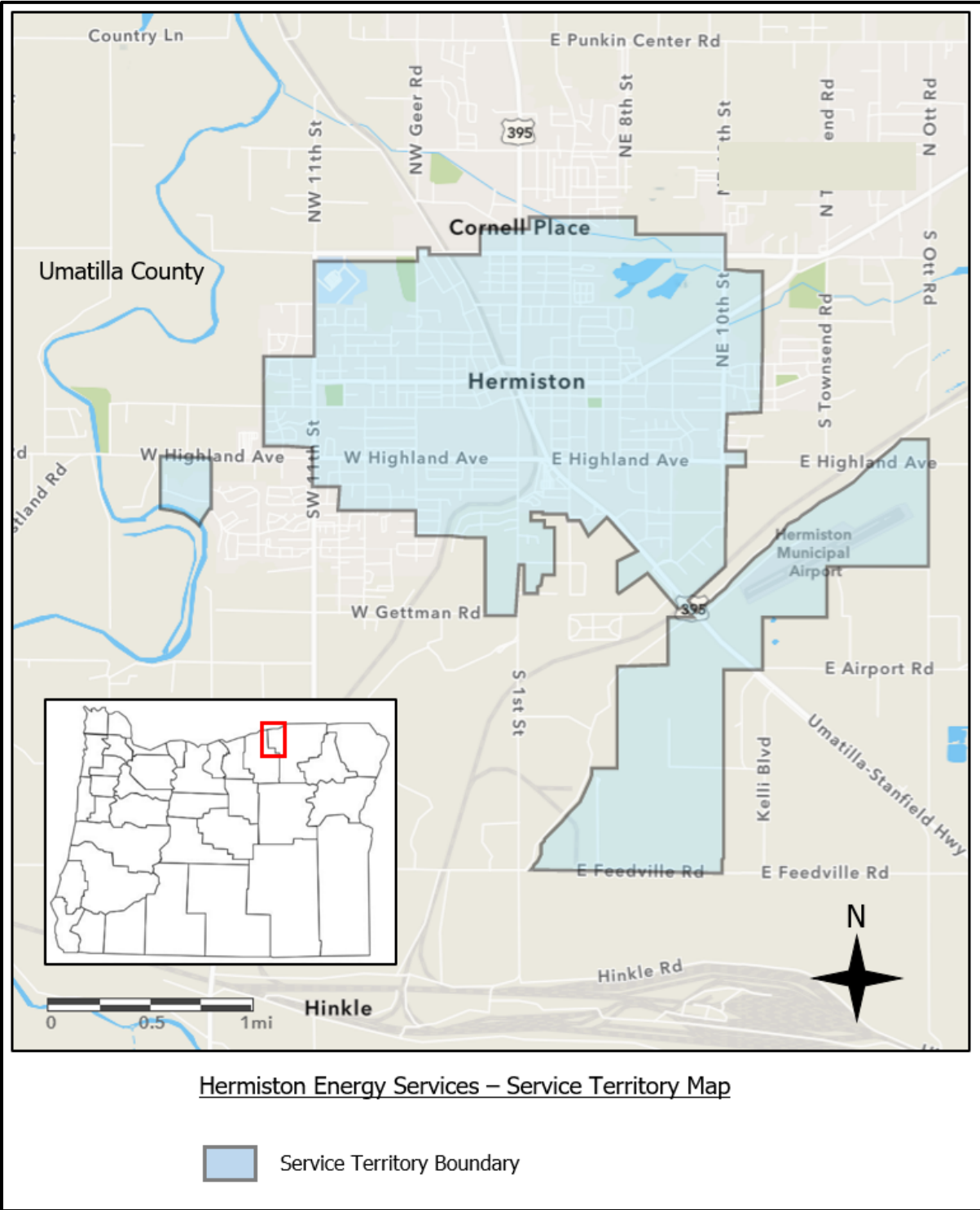
Specifically related to this plan is the contractual agreement of after-hour outage response, including operation, construction, and maintenance services for all storm damages, other catastrophic events, and emergency recovery and restoration.

### 1.5 The Service Area

HES has been granted an exclusive service territory by the Oregon Public Utilities Commission (OPUC) that includes approximately 60 percent of the City of Hermiston located in Umatilla County along the Columbia River in north-central Oregon.

Overall, the climate in the HES service area is temperate and semi-arid. Low annual precipitation, low winter temperatures, and high summer temperatures are typical. August is the hottest month with an average high above 90 degrees. The MES service territory is shown in Figure 1 on the following page.

Figure 1. HES Service Territory Map



## 2 Overview of HES' Fire Mitigation Strategies

### 2.1 Strategy and Program Overview

HES' wildfire prevention strategies are implemented by Umatilla Electric Cooperative (UEC) and are comprised of five main components. Together they create a comprehensive wildfire preparedness and response plan with a principal focus on construction standards, ignition reduction through system design, proactive operations, maintenance programs, specialized operating procedures, and staff training.

- **Design & Construction:** HES' design and construction strategies are intended to improve system hardening to prevent contact between infrastructure and fuel sources and minimize the risk of HES' electrical system becoming an ignition source.
- **Inspection & Maintenance:** HES' inspection and maintenance strategies consist of diagnostic activities, maintenance methods and inspection schedules to ensure all equipment and infrastructure are in excellent working condition.
- **Operational Practices:** Pro-active, day-to-day actions include safety training, emergency planning, system mapping, and protection device settings. Measures to mitigate wildfire risks are taken to ensure preparedness in high-risk situations, such as dry and windy climatological conditions.
- **Situational & Conditional Awareness:** This component consists of methods to improve system visualization and awareness of environmental conditions. The practices in this category provide tools to strengthen the Plan's other features.
- **Response & Recovery:** These strategies consist of HES' procedures and protocols for response to wildfire and other emergency events, and the process for restoring power after a major outage, as well as methods for efficient communications with emergency responders as well, emergency response, and recovery efforts.

