



Location: City Hall – Council Chambers
Date: April 12, 2022
Time: 6:00 PM

City Council Meeting Agenda

Mayor Jason Beebe, Council Members Steve Uffelmann, Janet Hutchison,
Patricia Jungmann, Gail Merritt, Jeff Papke, Raymond Law and City Manager Steve Forrester
ATTEND TELEPHONICALLY BY CALLING 346-248-7799 Meeting ID: 947 5839 2608 Passcode: 123456

Call to Order

Flag Salute

Additions to Agenda

Consent Agenda

- [1.](#) Regular Meeting Brief 3-8-2022
- [2.](#) Special Meeting Brief 3-17-2022
- [3.](#) PD Property Conversion

Visitors, Appearances and Requests

Council Presentations

4. Legislative Update - Representative Vikki Breese-Iverson

Council Business

5. Strategic Investment Program **(PUBLIC HEARING W/ CROOK COUNTY COURT)**
- [6.](#) Intent to Award Empire Sewer Line Project - Mike Kasberger
- [7.](#) Intent to Award Sewer Line Interceptor - Mike Kasberger

Staff Reports and Requests

- [8.](#) City Manager's Report - Steve Forrester
- [9.](#) Drought Update - Mike Kasberger
- [10.](#) Quarterly Financial Report - Liz Schuette / Lori Hooper

Committee Reports



Ordinances

- [11.](#) Ordinance No. 1272 - Adopting Changes to Prineville Code Chapter 32 (**SECOND PRESENTATION**) - Josh Smith

Resolutions

- [12.](#) Resolution No. 1515 - Approving an Easement Agreement with Crook County - Mike Kasberger
- [13.](#) Resolution No. 1516 - Approving an Easement Agreement with Crook County Parks & Recreation - Mike Kasberger
- [14.](#) Resolution No. 1517 - Establishing a Policy Governing Charitable Donations Made by the City Council - Jeff Papke
- [15.](#) Resolution No. 1518 - Approving a Development Agreement Between the City & Vitesse - Eric Klann

Visitors, Appearances and Requests

Adjourn

Agenda items maybe added or removed as necessary after publication deadline



CITY OF PRINEVILLE
Regular Meeting Brief
387 NE Third Street – Prineville, OR 97754
541.447.5627 ph 541-447-5628 fax

Full Meeting Recordings Available at:
<http://cityofprineville.com/meetings/>

City Council Meeting Brief
March 8, 2022

Council Members Present:

Patricia Jungmann
Steve Uffelman
Jason Beebe
Ray Law

Gail Merritt
Jeff Papke

Council Members Absent

Janet Hutchison

Additions to the Agenda

Add Crook County High School Girls Basketball Team to agenda under Council Business, Item No. 3.

Consent Agenda

1. Regular Meeting Brief 2-22-2022

Councilor Merritt made a motion to approve consent agenda as presented. Motion seconded. No discussion on motion. Motion carried.

Visitors, Appearances and Requests:

2. Retirement Recognition – Sgt. Jimmy O’Daniel

Captain Larry Seymour explained that Sgt. Jimmy O’Daniel has been with the city for twenty-three (23) plus years and went through highlights of Sgt. O’Daniel’s service record. Captain Seymour presented him with an award and continued with his first impression of Sgt. O’Daniel when he himself first came on board. Captain talked about the level of professionalism, grit and compassion that Sgt. O’Daniel has. Sgt. O’Daniel was one of Captain Seymour’s first trainers and taught him how to park when doing a traffic stop and shared a few other memories of working with Sgt. O’Daniel over the years.

Sgt. O’Daniel thanked everyone and what a great team we have.

Council thanked Sgt. O'Daniel for his years of service.

Council Presentations

None.

Council Business

3. Crook County High School Basketball Team – Coach Bob Boback

A few members of the Cowgirls Basketball Team came forward explaining that their team is going to state on Thursday and it has been eleven (11) years since a state appearance for them. The girls talked about it taking a lot of time and work over the years. Most have been playing since 5th grade and they have become a family.

Bob Boback- Head Coach, said this is his 24th year of coaching in his career. Coach Boback continued about him recently moving to Crook County and how great the community is, being present to see Jimmy's recognition was an honor, and how good the girls' team is doing.

Coach Boback explained about not knowing how they had to pay for their trip if they go to state, fund raising and about expense of lodging and food. It would be helpful if they could get \$6,000 to help with lodging. He added being in this community is a blessing and that are going to Corvallis for State.

Discussions continued regarding how the team helps other little girls that want to play basketball, the girls on the team holding a 3.8 GPA, and how much money is in the Council fund.

Mayor Beebe challenged Commissioner Barney (in audience) to have the County meet whatever the Council decides to contribute. Commissioner Barney accepted to take the challenge and information to the people he works with.

Councilor Jungmann made a motion to support Crook County High School Girls Basketball Team with a \$4,000.00 contribution and hopes the county can match. Motion seconded. Jered Reid, City Attorney clarified the motion. Councilor Papke recused himself from vote since he is directly involved with the team. No further discussions. Motion carried.

4. Intent to Award Purchase of Liquid Chlorine – Eric Klann

Eric Klann, City Engineer presented the staff report explaining that we received two bids, though one was non-responsive.

Councilor Uffelman asked what the estimate was before the bid came in. Mr. Klann responded that it is the same price that we have been paying with no increase.

Councilor Merritt made motion to approve intent to award purchase of liquid chlorine to Ray's Welding Supplies. Motion seconded. No discussion on motion. All in favor, motion carried.

5. Intent to Award Solar Field Fence Project – Eric Klann

Mr. Klann presented staff report and provided a summary of our history working with Mike's Fence in the past.

And

Discussions continued regarding how long it would take to build fence, why is there is such a difference in pricing, the need for different types of fencing due to building code, having insurance, the number of acres that actually have the solar panels, there will be gates to secure it, and access to the back.

Mr. Reid talked about agreement and insurance requirements.

Councilor Papke made motion to approve the Intent to Award Solar Field Fence Project to Mike's Fence Center. Motion seconded. No discussion on motion. All in favor, motion carried.

Staff Reports and Requests:

6. City Manager's Report– Steve Forrester

Mr. Forrester referred to his report in the packet. Crook County has made a drought declaration and explained that our community is in a very tough spot for water and is worse this year than last year. Mr. Forrester stated he will continue to bring updates on the drought situation and how it is affecting our community. Mr. Forrester talked about HB5202 and the millions of dollars our county and city will be getting for our community because of the work we do upfront building relationships to get this done.

Mr. Forrester closed with how well Meadow Lakes is doing and that Capstone just completed an audit for Republic Disposal.

There were no questions or comments.

7. Crook County Justice Center Update – Casey Kaiser, Senior Planner

Casey Kaiser, Senior Planner explained that at our last council meeting, Commissioner Barney gave an update and requested support and council asked staff to quantify what the support amounts to.

Mr. Kaiser went through each of the calculations explaining that there is a transportation SDC's difference, the trips are already happening and are not increasing, just moving to another location. The sum of direct costs would be \$84K and waiver would be for water, wastewater and transportation.

Councilor Uffelman expressed concerns for waiving fees and why is the city going to support expansion of county facilities?

Commissioner Barney stated that he hears concerns of Councilor Uffelman about subsidizing the county and brought attention to the partnership with the city for the airport, city well easements, how the county works well with the city and both work to serve the community. All of the facilities are all here to serve the public.

Discussions continued regarding forgiving some SDC's for the jail because it what a benefit to both local governments, how the city is strategic with county in providing vital services, what the impact really is, examples of previous partnerships, opportunities to the city with the airport in the future, and the county allowing city to drill test wells to serve city into the future.

There were no further questions.

Mr. Reid clarified that this would require a couple of motions.

Councilor Papke made motion to approve waiving SDC's on water, wastewater and transportation fees for Crook County Justice Center. Motion seconded. No discussion on motion. Motion carried.

Councilor Papke made motion to authorize not to exceed \$84,000 for moving sewer lines and street lights. Motion seconded. No discussion on motion. Motion carried.

Committee Reports

None.

Ordinances:

8. Ordinance No. 1272 – Adopting Changes to Prineville Code Chapter 32 (FIRST PRESENTATION) – Casey Kaiser

Mr. Kaiser presented the staff report and provided background information. Councilor Papke-Council Governance Committee Chair, provided additional background information and the important role of the Planning Commission and how they lead the future development of the city. There was disconnect between Council and the Planning Commission and went over what is the best for the city. The Committee and staff thought including engaged businesses that have businesses within city limits, but resides outside city limits could help increase chances of getting applicants.