### 2.2 Mitigation Strategies and Programs

This WMP integrates and interfaces with HES' existing operations plans, asset management, and engineering principles, which are themselves subject to change. Future iterations of the WMP will reflect any changes to these strategies and will incorporate new best management practices as they are developed and adopted.

Table 1 summarizes HES' five mitigation components with associated programs and activities that support our ongoing commitment to wildfire prevention and mitigation.

**Table 1. Mitigation Programs/Activities**

<b>DESIGN AND CONSTRUCTION</b>
<ul style="list-style-type: none"> <li>• Underground distribution lines</li> <li>• Field recloser to vacuum-type breaker with communications change-out program</li> <li>• Covered jumpers and animal guards</li> <li>• Non-expulsion fuses in select high-risk areas</li> <li>• Avian protection construction standards</li> </ul>
<b>INSPECTION AND MAINTENANCE</b>
<ul style="list-style-type: none"> <li>• Wood pole intrusive inspection and testing</li> <li>• Distribution system line patrols and detailed inspections</li> <li>• Distribution system vegetation management program</li> <li>• Removal of hazard trees along the Right-Of-Way (ROW)</li> <li>• Enhanced line patrols during fire season</li> <li>• ROW maintenance standards</li> </ul>
<b>OPERATIONAL PRACTICES</b>
<ul style="list-style-type: none"> <li>• Work procedures and Fire Hazard training for persons working in locations with elevated fire risk conditions</li> <li>• Community outreach/wildfire safety awareness</li> <li>• Contractor/staff safety training and orientation for vegetation management work</li> <li>• Alternate system protection device settings during fire season</li> <li>• Fire suppression equipment on worksite during fire season</li> <li>• Provide liaison to county offices of emergency services (OES) during fire event</li> </ul>
<b>SITUATIONAL &amp; CONDITIONAL AWARENESS</b>
<ul style="list-style-type: none"> <li>• Weather Monitoring in the service area</li> <li>• Monitoring active fires in the Pacific Northwest</li> </ul>
<b>RESPONSE AND RECOVERY</b>
<ul style="list-style-type: none"> <li>• Pre-emptive de-energization protocols</li> <li>• Coordination with local Department of Emergency Management</li> <li>• Customer assistance programs for post-disaster recovery</li> <li>• Line patrols before re-energization</li> <li>• Emergency Restoration Plan</li> </ul>



### 3 HES Asset Overview

As part of the risk analysis process, HES examined its asset locations to identify risks unique to its service area. This chapter will provide an overview of the service area properties and associated risks, which are factored into the wildfire mitigation strategy. See section 1.5 for a service area description. Power is provided to HES customers by way of overhead and underground distribution line assets. Table 2 depicts a high-level description of HES’ distribution assets.

**Table 2. Asset Description**

ASSET CLASSIFICATION	ASSET DESCRIPTION
Distribution	<ul style="list-style-type: none"><li>• Approximately 36.3 miles of overhead (OH) lines, transformers, voltage regulators, capacitors, switches, and line protective devices operating at 7.2kV phase to ground voltage</li><li>• Approximately 19.6 miles of underground (UG) lines, transformers, switches, and line protective devices operating at 7.2kV.</li></ul>

#### 3.1 The Electric System

HES owns and contracts its operation of electric distribution facilities, which delivers more than 100 million kWh of energy to its customers each year. Power is purchased from the Bonneville Power Administration (BPA). The purchased power is wheeled over others’ transmission lines to the HES system.

HES takes delivery of purchased power at three Umatilla Electric substations. Distribution Approximately 36.3 miles of overhead (OH) lines, transformers, voltage regulators, capacitors, switches, and line protective devices operating at 7.2kV phase to ground voltage Approximately 19.6 miles of underground (UG) lines, transformers, switches, and line protective devices operating at 7.2kV.

In addition to residential usage, HES provides service to small and large commercial, industrial, and irrigation customers.

## 4 Risk Analysis and Risk Drivers

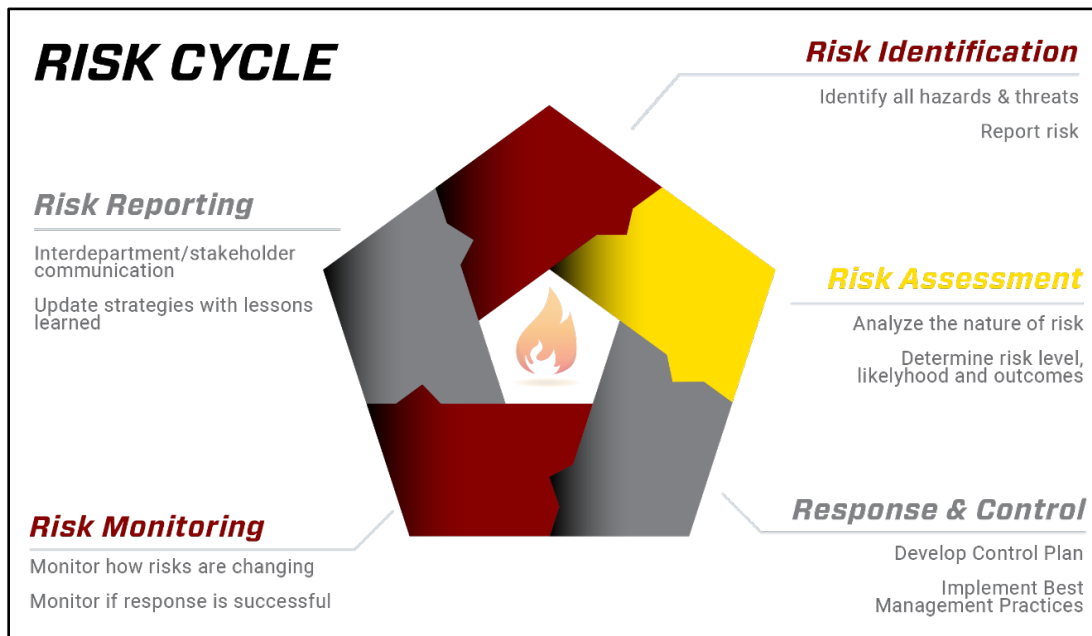
HES examined its exposure to fire-related hazards to establish a baseline understanding of the risks and risk drivers involved in a wildfire mitigation plan. Although inherent risks exist in operating an electric utility, there are strategies and processes to better plan and manage them. After identifying key risk factors, HES incorporated best available utility practices where necessary to bolster existing mitigation strategies and programs. This combination of existing and soon to be implemented practices has been incorporated in this plan to mitigate the identified risk factors identified in this section.

### 4.1 Enterprise Risk Management

The Enterprise Risk Management process is not a periodic “Risk Assessment,” but an ongoing and forward-looking management discipline enabling HES to analyze risks continually and adapt to changing conditions. The key or critical risks affect the entire community and are interrelated. Therefore, they are managed holistically with a structured approach. Figure 2 illustrates the risk management process.

The Risk Assessment process began with the General Manager, consultation with Umatilla Electric Cooperative and stakeholders working together to collect information on all potential and perceived risks. Relevant local plans such as the Umatilla Emergency Operations Plan and the Umatilla County Wildfire Plan, were reviewed for additional data. Also analyzed were the risks, drivers, key impacts, mitigations, controls, and HES’ policies and procedures.

**Figure 2. HES Enterprise Risk Management Process**





## 4.2 Climate Change

The *Fourth Oregon Climate Change Assessment* has determined that climate change would make forests more susceptible to extreme wildfires due to overall warming in the Pacific Northwest. The years from 2016-2018 were all warmer than the 1970-1999 average, and 2015 still stands as Oregon’s warmest year on record. Fire is the most obvious impact of climate change in recent years, with the extreme wildfires occurring extensively in hot and dry summers. Record-breaking catastrophic fires in California and Oregon in 2020 highlight increased vulnerability in a warming climate. The report projects fire risk will only increase across the entire state by midcentury, especially in eastern Oregon and the Willamette Valley<sup>2</sup>.

## 4.3 Wildfire History and Outlook

Generally speaking, fire season in Oregon lasts from June through the end of October, but research indicates that this is changing. Fire seasons from 2003 through 2012 averaged more than 84 days longer than in 1973 to 1982<sup>2</sup>. The largest fires years coincide with warm spring and summer temperatures, and early spring snowmelt. Annual large wildfire frequency in USFS, National Park Service and Bureau of Indian Affairs (BIA) forests is significantly correlated with spring and summer temperature. Projected warmer and drier summers and declining snowpack and correlated decreases in summer soil moisture will increase the risk of wildfires, particularly in forested areas where fuels are abundant<sup>3</sup>.

Historically, most large fires have occurred along the Columbia River where dry rangeland grasses and shrubs provide an easily ignitable and continuous fuel source. These grass and brush fires are a regular occurrence and tend to cover large areas very quickly. No history of wildfires within HES’ service territory could be found in the available mapping data<sup>4</sup>.

## 4.4 Fire Threat Assessment Mapping

The Wildfire Hazard Potential (WHP) map used in this plan is a raster geospatial dataset produced by the USDA Forest Service, Fire Modeling Institute that can help to inform evaluations of wildfire risk or prioritization of fuels management needs across very large landscapes. The specific objective of the WHP map is to depict the relative potential for wildfire that would be difficult for suppression resources to contain. The 2020 version

<sup>2</sup> Fourth Oregon Climate Assessment Report 2019. Oregon Climate Change Research Institute

<sup>3</sup> Westerling, A.L. 2016 Increasing Western US Forest Wildfire Activity; <https://royalsocietypublishing.org/doi/10.1098/rstb.2015.0178>

<sup>4</sup> 1950 to present-<https://giscenter.isu.edu/styler/?appid=90212d475d044f159f286fb0e1a3980c>

was built upon spatial datasets of wildfire likelihood and intensity generated for the conterminous U.S. in 2016 with the Large Fire Simulator (FSim), as well as spatial fuels and vegetation data from LANDFIRE 2014 and point locations of past fire occurrence (ca. 1992 - 2015). Areas mapped with higher WHP values represent fuels with a higher probability of experiencing torching, crowning, and other forms of extreme fire behavior under conducive weather conditions, based primarily on landscape conditions at the end of 2014<sup>5</sup>.

On its own, WHP is not an explicit map of wildfire threat or risk, but when paired with spatial data depicting highly valued resources and assets such as communities, structures, or powerlines, it can approximate relative wildfire risk to those resources and assets. WHP is not a forecast or wildfire outlook for any particular season as it does not include any information on current or forecasted weather or fuel moisture conditions. It is instead intended for long-term strategic planning and fuels management tool.