Mayor Beebe added that the Governance Committee would be on the review committee.

Councilor Uffelman has a concern and believes the “shall” should be in place.

Councilor Papke said we (Council Governance Committee) really danced around this and discussed it at length. He explained we want to be sure we have a large enough pool to choose from. We will have opportunity to interview and vet to see who would be good on the commission. There are also safe guards in place where if we saw that happening we could remove them to ensure that those self-interest people could be removed if we saw that behavior.

Discussions continued regarding removal and how that is done.

Council Governance Committee’s recommendation implied motion to approve first presentation of Ordinance No. 1272. No discussion on implied motion from committee. Motion carried.

9. Ordinance No. 1274 – Amending Section 7 of Ordinance No. 1142 (SECOND PRESENTATION) – Jered Reid

Mr. Reid stated that there have not been any changes since the first presentation of the ordinance.

There were no discussions.

Councilor Jungmann made a motion to approve Ordinance No. 1274 for its second presentation. Motion seconded. No discussion on motion. All in favor, motion carried.

Resolutions:

None.

Adjourn

Councilor Papke made a motion to adjourn the meeting. Motion seconded. No discussion on motion. All in favor, motion carried.

Meeting adjourned at 7:51 P.M.

Motions and Outcomes:

Motion:	Outcome	Beebe	Hutchison	Jungmann	Law	Merritt	Papke	Uffelman
Consent Agenda	PASSED	Y	-	Y	Y	Y	-	Y
Motion to Support Crook County High School Girls Basketball Team With a \$4,000.00 Contribution	PASSED	Y	-	Y	Y	Y	Y	Y
Motion to Approve Intent to Purchase Liquid Chlorine Gas Contract to Ray’s Welding Supplies	PASSED	Y	-	Y	Y	Y	Y	Y
Motion to Approve Intent to Award Solar Field Fence Project to Mike’s Fence Center	PASSED	Y	-	Y	Y	Y	Y	Y
Motion to Approve Waiving SDC’s on Water, Wastewater and Transportation Fees for Crook County Justice Center	PASSED	Y	-	Y	Y	Y	Y	N
Motion to Authorize Not to Exceed \$84,000 for Moving Sewer Lines and Street Lights	PASSED	Y	-	Y	Y	Y	Y	N
Ordinance No. 1272 – Adopting Changes to Prineville Code Chapter 32 (FIRST PRESENTATION)	PASSED	Y	-	Y	Y	Y	Y	N
Ordinance No. 1274 – Amending Section 7 of Ordinance No. 1142 (SECOND PRESENTATION)	PASSED	Y	-	Y	Y	Y	Y	Y
Adjourn Meeting	PASSED	Y	-	Y	Y	Y	Y	Y

Public Records Disclosure

Under the Oregon public records law, all meeting information, agenda packets, ordinances, resolutions, audio and meeting briefs are available at the following URL:

<https://www.cityofprineville.com/meetings> .



CITY OF PRINEVILLE
Special Meeting Brief
387 NE Third Street – Prineville, OR 97754
541.447.5627 ph 541-447-5628 fax

Full Meeting Recordings Available at:
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City Council Special Meeting Brief
March 17, 2022 - Noon

Council Members Present:

Steve Uffelman
Janet Hutchison
Jason Beebe

Ray Law
Gail Merritt

Council Members Absent

Jeff Papke
Patricia Jungmann

Additions to the Agenda

None.

Consent Agenda

None.

Visitors, Appearances and Requests:

No written comments were received for the record.

Council Presentations

None.

Council Business

1. March 22nd Regular Council Meeting Cancellation – Jered Reid

Jered Reid, City Attorney provided the background for the regular meeting scheduled for March 22nd explaining that four Councilors will be absent for the meeting. We will not have a quorum for that meeting that falls during spring break.

Councilor Uffelman made a motion to cancel the March 22, 2022 Council meeting. Motion seconded. No discussion on motion. All in favor, motion carried.

Mr. Reid added that for the record there are five Councilors present at this March 17, 2022 Special Council meeting.

Staff Reports and Requests:

None.

Committee Reports

None.

Ordinances:

None.

Resolutions:

None.

Adjourn

Councilor Hutchison made a motion to adjourn the meeting. Motion seconded. No discussion on motion. All in favor, motion carried.

Meeting adjourned at 12:08 P.M.

Motions and Outcomes:

Motion:	Outcome	Beebe	Hutchison	Jungmann	Law	Merritt	Papke	Uffelman
Motion to Cancel the March 22, 2022 Council Meeting	PASSED	Y	Y	-	Y	Y	-	Y
Adjourn Meeting	PASSED	Y	Y	-	Y	Y	-	Y

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Prineville Police Department

1251 NE ELM STREET ♦ PRINEVILLE, OREGON 97754

Amy Van Donk, Evidence

Phone: (541)447-4168

FAX: (541) 447-8619

avandonk@prinevillepd.org Web Site: www.cityofprineville.com

April 1, 2022

City Council,

Please see the attached list that has been sent to the Central Oregonian. These items were published in the paper for four consecutive weeks. Four weeks have passed and there are no claims to any of the items. I will be destroying items that have no value. Items that have value will be sent to auction with Propertyroom.com and I will be donating the bikes.

I am requesting that the City approve this list for both advertisement and ending distribution purposes.

Sincerely,

Amy Van Donk
Evidence Technician



Prineville Police Department

1251 NE ELM STREET ♦ PRINEVILLE, OREGON 97754

Amy Van Donk, Evidence

Phone: (541)447-4168

FAX: (541) 447-8619

avandonk@prinevillepd.org Web Site: www.cityofprineville.com

March 3, 2022

City Council,

The Prineville Police Department has in its possession the following items. These items have been released by the Crook County District Attorney's Office. At this time, I am requesting that the firearms and cash be transferred to Bullseye Firearms for store credit for department use.

Case

21001210

Item # 2 – .22 Ruger Rifle

Item # 4 - .22 magazine

Forfeit per Crook County District Attorney's Office- Crook County Circuit Court

21001255

Item # 1 – Patriot Bolt Action Rifle

Item # 2 – Rifle Case/Magazine/Ammunition

Forfeit per Crook County District Attorney's Office- Crook County Circuit Court

21000566

Item # 1 – Browning .22 Handgun

Item # 2 – Kimber .45 ACP Handgun

Item # 3 - Ammo

Forfeit per Crook County District Attorney's Office- Crook County Circuit Court

22000287

Item # 1 – 9mm handgun

The following cash items shall be turned over to Bullseye Firearms for store credit

18001671

Item # 14 – \$1143 cash

Item # 15 – \$167 cash

Criminal forfeiture per Crook County Circuit Court



Prineville Police Department

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March 1, 2022

The Prineville Police Department has in its possession the unclaimed personal property described below. If you have any ownership interest in any of the unclaimed property, you must file a claim with the Prineville Police Department within 30 days from the date of publication of this notice, or you will lose your interest in that property. Contact information for the Prineville Police Department Evidence Technician is 541-447-4168 or avandonk@prinevillepd.org. All items will be posted for 30 days and then either sent to auction with Propetryroom.com or donated to local charities.

Thank you,

Amy Van Donk

BLACK WALLET
BLACK WALLET WITH ODL
SILVER RING WITH POSSIBLE GEMSTONES
RED PURSE WITH CASH
7 KEYS AND KEYCHAINS
TREK MOUNTAIN BIKE
YANKEES HOUSE KEY ON RING
LEATHER WALLET WITH ID
RAD POWER BIKES
BLACK LG CELL PHONE
FEMALE CLOTHING TOPS
PINK LANYARD WITH KEY
CASE FOR SURVEY SET
BLACK "SPORTIF" SMALL DUFFEL BAG
BLACK MOUNTAIN BIKE
PACIFIC DS BOYS MOUNTAIN BIKE
MAGNA GIRLS MOUNTAIN BIKE
SAMSUNG CELL PHONE AND CASE
DODGE VAN KEYS
HANDGUN
MOTOROLA WALKIE TALKIE
FLARES AND MISC ITEMS
BLACK BAG WITH MISC ITEMS
IPHONE
SILVER METAL RING