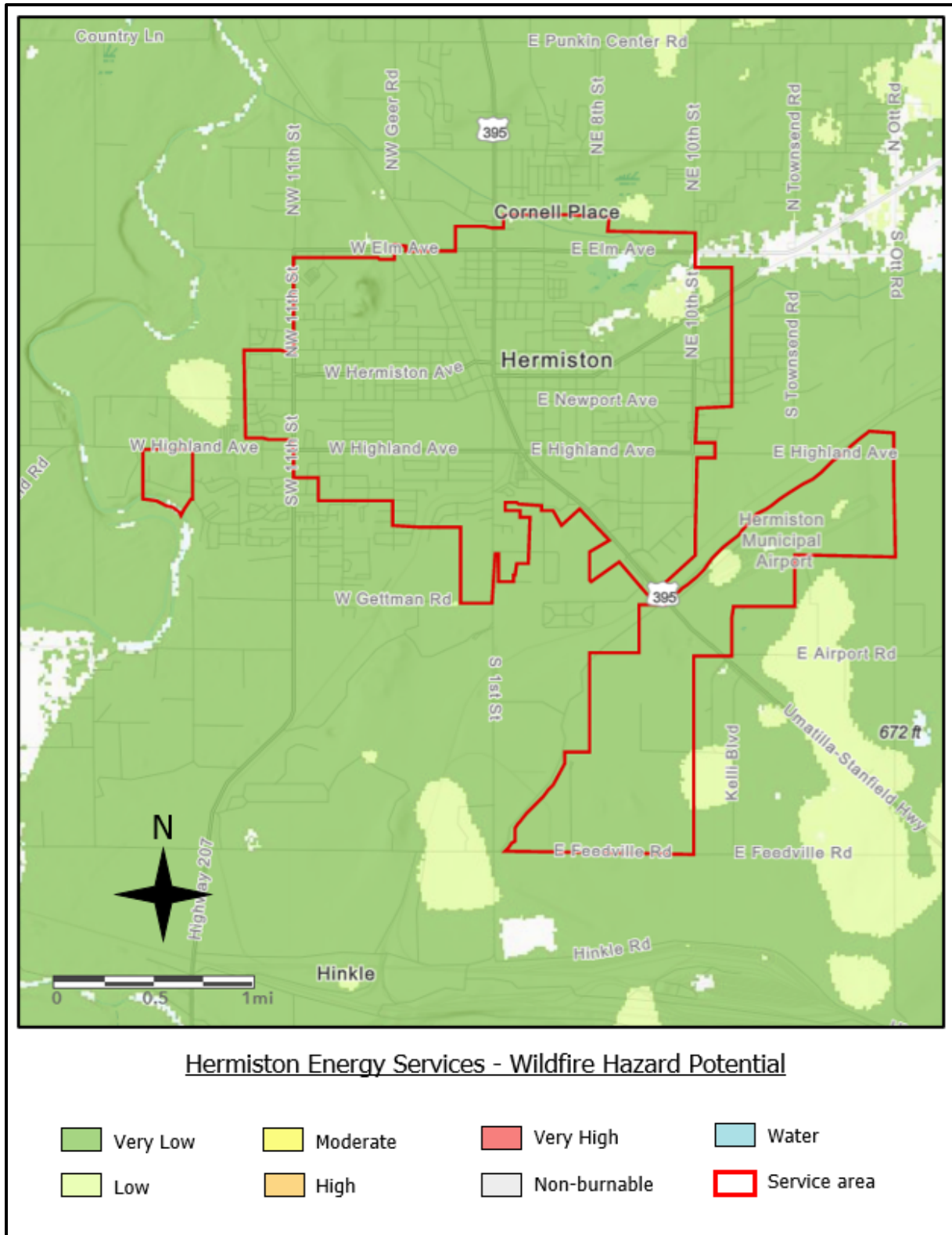
To determine fire threat levels within HES' service area, the service area was overlaid on the WHP map shown in Figure 3. Factors such as fire history, topography and physical access are considered in the risk analysis.

The WHP map below shows that HES' service territory made up almost entirely of Very Low WHP, with small portions containing "Low" hazard potential.

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<sup>5</sup> Product citation: *Dillon, Gregory K. 2015. Wildfire Hazard Potential (WHP) for the conterminous United States (270-m GRID), version 2020 classified. 3<sup>rd</sup> Edition. Fort Collins, CO: Forest Service Research Data Archive. <https://doi.org/10.2737/RDS-2015-0047-3>*

Figure 3. Wildfire Hazard Potential Map



## 5 Wildfire Prevention Strategy and Programs

In recent years, HES, through its contract with UEC has proactively implemented measures to address increased wildfire risks. This chapter outlines HES' existing fire mitigation efforts and identifies new processes and pilot programs HES may employ moving forward. Some of these programs are multi-year and programmatic, while others are situational and based on environmental conditions such as Red Flag Warnings or other high fire risk conditions. HES' community outreach and support for customers impacted by a wildfire are also discussed.

HES continues to explore new technologies and approaches to determine their ability to reduce the probability of an ignition and improve system reliability. HES has implemented several newer industry practices such as electronic vacuum reclosers and non-expulsion fuses. It has initiated fire weather tracking and the incorporation of thermal imaging technology into the asset inspection program. HES updates its practices as new information emerges and then adopts improved strategies. Table 3 depicts the activities intended to address key wildfire risk factors.

**Table 3. Activities That Address Wildfire Risk Factors**

RISK FACTOR	MITIGATION ACTIVITY
<b>Fuel Source</b>	<ul style="list-style-type: none"> <li>• Comprehensive vegetation management program</li> <li>• Enhanced vegetation Line Inspections</li> <li>• Enhanced ROW maintenance and clearing specifications</li> <li>• Enhanced inspection intervals and spot checks in high-risk areas</li> <li>• Selective use of non-expulsion fuses</li> <li>• Enhanced tree removal efforts</li> </ul>
<b>Extreme Weather</b>	<ul style="list-style-type: none"> <li>• National weather service monitoring</li> <li>• USFS/WADNR IFPL monitoring</li> <li>• Preemptive power shutdown during ongoing wildfires</li> <li>• Emergency preparedness community outreach and education</li> </ul>
<b>Contact with Foreign Objects</b>	<ul style="list-style-type: none"> <li>• Avian Protection construction standards</li> <li>• Insulated equipment</li> <li>• Underground conversion of distribution lines</li> <li>• Hazard tree removal</li> </ul>
<b>Equipment Failure</b>	<ul style="list-style-type: none"> <li>• Routine Maintenance</li> <li>• Design and construction standards to reduce ignition sources</li> <li>• Distribution line routine patrols</li> <li>• De-energizing or alternate settings of lines during certain conditions</li> <li>• Wood pole test and treatment program</li> </ul>
<b>Field Work</b>	<ul style="list-style-type: none"> <li>• HES worker/contractor education on fire ignition sources</li> <li>• Tailgate meetings before fieldwork</li> <li>• USFS fire restriction level monitoring</li> </ul>

## 5.1 Distribution Operational Practices

### 5.1.1 Situational Awareness and Assessment Tools

Situational assessment is the process by which current operating conditions are determined. Situational Awareness (SI) is the understanding of the working environment, which creates a foundation for successful decision making and the ability to predict how it might change due to various factors. HES uses all situational awareness resources at its disposal to monitor evolving fire weather, fuel, and other climatological conditions that may lead to fire events.

### 5.1.2 Public Safety Power Shutoff

A Public Safety Power Shutoff (PSPS) preemptively de-energizes power lines during high wind events combined with hot and dry weather conditions. When considering de-energization, HES through its contract with UEC examines the impacts on fire response, water supply, public safety, and emergency communications.

HES, through its contract with UEC, considers the external risks and potential consequences of de-energization while striving to meet its main priority of protecting the community and customers we serve. They include:

- Potential loss of water supply to fight wildfires due to loss of production wells and pumping facilities.
- Negative impacts to emergency response and public safety due to disruptions to the internet and mobile phone service during periods of extended power outages.
- Loss of key community infrastructure and operational efficiency that occurs during power outages.
- Medical emergencies for members of the community requiring powered medical equipment or refrigerated medication. Additionally, the lack of air conditioning can negatively impact medically vulnerable populations.
- Negative impacts on medical facilities.
- Traffic congestion resulting from the public evacuation in de-energized areas can lengthen response times for emergency responders.
- The inability to open garage doors or motorized gates during a wildfire event can lead to injuries and fatalities.

The risks and potential consequences of initiating a PSPS are significant and extremely complex. Based on the above considerations, HES, through its contract with UEC,

reserves the option of implementing a PSPS when conditions dictate. While HES believes the risks of implementing a PSPS far outweigh the chances of its electric overhead distribution system igniting a catastrophic wildfire, the PSPS provides a last resort tool and another mitigation option in a crisis.

On a case-by-case basis, HES has historically and will continue to consider de-energizing a portion of its system in response to a known public safety issue or response to a request from an outside emergency management/response agency. Any de-energizing of the lines is performed in coordination with key local partner agencies keeping all parties' best interests in mind.

## 5.2 Infrastructure Inspections and Maintenance

Recognizing the hazards of equipment that operate high voltage lines, HES, through its contract with UEC maintains formal time-based and risk-based inspection and maintenance programs for distribution equipment which play an essential role in wildfire prevention. The following sections outline the inspection practices for the utility.

### 5.2.1 Safety Patrol Inspections of Distribution Lines

HES, through its contract with UEC, has a system patrol process complying with OAR 860-024-0011 requirements, including biennial patrol inspections of Distribution system infrastructure. HES, through its contract with UEC, monitors vegetation during its system patrols and directs VM contractors to conduct additional inspections and VM as needed. Efforts are made by HES contract personnel to identify, geolocate, and document all hazard trees during routine system patrols using GIS enabled data collectors.

HES staff or contractors perform routine safety patrol inspections of overhead electric supply lines and accessible facilities using detailed line inspections. Inspectors look for visible signs of defects, structural damage, broken hardware, abnormally sagging lines, vegetation clearance issues, and wildlife contacts. Any anomalies found are addressed based on the severity of the defect.

### 5.2.2 Detailed Inspections of Distribution Lines

Detailed inspections of the 12.47kV distribution lines are performed on a 10-year cycle. The inspection cycles ensure safety and reliability based on standards found in Oregon Administrative Rules (OAR) 860-024-0011. System equipment found in need of maintenance or repair is categorized depending on the severity of the condition. Detailed Line Inspections (DLI) consist of foot patrols to examine all HES poles, conductors, and equipment. Visual aids assist with evaluating and detecting potential

damage to above-ground components. Inspectors look for visible signs of defects, structural damage, broken hardware, abnormally sagging lines, and wildlife contacts. Any anomalies found are addressed based on the severity of the defect. The DLI also provides ground-level evaluation of right-of-ways, access roads and vegetation-to-conductor clearances. The information accumulated informs planning and scheduling future maintenance to avoid major faults and ignition potential.

### 5.2.3 Wood Pole Intrusive Inspection

To maintain the utility’s wood poles, a formal Wood Pole Assessment Plan was initiated with the goal to inspect 10% of the system each year. The pole inspection program also includes visual inspections of non-wood poles. Wood pole inspections are carried out on a planned basis to determine whether they have degraded below National Electric Safety Code (NESC) design strength requirements with safety factors.

A third-party contractor inspects and tests all poles on a cycle meeting the interval recommended in RUS Bulletin 1730B-121. Circuits are identified, mapped, and scheduled for inspection and testing using latest industry standards and practices. Inspectors are instructed to note any obvious deficiencies related to installed equipment in addition to the condition of the pole itself.

### 5.2.4 Instructions to Inspectors

HES considers and prioritizes maintenance work by assessing the most urgent needs. The inspector will document the overhead and underground systems' condition, recording defects, deterioration, violations, safety concerns, or any other factors requiring attention on the inspection records. The inspections focus on any hazards that could affect the system's integrity or the safety of line workers and the public.