FLIP SIDE WALLET
HEADLAMP
SUNGLASSES
COVID 19 MASK –FISH PRINT
RAYBAN SUNGLASSES
SMITH SUNGLASSES
CASH
THROWING KNIFE
CANVAS BAG
SMALL WHITE GOLD DIAMOND RING
AIRPODS WITH CHARGING CASE
SCHWINN YOUTH MOUNTAIN BIKE
LARIAT
BMX BICYCLE
PROPANE TANK
CHASE BANK CARD DEPICTING STARS WARS
DEWALT VACUUM
LONG BOARD
WOMAN'S MONGOOSE BICYCLE
HOBO BAG
IPHONE 12
KEYS
DASANI BRANDED BICYCLE
RED LEATHER WALLET
KENT TROUBLE YOUTH BMX BICYCLE
SSN, OLCC CARD, BANK CARDS, CHECK
CRANBROOK BICYCLE
ANDROID PHONE WITH OTTERBOX CASE
COME-ALONG RATCHET
VANS BACKPACK WITH PERSONAL ITEMS
CASH AND COINS
SMALL BLACK PURSE WITH ID/CARD
IDAHO DL
TAXIDERMIC BEAR
WOMEN'S STACKED GOLD RING
BLACK LEATHER TRI-FOLD WALLET
ROYCE UNION MED MOUNTAIN BIKE
PURPLE WOMEN'S BICYCLE
"BLU" TRAC PHONE
WHEEL CHAIR
COIN PURSE, POCKET KNIFE, RINGS
SINGLE CAR KEY
MONGOOSE MOUNTAIN BIKE
HAND GUN CASE
MOTOROLA CELL PHONE IN GOLD CASE
MAGNA MOUNTAIN BIKE
HARDROCK MEN'S MOUNTAIN BIKE
MONTEREY FUJI BICYCLE
CELLPHONE WITH WALLET CASE
IPHONE IN RED CASE



STAFF REPORT

MEETING DATE: 4/12/2022

PREPARED BY: Mike Kasberger

SECTION: Staff Reports and Requests

DEPARTMENT: Public Works

CITY GOAL: Fiscal Responsibility, Provide Quality Municipal Service & Programs

SUBJECT: Sewer Line Repairs on Empire Drive

REASON FOR CONSIDERATION:

The City has need to complete some road repairs and paving on Empire Drive near the airport. Prior to that work being done, we have a few sewer repairs to complete so we don't cut thru the new pavement to do those repairs.

BACKGROUND:

Empire Drive is experiencing some localized settlement in spots. We will need to excavate these spots and replace the existing subgrade with new compacted base rock. Prior to doing that we will have to repair our sewer line in a couple locations. This work is too deep for our crews to complete so we have gone out to bid for it. We held a pre-bid meeting here at city hall on March 24, 2022, to answer any questions the bidders might have. We held a public bid-opening at city hall on April 5, 2022 to open the bids and select the low bidder.

FISCAL IMPACT:

This project is not a budgeted item, it will come out of our Transportation Capital Outlay account and we do have room in this account to cover this project. We received 6 bids and these are the results:

SMAF Construction	\$58,527.75
Sewer Renewal Specialists LLC	\$59,360.00
JAL	\$64,500.00
McKenzie Cascade	\$72,810.00
Greenbar Excavation	\$84,410.00
Elk Mountain	\$93,900.00

RECOMMENDATION:

Staff recommends that council approve the intent to award the Sewer Line Repairs on Empire Drive to SMAF Construction in the amount of \$58,527.75.



STAFF REPORT

MEETING DATE: 4/12/2022

PREPARED BY: Mike Kasberger

SECTION: Council Business

DEPARTMENT: Public Works

CITY GOAL: Fiscal Responsibility, Provide Quality Municipal Service & Programs

SUBJECT: Sewer Interceptor at the new Justice Center

REASON FOR CONSIDERATION:

Crook County is about to break ground on their new Justice Center located at SW 1st and Beaver. The City has an 8 inch sewer located within where the alley way would be through the center of that block. In order to accommodate the new Justice Center building that sewer needs to be rerouted to the south and tie into the 14" sewer in SW 1st Street.

BACKGROUND:

At our March 8th City Council meeting, Brian Barney addressed the Council and presented the need for the rerouted sewer. Council agreed to contribute up to \$30,000 toward that rerouted line. Staff went out to bid expecting the project to come in at that \$30,000 price range. We solicited bids from 4 local reputable contractors. Two of the four contractors were not able to meet the timeline addressed in the solicitation and were unable to bid the project.

FISCAL IMPACT:

The quotes came in as follows:

SMAF	\$65,752.50
York Brothers	\$70,360.00
McKernan Enterprises	Could not meet timeline
Bar Seven A	Could not meet timeline

RECOMMENDATION:

Staff recommends that the County contribute \$35,752.50 toward the project and that they agree to be responsible for any unforeseen circumstances and that the City contract with SMAF Construction for the installation of the sewer interceptor at the new justice center in the amount of \$65,752.50.

City Manager Update to Council

Council Meeting April 12, 2022

Public Safety / Dispatch

Recruitment efforts continue in both departments with hopes of filling one seat in dispatch with a lateral communications person. Both departments have officially been re-accredited and both are good for another three years. It is a very big undertaking for both side and we are proud of them maintaining their accreditation. Everyone has settled in nicely to the new facility. Though many possibilities have been discussed for the old facility, nothing has moved forward on this yet.

Public Works

Public Works is revving up for the numerous projects coming up for this summer. They will have many updates coming as all of these projects move forward and are completed. The Barnes Butte Recreation Area (BBRA) is expecting a very large cycling event in the fall which will bring a couple hundred visitors to our community. We are excited about the level of interest in our local attraction and how it will have a positive effect on our community economically.

Rail Road

The city has received the majority of the reimbursement for the bridge repairs that were needed after being hit. It is open and in the process of recovery for the remainder.

Meadow Lakes Golf

Meadow Lakes has a new Superintendent in place now, please welcome Tyler. Steve Reynolds will be retiring June 30th. The spring aeration and sanding of the greens project has just been completed. Revenues continue to be strong and Leagues have started up. Ron's Comfort Food will be starting up the Easter Bruch again this year. This is the first brunch since COVID first hit. The cart path has been paved on Hole # 12 and the project is almost complete except for seeding of the grass. Once soil temperatures rise and we are past cold night that area will be hydro-seeded.

Airport

Erickson Air Crane will be at the airport through the end of April for their training which is a significant increase to fuel sales. Interest to develop around the airport continues and expect more updates on this as opportunities evolve.

Planning

The Planning Commission will be considering a 270 multi-family complex and 58 unit multi-family cottage development on April 19th. Commercial development interest continues on the east side of town. Expect updates on these as they develop as well.

Human Resources

HR is still in the middle of union negotiations and hopes to have these wrapped up soon. Actively recruiting as mentioned earlier for Dispatch and Police Department and seasonal crew for Meadow Lakes.

Information Technology – No Update

Finance

The Finance Department is in the middle of mid-year audits and so far everything is going very well.

City Recorder/Risk Management

The League of Oregon Cities Annual Spring Conference is coming up April 21-22 with some current and relevant training opportunities. If you need any help registering, please let us know. We are in the middle of annual insurance renewals. Though our experience rating is very good, we are expecting increases due to what the industry is undergoing in claims nationwide.

General – No Update

City Legal – No Update

EDCO – No Update

Public Relations

Will be continuing on with water conservation tips and resources for the community. With Public Works projects getting ready for the summer we will be posting Public Works Project Updates as they happen which has seen high engagement numbers and are well received by our followers.

Mayor/Council

We have three Council terms and the Mayor's term expiring at the end of this year. Candidate packets will be available the last week of May to pick up from the city. June 1st is the first day a declaration of candidacy can be filed with the city and a deadline of August 30th for the November 8th election. More information on open positions and terms can be found on our city website.



STAFF REPORT

MEETING DATE: 4/12/2022

PREPARED BY: Mike Kasberger

SECTION: Staff Reports and Requests

DEPARTMENT: Public Works

CITY GOAL: Fiscal Responsibility, Provide Quality Municipal Service & Programs

SUBJECT: Drought Declaration Update

REASON FOR CONSIDERATION:

On March 21, 2022, Governor Kate Brown declared a state of drought emergency for Crook County. Crook County Court formally declared a drought on March 2, 2022 and requested that the Governor declare a state of drought emergency for Crook County. The entire county has been experiencing the U.S. Drought Monitor's most extreme category—Exceptional Drought—since last summer. Local reservoirs have reached record low levels, and stream flows are far below average. Shrinking snowpack and minimal rainfall are causing economic strain for the agricultural, livestock, and recreation industries.