### 5.2.5 Standards for Record-Keeping and Reporting

Facilities meeting standards and not requiring maintenance will be recorded and filed for future reference. Conditions other than satisfactory go into HES’ asset management database, and the Operations Department generates a list of deficiencies and monitors the completion of repair work. Photos of the deficient asset accompany the inspection record.

OAR 860-024-0011(d) establishes records retention requirements for each level of inspection. The utility must maintain adequate written records of policies, plans, and schedules to show inspections and corrections meet compliance with this rule and OAR 860-024-0012. HES makes these records available to the Commission upon its request.



### 5.2.6 GIS Mapping

An electrical utility uses a network of physical facilities to provide electric power and energy to customers connected to those facilities throughout a geographical area. Each component of the distribution system (i.e., asset) and each meter have an approximate physical location and associated data. To plan, construct, maintain, and operate the distribution network it is necessary to create, manage and utilize this geospatial data. HES has integrated the ArcGIS Collector App into its inspection and maintenance program.

The Collector interface allows field workers to capture and return field data that integrates into ArcGIS mapping software. For any asset, inspectors, linemen, or VM crews can document any issues with equipment or vegetation clearance violations using handheld mobile devices. Photos are also collected during the asset and wood pole inspection process.

### 5.3 Vegetation Management

Trees that grow on or adjacent to powerline ROWs are a common cause of outages and damage to facilities and are a potential cause for wildfire. HES maintains its distribution ROWs to minimize interruptions of services and to provide a safe and reliable supply of electricity to its customers. This includes not only the maintenance of hardware, conductors, and poles, but trees and other vegetation that threatens to fall onto or grow into the electrical conductors. To this end, HES has developed a comprehensive Vegetation Management Plan outlining VM best management practices, trimming standards and technical specifications.

HES' VM program utilizes a mix of tools to accomplish the goal of reliability and public safety on its electrical system. Methods include a combination of mechanical pruning, mowing, tree removal, and herbicides for control of trees, seedlings, and protection of desirable low-growing shrubs and grasses to encourage a plant community under the powerlines that will never require or will require little maintenance. This management strategy is called Integrated Vegetation Management (IVM).

When work is well planned and completed, the overall impact on the desirable vegetation on the right-of-way will be reduced, and the neighboring landowners, the motoring public, and the wildlife that uses the right-of-way for nesting and foraging will benefit. With a prescriptive and balanced approach to VM, HES will be able to focus more of its energy and resources on quality pruning of trees along the powerline ROW,

replacement of undesirable urban trees under the lines, good customer service, while improving reliability and safety, and controlling maintenance costs.

### 5.3.1 Vegetation Management (VM) Trimming and Inspection Schedule

HES contracts tree trimming crews for year-round vegetation management work. HES contracted line crews also address vegetation concerns in response to service calls or field observations by line crews. Proactive maintenance during routine operations and prompt action during emergency events maintain system reliability, a safe work environment, and reduces fire danger. Any VM issues that cannot be immediately handled by the contracted line crews are referred to the VM contractor for priority trimming. Scheduled patrols ensure all lines are inspected for vegetation hazards and systematically trimmed. On-going, year-round field patrols identify targeted areas for vegetation pruning or removal and ensure compliance with state and federal regulatory requirements.

### 5.3.2 Vegetation to Conductor Clearance

HES' Vegetation Management Plan specifies clearance distances from any vegetation to the conductor. Since conductors move horizontally and vertically based on dynamics such as operating temperature, wind and loading, clearance is evaluated from all possible conductor positions. Clearance also accounts for vegetation that would grow into, bend into, swing into or fall into a clearance distance if not removed.

### 5.3.3 Controlling Incompatible Vegetation

In addition to the annual patrols by field staff observing and reporting on incompatible uses and encroachments, HES make efforts to educate public and private landowners about incompatible vegetation that can pose risks if planted under or near conductors.

## 5.4 Emerging Technologies

HES, through its contract with UEC, has initiated various pilot projects to explore new technologies and best management practices. These pilot projects will serve to evaluate the effectiveness of new technologies while controlling unwarranted expenditures on unproven methods. HES may elect to integrate these technologies or practices into its ongoing maintenance programs based on the outcomes. These technologies include, but are not limited to non-expulsion fuses, electronic reclosers, and fire protective coatings for wood poles.

## 5.5 Fire Mitigation Construction

HES is taking steps to harden the electrical system with upgrades and design changes. These designs stem from many decades of engineering experience and the adoption of emerging technologies. HES' design practices continue to advance with the addition of newer safety and reliability-related technologies. This advancement recognizes the importance of understanding and adapting to the challenges brought on by the use of public land, development in the WUI, and climate change.

### 5.5.1 Avian Protection Program

Birds tend to interact with overhead electrical assets by perching or nesting on utility poles or other electrical equipment such as substation transformers and switches. These interactions can lead to avian electrocutions and contacts, with the potential for outages and wildfire ignitions.

Since 2018, HES, through its contract with UEC, has implemented design and construction standards to protect raptor and migratory birds throughout the service area. These measures, outlined in its 2018 Avian Protection Plan (APP), have substantially reduced the electrocution risk to raptors and the number of injured wildlife. Concurrently, these measures have reduced the incidence of fire ignitions while also improving compliance with the Migratory Bird Treaty Act (MBTA), Bald and Golden Eagle Protection Act (BGEPA), and the Endangered Species Act (ESA).

# 6 Emergency Response

## 6.1 Preparedness and Response Planning

HES strives to minimize the impacts of any disruptive event regardless of the size or scope while consistently focusing attention on the community's most critical systems and infrastructure. HES' emergency preparedness and response planning is encapsulated in its longstanding Emergency Response and Disaster Recovery Plan (ERP). The emergency plan establishes defined responsibilities, actions, and procedures to recover the HES electrical and communications system in the event of an unexpected and unscheduled interruption. The plan is structured to attain the following objectives:

- To guide HES management in coping more effectively with unusual situations that could cause confusion and misunderstanding.
- To provide a framework for prompt, accurate and effective communications with key audiences, including employees, customers and the news media during crisis situations.
- Restore the physical network within the critical time frames established and accepted by management.
- Restore the applications within the critical time frames established and accepted by management.
- Restore the nominal course of HES business operations within the critical time frames established and accepted by management.
- Minimize the impact on HES and customers with respect to dollar losses and operational interference.