Even though we are facing historically dry conditions, the City of Prineville expects our municipal water supply to be sufficient this year thanks to our reliable source of groundwater. The City's groundwater comes from two aquifers: one below the Prineville Valley floor and a deeper Deschutes Regional Basalt Aquifer located near the Airport. We are fortunate to have a diverse and stable groundwater supply that provides a reliable source of water even in these challenging conditions. Other water users in the region rely on surface water from the Ochoco and Prineville Reservoirs, which have been significantly affected by the drought.

The City has made water conservation a cornerstone of its sustainable water supply strategy and has invested in projects to help ensure we can meet long-term demands. This includes developing a forward-looking system to inject and store water in an aquifer in the winter for later use during the dry season. Even with innovations like these, however, water conservation efforts are an important part of the response to the multi-year drought, as water is a precious resource in the High Desert. The City encourages community members to make every drop count and reduce water waste. Here are a few ideas for how to do so:

- Avoid watering your lawn during the hottest part of the day. Water evaporates more quickly when it's hot.
- Adjust sprinklers so they are not spraying fences or allowing excess water to run down the street.

- Check faucets, showerheads, hoses, outdoor spigots, and irrigation systems for leaks and repair them right away.
- Use a weather-based controller or soil moisture sensor for your irrigation system to prevent overwatering. Set a timer if you're watering with the hose or drip irrigation.

Check out the City's Water Conservation webpage for additional water-saving ideas and to learn more about the free water conservation items available to our customers. We will continue to keep you up to date about the drought declaration, local water supply conditions, and voluntary water conservation measures

BACKGROUND:

Severe and prolonged drought conditions have raised concerns about the economic impacts of decreased water supplies for ranchers, irrigators, the environment, and recreation. Reduced snowpack, low storage levels in Ochoco and Prineville Reservoirs, and low flows in the Crooked River and its tributaries are projected to cause pasture shortages, a shortened growing season, and an increased risk of wildfire. A drought declaration for Crook County would open the way for additional state and federal resources to mitigate economic losses and protect people and livestock.

How is the drought being measured in our region?

There are several signs of extreme drought in our area, such as:

- Portions of the County saw the driest February on record since 1895.
- Stream flows in February for the County were only 14 percent of average.
- At the beginning of March, snowpack in the Upper Deschutes and Crooked Basins was 73 percent of the median.
- As of April 5th, Prineville Reservoir is currently storing 40,242 acre-feet of water—only 27% percent of its capacity—and Ochoco Reservoir is 11 percent full, with only 5069 acre-feet of stored water.
- Local irrigation districts are preparing for a shortened irrigation season and restricted water allocations.
- Soil moisture is well below average for this time of year across the County.

What are the benefits of having a Governor-declared drought emergency in the County?

An officially declared drought gives water users access to legal tools such as temporary transfers, substitutions, instream leases, and emergency water use permits. Affected water users may also be eligible for other federal and state drought assistance programs, such as emergency farm loans and compensation for grazing losses.

FISCAL IMPACT:

There is no fiscal impact at this time.

RECOMMENDATION:

There is no request for action needed at this time. We are simply notifying Council of the situation as it is a requirement of our Water Management and Conservation Plan.



*City of Prineville, Oregon
Financial Report
Second Quarter Ended
December 31, 2021*

Executive Summary

The City of Prineville moved to a biennial budget in FY 20 resulting in some changes being made to the presentation of the quarterly financial report. The report includes a city-wide summary of beginning fund balances, current period resources and expenditures, and the ending fund balances for all funds. Included in the fund summaries, starting on page six, are comparisons of actual to budgeted amounts, and narrative explaining results and highlights for the quarter. The biennial budget comparison to actual is highlighted in blue in each of the funds. Annual budget estimates for FY 22 reflect the annual allocation that the City’s BN 23 budget was based on and the quarter budget estimates have been allocated proportionally of the fiscal year budget (25 percent). The financial information presented is unaudited.

Quarter budget estimates allocated at 25 percent of the fiscal year budget compared to actual			Fiscal year 2022 numbers utilized in the preparation of the 2022-23 biennial budget compared to actual				Biennial budget comparison to actual		
↓			↓				↓		
Current Quarter			Year to Date						
Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance

During the second quarter ending December 31, 2021 the City’s financial condition increased by approximately \$2.01 million. Funds with significant increases in fund balance include the General Fund, Water SDC, Water, PERS / POB Fund, Wastewater, Golf Course and the Building Facilities Fund. Funds with a significant negative impact to fund balance include the Emergency Dispatch Fund, Transportation, Transportation SDC and the Administrative and Financial Services Fund. Capital improvements and scheduled debt service payments largely contributed to the decrease in the City’s financial condition.

Through the second quarter, General Fund revenues came in at roughly 65 percent of the annual budget or \$5.9 million. Property tax revenue is at 93 percent of the annual budget and up compared to the prior year roughly \$122,000. Transient lodging taxes are up in comparison to the prior year quarter end by roughly \$80,000, bouncing back from the travel restrictions that are no longer in place by the Governor in response to the CV19 pandemic. Franchise fees are at roughly 43 percent of the annual budget with collection increasing approximately \$19,000 over the prior year at quarter end. Electrical franchise fees are up over the prior year at second quarter end \$10,000, but are behind budget estimates. Overall, the General fund realized an increase in fund balance of roughly 27 percent or approximately \$734,000 through the second quarter. This was largely due to the November due date for property taxes with roughly \$2.34 million coming in during the second quarter.

The Transportation’s fund balance decreased roughly \$97,000 or -28 percent through the second quarter. This is anticipated with the timing in which street projects are completed versus the timing in which revenue for the fund is received. Second quarter state gas tax collection came in at roughly \$204,000 and is up approximately \$68,000 over the prior year quarter end with CV19 restrictions being lifted in June 2021. Capital improvements during the second quarter are largely associated with paving projects and the transit grant. Personnel services are at 68 percent of the annual budget with the retirement of the Streets Superintendent, Scott Smith, in December.

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In Emergency Dispatch, fund balance decreased approximately \$268,000 or -25 percent through the second quarter with roughly \$138,000 in capital expenditures for radio system upgrades. Second quarter revenues were at roughly 60 percent of the annual budget with E-911 funds being up over the prior year due to a rate increase in January of 2021. Personnel services is at 41 percent of the annual budget, and overtime came in at roughly 149 percent of the annual budget with open positions looking to be filled.

Through the second quarter, fund balance decreased in the Transportation SDC with projects continuing for the 10th and Main Street signal work, the Peters / Main Street intersection safety improvements and the Peters Road / Combs Flat extension project. In the Water SDC Fund, the Aquifer Storage and Recovery (ASR) well project began and a transfer of \$700,000 to support the project was made, contributing to the increase in fund balance of \$576,000. In Wastewater SDC, the fund balance increased approximately \$18,000 with no capital expenses budgeted for the biennium. SDC collection during the second quarter was associated with roughly 9 housing and 4 commercial starts.

In the Railroad Fund, second quarter revenue comparisons to the prior year show the overall railroad operating revenues are down by roughly -12 percent. Significant decreases are in switching and storage, largely due to a loss of storage cars in July. The overall car count is down by approximately 36 cars though the revenue per car average is up slightly over the prior year at quarter end with the increases in McCall Oil and Heniff Transportation cars. Freight Depot charges for services are up over prior year quarter end, largely due to increased lease revenue from Heniff Transportation. Materials and services are at roughly 56 percent of the annual budget or \$169,000, which includes approximately \$71,000 in liability insurance paid in the first quarter. Overall operating expenditures are up in comparison to the prior year at quarter end approximately 9 percent largely due to a new employee that was brought on in January 2021 and increases in insurance costs. Capital expenditures during the second quarter was for the beginning phases of needed bridge repairs due to a traffic accident. These unanticipated expenditures may require a budget adjustment prior to yearend. Fund balance increased roughly \$23,000 or 2 percent through the second quarter.

In the Airport Fund, fund balance decreased approximately \$23,000 largely due to a reimbursement transfer to the General Fund. Operating revenues are down roughly -15 percent with operating expenses up 11 percent in comparison to the prior year at quarter end. Fuel sales are down significantly in comparison to the second quarter of the prior year by roughly -24 percent. Last year, August was a record fuel sales month for the airport due to firefighting air crafts setting up operations at the airport for the extremely active fire season. This year, the fire season was a bit milder. Fuel inventory at quarter end totaled approximately \$74,000. Hangar rent / tie downs and leases are up a combined total of 54 percent over the prior year at second quarter end.

Meadow Lakes Golf shows an increase in fund balance through the second quarter of approximately \$146,000 or 28 percent due to increased activity. Operating revenue for the golf course is up in comparison to the prior year roughly 5 percent. Rounds of golf are up by approximately 700 rounds in comparison to the prior year at quarter end despite having to close for several days in December due to snow. Golf course operating expenditures are up approximately

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12 percent largely due to increased activity. Maintenance expenditures are up roughly 12 percent over the prior year at quarter end due to needed pond and equipment maintenance and additional course supplies from the first quarter. New golf carts were purchased during the second quarter and were delivered in December of 2021.

In the Administration and Financial Support Services the fund balance decreased roughly -19 percent with Information Technology coming in at roughly 64 percent of the annual budget. This is due to several annual service agreements coming due during the first quarter and upgrades to 911 infrastructure and 911 user equipment that took place through the second quarter. Both the City Council and Finance Departments in this fund are tracking under budget. The Administration Department is at 50 percent of the annual budget with the annual insurance payment coming due during the first quarter.

Through the second quarter, the Building Facilities fund balance increased roughly 76 percent with both the Police Facilities, Public Works Facilities and Barnes Butte Facilities tracking under budget. Debt for the City Hall building was refinance for a lower interest rate during the first quarter. A budget adjustment will need to be done in the CDBG – Sr. Center Department due to their steam table no longer working and the State agreeing to let the remaining dollars from the Community Development Block Grant pay for its replacement which took place during the second quarter. The steam table cost roughly \$15,000 with installation. The senior center reimbursed the City for the costs that were not covered by the remaining grant funds during the second quarter.

Other funds are as anticipated at quarter end. A summary is presented in each fund to provide an explanation of financial performance and operating issues. We appreciate comments on how we may be able to improve this report to enhance your understanding of the City's finances.

Sincerely,

Steve Forrester
City Manager

Liz Schuette,
Finance Director

Lori Hooper,
Accounting Manager

All City Funds

Fund	Budgeted Beginning Fund Balance	Actual Audited Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance
General	\$ 2,760,579	\$ 2,689,901	\$ 5,905,786	\$ 5,172,212	\$ 3,423,475	\$ 733,574	27%
Transportation	309,692	345,857	1,086,381	1,183,633	248,605	(97,252)	-28%
Emergency Dispatch	1,079,426	1,059,703	684,287	952,478	791,512	(268,191)	-25%
Planning	105,620	135,505	214,231	199,733	150,003	14,498	11%
Transportation SDC	1,006,745	894,283	147,172	948,041	93,414	(800,870)	-90%
Water SDC	678,559	163,653	883,240	307,652	739,241	575,588	352%
Wastewater SDC	108,660	153,715	68,612	49,837	172,490	18,775	12%
PERS / POB	1,376,018	1,377,472	203,291	36,036	1,544,727	167,255	12%
Railroad	1,185,460	1,166,597	472,387	449,332	1,189,652	23,055	2%
Airport	35,436	60,483	514,393	536,947	37,930	(22,553)	-37%
Water	1,051,618	1,090,792	4,045,022	3,214,553	1,921,261	830,469	76%
Wastewater	2,554,024	1,838,803	7,745,937	7,342,987	2,241,753	402,950	22%
Golf Course and Restaurant	420,025	518,550	1,367,071	1,220,898	664,723	146,173	28%
Administration and Financial Service:	642,949	693,898	1,531,834	1,662,826	562,907	(130,991)	-19%
Building Facilities	362,428	448,426	1,699,267	1,359,418	788,276	339,850	76%
Plaza Maintenance	25,402	23,339	20,068	5,109	38,298	14,959	64%
Public Works Support Services	208,638	375,558	1,225,772	1,163,550	437,780	62,222	17%
Totals	\$ 13,911,279	\$ 13,036,535	\$ 27,814,753	\$ 25,805,243	\$ 15,046,045	\$ 2,009,510	15%



October 2021

General Fund

The General Fund accounts for the City’s police and non-departmental operations and activities. The primary sources of revenue include property taxes, transient lodging taxes, franchise fees, and intergovernmental revenue.

Overall revenue collection for the second quarter is at approximately \$5.9 million or 65 percent of the annual budget. Year to date property tax revenue is roughly 93 percent of the annual budget with second quarter collection coming in at \$2.3 million with the November due date of property taxes. Transient lodging taxes are up in comparison to the prior year quarter end by roughly \$80,000, bouncing back from the travel restrictions that are no longer in place by the Governor in response to the CV19 pandemic. Franchise fees are at roughly 43 percent of the annual budget with collection increasing approximately \$19,000 over prior year’s second quarter. Electrical franchise fees are up over the prior year at quarter end roughly \$10,000, but they are behind budget estimates due to the timing of when new data center buildings are projected to come on line and a building being taken off line.

Police spending for the second quarter of the year was at approximately 47 percent of the annual budget. Personnel services are at roughly 48 percent of the annual budget with overtime tracking at approximately 30 percent. During the second quarter the shop with a cop program took place (pictured on the next page). The Shop with a Cop program is a joint venture between local law enforcement and Walmart, to help less-fortunate families and provide an opportunity for children to have a positive interaction with police.

Non-Departmental is at roughly 72 percent of budget with the Prineville Renewable Energy Project (PREP) having roughly \$213,000 in expenditures. A portion of these expenditures will be reimbursed through an Energy Trust of Oregon and U.S Forest Service grant. Non-Departmental is anticipated to need a budget adjustment prior to yearend due to the increased collection of transient lodging taxes that are turned over to the Chamber of Commerce and the Peoples Irrigation project.

Overall, the General Fund realized an increase in fund balance of roughly 27 percent through the second quarter largely due to the property taxes that were collected in November.

General Fund – Continued

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Quarter Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Property taxes	\$ 635,000	\$ 2,339,415	368%	\$ 2,540,000	\$ 2,358,056	93%	\$ 181,944	\$ 5,160,000	46%	\$ 2,801,944
Transient lodging tax	87,500	122,090	140%	350,000	285,031	81%	64,969	700,000	41%	414,969
Franchise fees	926,550	799,230	86%	3,706,200	1,585,584	43%	2,120,616	7,834,400	20%	6,248,816
Licenses and permits	1,925	336	17%	7,700	3,749	49%	3,952	15,900	24%	12,152
Intergovernmental revenues	384,950	105,634	27%	1,539,800	1,372,072	89%	167,728	1,987,800	69%	615,728
Charges for services	100,000	72,366	72%	400,000	72,366	18%	327,634	400,000	18%	327,634
Interest	2,500	2,651	106%	10,000	5,445	54%	4,555	20,000	27%	14,555
Miscellaneous	87,000	31,639	36%	348,000	93,484	27%	254,516	706,000	13%	612,516
Transfers	32,500	130,000	400%	130,000	130,000	100%	-	280,000	46%	150,000
Total revenue	\$ 2,257,925	\$ 3,603,361	160%	\$ 9,031,700	\$ 5,905,786	65%	\$ 3,125,914	\$ 17,104,100	35%	\$ 11,198,314
Expenditures										
Police	\$ 1,552,350	\$ 1,369,584	88%	\$ 6,209,400	\$ 2,927,217	47%	\$ 3,282,183	\$ 12,876,500	23%	9,949,283
Non-departmental	781,250	1,610,096	206%	3,125,000	2,244,994	72%	880,006	4,636,100	48%	2,391,106
Contingency				2,457,879				2,352,079		2,352,079
Total expenditures	\$ 2,333,600	\$ 2,979,680	128%	\$ 11,792,279	\$ 5,172,212	44%	\$ 4,162,188	\$ 19,864,679	26%	\$ 12,340,388
Revenue over (under) expenditures	\$ (75,675)	\$ 623,681	23%	\$ (2,760,579)	\$ 733,574	27%	\$ (1,036,274)	\$ (2,760,579)		
Beginning fund balance	2,760,579	2,689,901	97%	2,760,579	2,689,901	97%	2,760,579	2,760,579		
Ending fund balance	\$ 2,684,904	\$ 3,313,582	123%	\$ -	\$ 3,423,475	-	\$ 1,724,305	\$ -		



Shop with a Cop taking place during the second quarter.

Transportation Fund

The Transportation Fund accounts for the operation and maintenance of the City’s streets, bike lanes, and sidewalk systems. Principal sources of revenue are state gas taxes allocated to cities, permits, and interest. Principal expenditures are for public works staff, patching, painting, slurry seals, signals, insurance and asphalt.