HES, with its partnership with UEC, will conduct annual exercises of the ERP, document the results, and implement lessons learned. Procedures for the development of the ERP can be found in RUS Guide 1730B-2.

### 6.1.1 Jurisdictional Structure

HES has considered the jurisdictional structure of the service area when developing or implementing its strategic plan, including those related to wildfires. HES coordinates with various land ownership and management entities such as ODF and BLM as needed.

### 6.1.2 Emergency Management Communication and Coordination

In response to active emergencies, HES, through its contract with UEC, coordinates and collaborates with the local Offices of Emergency Management (OEM) and relevant state agencies as partners. During such emergencies, HES provide a utility representative to the county and/or city OEM to ensure effective communication and coordination.

HES' primary coordination point is Umatilla County OEM. HES through UEC's Member Services Administrator (MSA) contacts the local OEM and establishes themselves as the duty officer for coordination. The MSA acts as the communications officer during an emergency, and is responsible for responding to public agencies, key accounts, the news media, and general membership.

Emergency responders and local, state, and federal agencies have direct access to operations department for information.

### 6.1.3 Coordination with Stakeholders

HES understands the importance of proactive planning and coordinating closely with local governments, agencies, and key accounts including critical infrastructure, emergency first responders, utility districts, confederated tribes, customers, and business groups. Contact information and coordination protocols are contained in the ERP.

### 6.1.4 Public Agency and Customer Communications for Outages

For scheduled maintenance outages, HES, through its contract with UEC provides as much advance notice as possible, depending on the number of customers impacted. Depending on the scope of the project and the length of time prior to the outage, customers receive personal or automated telephone calls advising of the outage and information is posted.

For unplanned outages and emergencies, staff in the Member Services Department respond by following guidelines in HES' Emergency Restoration Plan (ERP) to provide ongoing updates including safety messages as needed.

The Member Services Department calls key stakeholders and accounts including health care facilities affected by a de-energization of the power lines. County government officials are contacted prior to major planned outages.

### 6.1.5 Defensible Space / Community Outreach

Fuel reduction projects and vegetation treatments have been identified as an effective means of mitigating wildfire hazards. Each year, wildland fires consume hundreds of homes in the Wildland-Urban Interface. Studies show that as many as 80% of the homes lost to wildland fire could have been saved if their owners had only followed a few simple fire-safe practices.

Projects of this type include fuel breaks, thinning, pruning, landscape modifications, etc. Homeowners and local government bear much of the responsibility for improving the defensibility of homes in the WUI but may lack knowledge and information regarding what needs to be done and how to do it.

HES encourages its customers to take proactive measures to safeguard their homes from wildfire danger and to prepare for emergency events. To help create an awareness of fire danger, HES provides information on prevention and mitigation in publications, social media accounts (especially Facebook), and company website.

### 6.2 Actions Taken to Support Customers During and After A Wildfire

For customers who have experienced catastrophic losses to homes or businesses due to natural disaster, HES will take specific actions to support affected customers from the date of a disaster event included in a *Governor's State of Emergency Proclamation*. Customers can contact HES for additional information.

### 6.3 Restoration of Service

If an outside emergency management/emergency response agency requests a power shutdown, or if HES elects to de-energize segments of its system due to extreme weather, HES' contracted staff will patrol the affected portions of the system before the system can be re-energized. Suspect equipment or distribution lines that cannot immediately be patrolled will remain deenergized until HES' contracted staff can do so. Poles and structures damaged in a wildfire must be assessed and rebuilt as needed prior to re-energization. Periodic customer and media updates of restoration status prior to full restoration will be made.

#### 6.3.1 Service Restoration Process

After a wide-spread outage, HES contract work crews take the following steps before restoring electrical service after a de-energization event. These measures intend to protect the worker, customers, the public, and the system's reliability.

- **Patrol:** Crews patrol every de-energized line to ensure no hazards have affected the system during the outage. If an outage is due to wildfire or other natural disasters, as soon as it is deemed safe by the appropriate officials, crews inspect lines and equipment for damage, foreign contacts and estimate equipment needed for repair and restoration. HES contract personnel assist in clearing downed trees and limbs as needed.
- **Isolate:** Isolate the outage and restore power to areas not affected.

- **Repair:** After the initial assessment, HES contract staff meet to plan the needed work. Rebuilding commences as soon as the affected areas become safe. Repair plans prioritize distribution circuits serving the most critical infrastructure needs. While the goal to reenergize all areas is as soon as possible, emergency services, medical facilities, and utilities receive first consideration when resources are limited. Additional crew and equipment are dispatched as necessary.
- **Restore:** Periodic customer and media updates of restoration status before full restoration are posted on social media platforms. After repairs are made, power is restored to homes and businesses as quickly as possible. Customers, local news, and other agencies receive notification of restored electric service.

## 7 Performance Metrics and Monitoring

In addition to a robust mitigation strategy, HES has developed performance metrics to monitor its efforts over time. The goal of these metrics is to provide a data-driven evaluation of plan performance to help determine the effectiveness of various programs and to identify areas for improvement.

This chapter identifies HES’ contractor responsibilities for overseeing this WMP, the methods for identifying plan deficiencies and the inspection and VM program monitoring processes.

### 7.1 Plan Accountability

The General Manger makes policy decisions for HES – they will be responsible for approving the Wildfire Mitigation Plan.