Revenue for the Transportation Fund through the first quarter is at approximately 56 percent of the annual budget. Intergovernmental revenue collection is at 63 percent of the annual budget with roughly \$204,000 coming in for gas taxes during the second quarter. State gas tax collection is up approximately \$68,000 over the prior year quarter end with CV19 restrictions being lifted in June 2021. During the second quarter the City received a donation from Fortis Construction in the amount of \$65,000 to go towards moving the Maverick statue to the roundabout at the top of the grade and for a downtown arch.

Expenditures through the second quarter are at approximately 56 percent of annual budget with capital improvements associated with paving projects being completed during the first quarter. Second quarter capital expenses were associated with the transit grant. Personnel services are at 68 percent of the annual budget with the retirement of the Streets Superintendent, Scott Smith, in December.

Fund balance decreased roughly \$97,000 through the second quarter. This is anticipated with the timing in which street projects are completed versus the timing in which revenue for the fund is received. Fund balance is anticipated to recover by yearend.



Scott Smith receiving the pavement manager of the year award from the NW Pavement Management Association during the 2nd quarter.

Transportation Fund - Continued

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Franchise fees	\$ 87,250	\$ 85,000	97%	\$ 349,000	\$ 170,000	49%	\$ 179,000	\$ 709,000	24%	\$ 539,000
Intergovernmental	259,400	260,042	100%	1,037,600	648,951	63%	388,649	2,116,700	31%	1,467,749
Transfers	100,000	100,000	100%	400,000	200,000	50%	200,000	800,000	25%	600,000
Interest	250	410	164%	1,000	1,272	127%	(272)	2,000	64%	728
Miscellaneous	4,750	65,294	1375%	19,000	66,158	348%	(47,158)	38,000	174%	(28,158)
Total revenue	\$ 451,650	\$ 510,745	113%	\$ 1,806,600	\$ 1,086,381	60%	\$ 720,219	\$ 3,665,700	30%	\$ 2,579,319
Expenditures										
Personnel services	\$ 64,025	\$ 113,165	177%	\$ 256,100	\$ 175,271	68%	\$ 80,829	\$ 526,300	33%	351,029
Material and services	75,675	35,998	48%	302,700	181,928	60%	120,772	606,300	30%	424,372
Capital outlay										
Improvements	188,650	23,153	12%	754,600	571,684	76%	182,916	1,509,200	38%	937,516
Transfers	127,375	127,375	100%	509,500	254,750	50%	254,750	1,035,500	25%	780,750
Contingency				293,392				298,092		298,092
Total expenditures	\$ 455,725	\$ 299,690	66%	\$ 2,116,292	\$ 1,183,633	56%	\$ 639,267	\$ 3,975,392	30%	\$ 2,791,759
Revenue over (under) expenditures	\$ (4,075)	\$ 211,055	61%	\$ (309,692)	\$ (97,252)	-28%	\$ 80,952	\$ (309,692)		
Beginning fund balance	309,692	345,857	112%	309,692	345,857	112%		309,692		
Ending fund balance	\$ 305,617	\$ 556,912	182%	\$ -	\$ 248,605	-		\$ -		



The Maverick statue that will be moved to the roundabout at the top of the grade.

Emergency Dispatch Fund

This fund accounts for the Emergency Dispatch operation. The operation provides dispatching and records management services for the public safety departments serving the Crook County area, with the exception of the State Police. The primary revenue sources are payments by users for services provided, including a transfer from the City’s police department in the General Fund. The operation is managed by the City’s Police Department.

Revenue collection for the Emergency Dispatch fund was approximately \$684,000 or 60 percent of the annual budget. Intergovernmental revenue collection through the second quarter was at roughly \$525,000 with E-911 funds up over the prior year at quarter end.

Expenditures are at approximately \$952,000 or 43 percent of the annual budget. Personnel services are 41 percent of the annual budget or approximately \$542,000 with overtime coming in at roughly 149 percent of the annual budget. Dispatch continued to be short staffed through the second quarter as open positions are looking to be filled. Materials and services are at roughly 61 percent of the annual budget with the annual insurance and annual service agreement payments coming out in the first quarter. Second quarter capital expenditures were largely associated with new radio system upgrades.

Fund balance decreased roughly \$268,000 or -25 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Intergovernmental	\$ 203,200	\$ 216,082	106%	\$ 812,800	\$ 525,016	65%	\$ 287,784	\$ 2,033,500	26%	\$ 1,508,484
Miscellaneous	1,000	-	-	4,000	-	-	4,000	8,000	0%	8,000
Interest	1,500	910	61%	6,000	2,121	35%	3,879	12,000	18%	9,879
Transfers from other funds	78,575	78,575	100%	314,300	157,150	50%	157,150	1,070,400	15%	913,250
Total revenue	\$ 284,275	\$ 295,567	104%	\$ 1,137,100	\$ 684,287	60%	\$ 452,813	\$ 3,123,900	22%	\$ 2,439,613
Expenditures										
Personnel services	\$ 327,350	\$ 255,082	78%	\$ 1,309,400	\$ 542,094	41%	\$ 767,306	\$ 2,713,400	20%	\$ 2,171,306
Material and services	71,375	74,392	104%	285,500	174,457	61%	111,043	575,300	30%	400,843
Capital outlay										
Equipment	27,000	46,800	173%	108,000	138,177	128%	(30,177)	177,000	78%	38,823
Transfers	48,875.00	48,875	100%	195,500	97,750	50%	97,750	401,000	24%	303,250
Contingency				318,126				336,626		336,626
Total expenditures	\$ 474,600	\$ 425,150	90%	\$ 2,216,526	\$ 952,478	43%	\$ 945,922	\$ 4,203,326	23%	\$ 3,250,848
Revenue over (under) expenditures	\$ (190,325)	\$ (129,583)	-12%	\$ (1,079,426)	\$ (268,191)	-25%	\$ (493,109)	\$ (1,079,426)		
Beginning fund balance	1,079,426	1,059,703	98%	1,079,426	1,059,703	98%		1,079,426		
Ending fund balance	\$ 889,101	\$ 930,120	105%	\$ -	\$ 791,512	-		\$ -		

Planning Fund

The Planning Fund accounts for the planning activities of the City. A transfer of funds from General Fund to Planning helps support the short term planning needs of the city. General administrative costs are paid through internal charges to the Internal Services Fund for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, computer and phone services. The costs of these services are at full cost, including replacement cost, thereby providing a more accurate cost of providing services.

Through the second quarter, revenue collection came in at approximately \$214,000 or 51 percent of the annual budget. Revenue collection for the licenses and permits are at approximately \$24,000, slightly down in comparison to the prior year at quarter end. Development highlights for the quarter included the collection of SDC’s for roughly four commercial starts and nine residential starts.

Expenditures through the second quarter are at approximately \$200,000 or 38 percent of the annual budget. Expenditures are tracking slightly below budget at quarter end with annual insurance being paid during the first quarter.

Fund balance increased roughly \$14,000 through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Quarter Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Licenses and permits	\$ 10,000	\$ 14,596	146%	\$ 40,000	\$ 23,827	60%	\$ 16,173	\$ 80,000	30%	\$ 56,173
Intergovernmental	1,250	2,003	160%	5,000	2,003	40%	2,998	10,000	20%	7,998
Charges for services	6,950	9,931	143%	27,800	13,014	47%	14,786	55,600	23%	42,586
Interest	250	164	66%	1,000	388	39%	613	2,000	19%	1,613
Transfers from other funds	87,500	87,500	100%	350,000	175,000	50%	175,000	710,000	25%	535,000
Total revenue	\$ 105,950	\$ 114,193	108%	\$ 423,800	\$ 214,231	51%	\$ 209,569	\$ 857,600	25%	\$ 643,369
Expenditures										
Personnel services	\$ 65,125	\$ 64,618	99%	\$ 260,500	\$ 129,329	50%	\$ 131,171	\$ 546,900	24%	\$ 417,571
Material and services	10,925	2,835	26%	43,700	5,754	13%	37,946	88,600	6%	82,846
Transfers	32,325	32,325	100%	129,300	64,650	50%	64,650	263,500	25%	198,850
Contingency				95,920				64,220		64,220
Total expenditures	\$ 108,375	\$ 99,779	92%	\$ 529,420	\$ 199,733	38%	\$ 233,767	\$ 963,220	21%	\$ 763,487
Revenue over (under) expenditures	\$ (2,425)	\$ 14,415	11%	\$ (105,620)	\$ 14,498	11%	\$ (24,198)	\$ (105,620)		
Beginning fund balance	105,620	135,505	128%	105,620	135,505	128%		105,620		
Ending fund balance	\$ 103,195	\$ 149,920	145%	\$ -	\$ 150,003	-		\$ -		

Transportation SDC Fund

This fund accounts for the collection and expenditure of transportation system development charges. The primary revenue source is SDC's. Expenditures are for qualified capital improvement projects and related costs.

Revenue collection for the Transportation SDC fund is at approximately 18 percent of the annual budget. SDC collection at quarter end is at roughly \$146,000 with roughly 9 housing and 4 commercial starts that paid SDC's in the second quarter.

Expenditures at quarter end were primarily associated with capital projects. Capital expenditures during the second quarter were largely for the Peters Road / Combs Flat extension project, 10th and Main signal work and the Peters and Main intersection safety improvement project. Transfers done during the second quarter were largely associated with the distribution of SDC administration fees.

Fund balance decreased roughly \$801,000 or -90 percent through the second quarter. Budgeted capital expenditures have contributed to the decrease in fund balance.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Miscellaneous	\$ 75,000	\$ -	-	\$ 300,000	\$ -	-	\$ 300,000	\$ 300,000	0%	\$ 300,000
Interest	1,000	133	13%	4,000	1,114	28%	2,886	8,000	14%	6,886
Transfers	37,500	-	-	150,000	-	-	150,000	150,000	0%	150,000
System development charges	85,875	69,417	81%	343,500	146,058	43%	197,442	687,000	21%	540,942
Total revenue	\$ 199,375	\$ 69,550	35%	\$ 797,500	\$ 147,172	18%	650,328	\$ 1,145,000	13%	\$ 997,828
Expenditures										
Material and services	\$ 2,500	\$ 740	30%	\$ 10,000	\$ 1,573	16%	\$ 8,428	\$ 20,000	8%	\$ 18,428
Capital outlay										
Improvements	325,000	70,963	22%	1,300,000	939,166	72%	360,834	1,900,000	49%	960,834
Transfers	4,300	7,303	170%	17,200	7,303	42%	9,897	34,400	21%	27,097
Contingency				477,045				197,345		197,345
Total expenditures	\$ 331,800	\$ 79,005	24%	\$ 1,804,245	\$ 948,041	53%	\$ 379,159	\$ 2,151,745	44%	\$ 1,203,704
Revenue over (under) expenditures	\$ (132,425)	\$ (9,455)	-1%	\$ (1,006,745)	\$ (800,870)	-90%	\$ 271,170	\$ (1,006,745)		
Beginning fund balance	1,006,745	894,283	89%	1,006,745	894,283	89%		1,006,745		
Ending fund balance	\$ 874,320	\$ 884,828	101%	\$ -	\$ 93,414	-		\$ -		



Completed 10th and Main realignment – pic taken in November 2021

Water SDC Fund

This fund accounts for the collection and expenditure of water system development charges. The primary revenue source is SDC's. Expenditures are for qualified capital improvement projects and related costs.

Revenue through the second quarter was at approximately \$883,000 which was largely associated with the budgeted transfer of \$700,000 for the ASR well project. There were roughly 9 housing and 4 commercial starts that paid SDC's in the second quarter. Miscellaneous revenue is associated with a reimbursement from the Energy Trust of Oregon for ASR well fields.

Expenditures are at roughly \$308,000 through the second quarter and are largely associated with the completion of the ASR project and the start of the ASR well project. The ASR project was originally anticipated to be completed by the end of June 2021 and will likely require a budget adjustment due to the crossing over in fiscal years and unanticipated expenditures associated with the completion of the project. The ASR project is a method of water storage that uses the natural water storage capabilities of underground aquifers as a cost-effective, scalable and ecologically friendly water storage alternative to traditional storage options, such as above-ground reservoirs and short-term water supply storage tanks. It allows water to be appropriated and injected into the aquifer via wells during periods of cooler temperatures, higher streamflow and lower demands. The stored water can later be recovered and used during periods of hotter temperatures and higher demands, thereby reducing stress on native water sources. In addition, it also provides for a readily available source of stored water for use in the event of drought or supply interruption. Transfers done during the second quarter were largely associated with the distribution of SDC administration fees.

At second quarter end, fund balance increased roughly \$576,000 due to the budgeted transfer made to support the ASR project.

	Current Quarter			Year to Date				Biennial Budget		
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
Revenue										
Interest	\$ 500	\$ 461	92%	\$ 2,000	\$ 1,507	75%	\$ 493	\$ 4,000	38%	\$ 2,493
System development charges	91,250	69,681	76%	365,000	139,951	38%	225,049	730,000	19%	590,049
Transfers	175,000	700,000	400%	700,000	700,000	100%	-	700,000	100%	-
Miscellaneous	-	40,161	-	-	41,782	-	(41,782)	-	-	(41,782)
Total revenue	\$ 266,750	\$ 810,303	304%	\$ 1,067,000	\$ 883,240	83%	\$ 183,760	\$ 1,434,000	62%	\$ 550,760
Expenditures										
Capital outlay										
Improvements	\$ 150,000	45,685	30%	\$ 600,000	283,003	47%	\$ 316,997	\$ 1,200,000	24%	916,997
Transfers	105,525	24,649	23%	422,100	24,649	6%	397,451	847,200	3%	822,551
Contingency				723,459				65,359		65,359
Total expenditures	\$ 255,525	\$ 70,334	28%	\$ 1,745,559	\$ 307,652	15%	\$ 714,448	\$ 2,112,559	15%	\$ 1,804,907
Revenue over (under) expenditures	\$ 11,225	\$ 739,969	452%	\$ (678,559)	\$ 575,588	352%	\$ (530,688)	\$ (678,559)		
Beginning fund balance	678,559	163,653	24%	678,559	163,653	24%		678,559		
Ending fund balance	\$ 689,784	\$ 903,622	131%	\$ -	\$ 739,241	24%		\$ -		

Wastewater SDC Fund

This fund accounts for the collection and expenditure of wastewater system development charges. The primary revenue source is SDC's. Expenditures are for qualified capital improvement projects and related costs.

Overall revenue through the second quarter is at approximately \$69,000. Second quarter revenue can largely be attributed to SDC collection from roughly 9 housing and 4 commercial starts that paid SDC's during the quarter.

Materials and services expenditures during the quarter were for project assistance associated with utility expansion projects. Transfers done during the second quarter were largely associated with the distribution of SDC administration fees.

Fund balance increased roughly \$19,000 or 12 percent.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Budget %	Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Interest	\$ 500	\$ 279	56%	\$ 2,000	\$ 468	23%	\$ 1,532	\$ 4,000	12%	\$ 3,532
System development charges	46,250	32,209	70%	185,000	68,145	37%	116,855	370,000	18%	301,855
Total revenue	\$ 46,750	\$ 32,488	69%	\$ 187,000	\$ 68,612	37%	\$ 118,388	\$ 374,000	18%	\$ 305,388
Expenditures										
Material and services	\$ 2,500	\$ 1,031	41%	\$ 10,000	\$ 1,031	10%	\$ 8,969	\$ 20,000	5%	\$ 18,969
Capital outlay										
Improvements	-	-	-	-	-	-	-	-	-	-
Transfers	32,150	48,806	152%	128,600	48,806	38%	79,794	257,200	19%	208,394
Contingency				157,060				205,460		205,460
Total expenditures	\$ 34,650	\$ 49,837	144%	\$ 295,660	\$ 49,837	17%	\$ 88,763	\$ 482,660	10%	\$ 432,823
Revenue over (under) expenditures	\$ 12,100	\$ (17,349)	-11%	\$ (108,660)	\$ 18,775	12%	\$ 29,625	\$ (108,660)		
Beginning fund balance	108,660	153,715	141%	108,660	153,715	141%		108,660		
Ending fund balance	\$ 120,760	\$ 136,366	113%	\$ -	\$ 172,490	-		\$ -		

PERS/ POB Fund

This fund accounts for the issuance of pension obligation debt to fund the City’s existing unfunded actuarial liability (UAL) and associated debt repayment. The principal source of revenue is charges to other funds with salaries subject to PERS via a surcharge. A transfer from the General Fund is included to pre-fund a portion of debt service costs. Expenditures are for payments to PERS for the UAL and for debt service requirements.

Revenue collection through the second quarter is at roughly 41 percent of the annual budget. Revenues are as anticipated through the second quarter.

Expenditures through the second quarter are as anticipated with the debt service payments coming out in December and June annually.