- Through HES’ contract with UEC, UEC’s Vice President of Engineering and Operations (VP of E&O) is responsible for monitoring and auditing the targets specified in the WMP to confirm that the objectives of the WMP are met, as well as the implementation of the plan in general. Staff will be directed as to their roles and responsibilities.
- Through HES’ contract with UEC, The UEC General Manager/ Chief Executive Officer (GM/CEO) and Vice President of Engineering and Operations determine when and how to notify outside agencies in cases of wildfire emergency events.
- Through HES’ contract with UEC, The UEC Vice President of Administration leads the Communications Team, which is responsible for communicating with public safety, media outlets, public agencies, first responders, local offices of

emergency management, and health agencies during an emergency or planned maintenance outages.

- Through HES' contract with UEC, The UEC GM/CEO and VP's direct management staff responsible for operations, customer service, information technology, and finance.
- Through HES' contract with UEC, The UEC Manager of Operations oversees the Field Personnel.
- Through HES' contract with UEC, The UEC Manager of Engineering oversees the engineers and technical systems.
- Through HES' contract with UEC, The UEC Manager of Operations is responsible for oversight of the contracted VM operations.
- Through HES' contract with UEC, The UEC VP of Administration oversees the Customer Service Representatives.

## 7.2 Monitoring and Auditing of the WMP

The WMP will be included as a discussion item on the agenda of regularly scheduled management meetings. UEC monitors the WMP and reports to the HES General Manger on its effectiveness on an annual basis or after major events.

### 7.2.1 Identify Deficiencies in the WMP

Through HES' contract with UEC, The UEC VPE&O is responsible for ensuring the WMP meets all the applicable State of Oregon guidelines<sup>6</sup>. Staff responsible for assigned mitigation areas must vet current procedures and recommend changes or enhancements to build upon the Plan's strategies. Due to unforeseen circumstances, regulatory changes, emerging technologies, or other rationales, deficiencies within the WMP are reported to the UEC VPE&O.

The VPE&O or designee are responsible for spearheading discussions on addressing deficiencies and collaborating on solutions when updating the WMP. When deficiencies are identified, the designated staff evaluate each reported deficiency to determine its validity. The UEC GM/CEO and VPE&O record the agreed upon corrective actions, plan steps for implementation and inclusion in future iterations of the plan.

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<sup>6</sup> [https://oregon.public.law/rules/oar\\_chapter\\_860\\_division\\_24](https://oregon.public.law/rules/oar_chapter_860_division_24)



### 7.3 Performance Metrics

HES is developing performance metrics intended to gauge the effectiveness of HES' various programs and strategies for mitigating wildfire ignitions. The annual tracking of these metrics will help identify circuits most susceptible to unexpected outages, time-of-year risks, and the adequacy of the VM and asset inspection schedules. HES will reassess its operations and identify areas for improvement as more data becomes available and refine the WMP as needed. The selected metrics, as with other aspects of the plan, will likely evolve in future iterations of the WMP.

#### 7.3.1 Monitor and Audit the Effectiveness of Inspections

HES' compliance with OPUC, Rural Utility Services (RUS), and NESC regulations ensures facilities are inspected in accordance with current industry standards as well as federal and state mandated timeframes. Any issues found impacting safety and reliability are addressed as outlined in those regulations. In addition to the maintenance program, HES continuously evaluates its facilities while performing other activities such as outage patrols, new business planning, replacements, and related fieldwork.

#### 7.3.2 Programmatic Metrics

HES outlines and schedules required work on an annual basis. Any incomplete work behind schedule is flagged for review or field verification. HES aims to complete 95-100% of the work within the initially scheduled time frame, however, emergencies or other unforeseen contingencies can occur, requiring material and labor resources to be otherwise assigned. When this happens, the delayed work receives prioritization for future time frames and completed allowing for safe and reliable operation following industry safety standards.

### 7.4 Programmatic QA/QC processes

#### 7.4.1 Distribution System Inspection QC Process

Through HES' contract with UEC, The UEC Manager of Operations manages the distribution line assets and develops comprehensive inspection and maintenance programs following industry best practices. These programs ensure the safe operation of the distribution line facilities. The VPE&O or designated managers regularly monitor inspection and corrective maintenance records and diagnostic test results to adjust maintenance plans and develop new programs.

Key imperatives are to:

- Reduce the risk of power-related wildfire.
- Meet federal and state regulatory requirements.
- Achieve reliability performance within mandated limits and to optimize capital and O&M investments.

Through HES' contract with UEC, UEC's Engineering & Operations Department is responsible for performing the inspections and corrective maintenance. If deficiencies are found, service orders are created. The priority for corrective maintenance is to remove safety hazards immediately and repair minor deficiencies according to the type of defect, severity of the risk level associated with the location of the asset. Service orders are monitored throughout the year to ensure timely completion via regular internal reports.

### 7.4.2 Vegetation Management QC Process

Distribution system related VM work is field audited. Quality control efforts monitor program effectiveness, overall tree work performance, and determine the adequacy of the VM work schedule. GIS mapping software is used to track the quality assurance work and to monitor the VM program. The quality control results go under review, and deficient work is reissued to the contractor for corrective action.

## 7.5 Plan Approval Process

### 7.5.1 Public Comment

Although public input is welcomed and encouraged at any time, formal plan comment will not be taken during the Hermiston Council plan presentation and approval process.

### 7.5.2 Board Presentation

Plan presentation and approval will be performed at a regularly scheduled Hermiston City Council meeting. Meeting topic agenda and comment period announcements will follow normal Council protocols.

# Appendix A: Wildfire Mitigation Plan Version History

**Table 4. Plan Revision History**

Version #	Change	By	Date
1	This is the first 2022 Version	BKI	June 1, 2022
2	WMP Reviewed and no changes are needed	HES GM	June 1, 2022

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