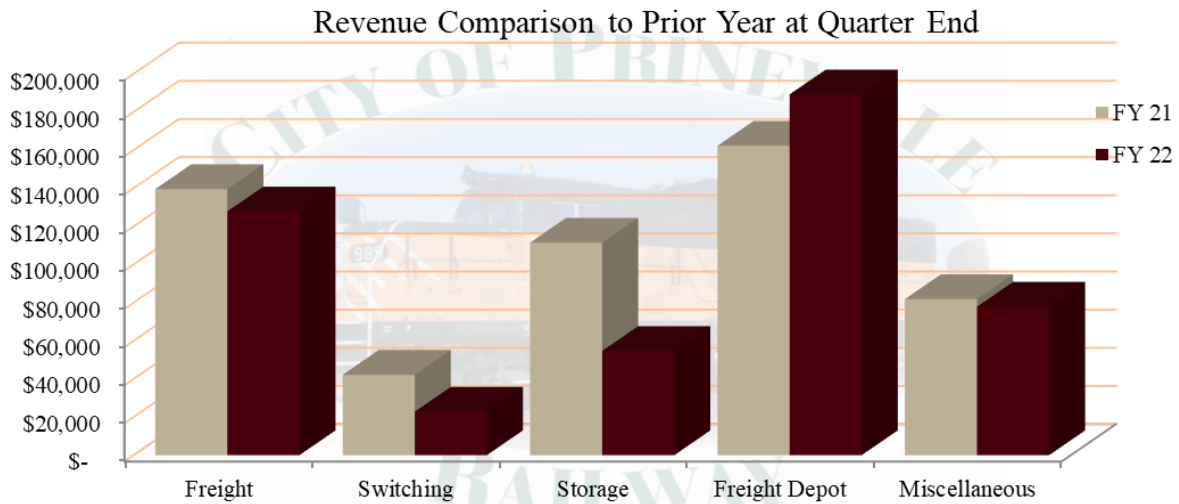
Fund balance increased approximately 12 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Charges for services	\$ 99,075	\$ 100,025	101%	\$ 396,300	\$ 200,050	50%	\$ 196,250	\$ 815,200	25%	\$ 615,150
Interest	1,250	1,495	120%	5,000	3,241	65%	1,759	10,000	32%	6,759
Transfer from other funds	25,000	-	-	100,000	-	-	100,000	200,000	-	200,000
Total revenue	\$ 125,325	\$ 101,520	81%	\$ 501,300	\$ 203,291	41%	\$ 298,009	\$ 1,025,200	20%	\$ 821,909
Expenditures										
Personnel services	\$ -	-	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Debt service										
Principal - POB 2013	59,325	-	-	237,300	-	-	237,300	497,500	-	497,500
Interest - POB 2013	18,025	36,036	200%	72,100	36,036	50%	36,064	135,400	27%	99,364
Contingency				1,258,518				1,768,318		1,768,318
Total expenditures	\$ 77,350	\$ 36,036	47%	\$ 1,567,918	\$ 36,036	2%	\$ 273,364	\$ 2,401,218	2%	\$ 2,365,182
Revenue over (under) expenditures	\$ 47,975	\$ 65,484	5%	\$ (1,066,618)	\$ 167,255	12%	\$ 24,645	\$ (1,376,018)		
Debt service reserve				309,400				323,500		
Beginning fund balance	1,376,018	1,377,472	100%	1,376,018	1,377,472	100%		1,376,018		
Ending fund balance	\$ 1,423,993	\$ 1,442,956	101%	\$ 309,400	\$ 1,544,727	499%		\$ -		

Railroad Fund

This fund accounts for the activities of the City’s railroad operation and for the City’s freight depot operation. Starting in FY 14 the Railroad and Freight Depot Funds were consolidated. Primary revenue sources are payments for the use of railroad and freight depot facilities and related services. Expenditures are for the railroad and freight depot operations, including repair, debt service and capital improvements. Additionally, transfers to other City operations are budgeted.

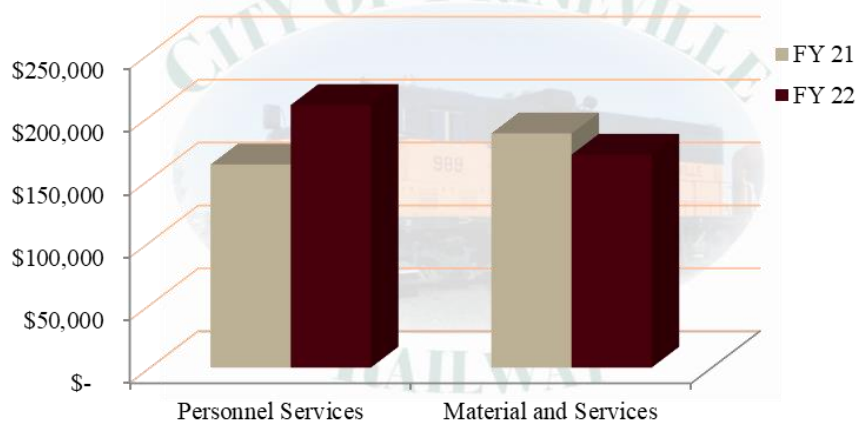
At quarter end, overall revenue collection is at approximately \$472,000 or 49 percent of the annual budget. Charges for services for the railroad are at approximately \$153,000 or 46 percent of the annual budget, with the freight depot at approximately \$189,000 or 50 percent of annual budget. Overall revenue is down roughly -12 percent in comparison to the prior year at quarter end with significant decreases in switching and storage due to a significant number of cars leaving storage in July. Freight revenue is down roughly -8 percent in comparison to the prior year at quarter end. The revenue per railcar average at quarter end is approximately \$467 compared to \$456 the prior year. Freight Depot charges for services are up approximately 17 percent over prior year quarter end, largely due to increased lease revenue from Heniff Transportation. Below is a prior year comparison at quarter end of operating revenues for the Railroad Fund.



Overall expenditures at quarter end are at approximately \$449,000 or 21 percent of the annual budget. Materials and services are at roughly 56 percent of the annual budget or \$169,000, which includes approximately \$71,000 in liability insurance paid in the first quarter. Overall operating expenditures are up in comparison to the prior year at quarter end approximately 9 percent largely due to a new employee that was brought on in January 2021 and increases in insurance costs. Capital expenditures during the second quarter was for the beginning phases of needed bridge repairs due to a traffic accident. These unanticipated expenditures may require a budget adjustment prior to yearend. On the next page is a graph comparison of operating expenditures at quarter end to prior year.

Railroad Fund- Continued

Expenditure Comparison to Prior Year at Quarter End



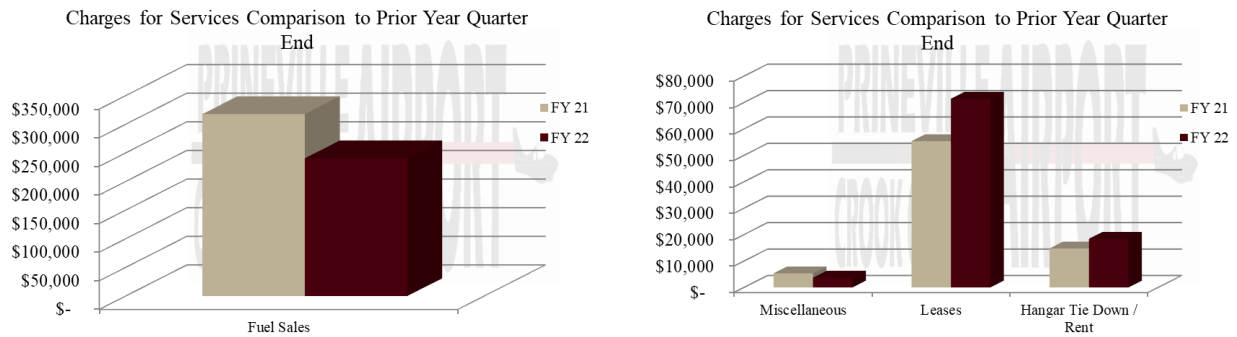
Fund balance increased roughly \$23,000 or -2 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Charges for services										
Railroad	\$ 82,750	\$ 47,722	58%	\$ 331,000	\$ 153,081	46%	\$ 177,919	\$ 682,000	22%	\$ 528,919
Freight Depot	94,250	95,868	102%	377,000	189,186	50%	187,814	784,000	24%	594,814
Use of money and property	39,900	30,974	78%	159,600	68,730	43%	90,870	319,600	22%	250,870
Miscellaneous	26,250	48,300	184%	105,000	61,390	58%	43,611	215,000	29%	153,611
Total revenue	\$ 243,150	\$ 222,865	92%	\$ 972,600	\$ 472,387	49%	\$ 500,213	\$ 2,000,600	24%	\$ 1,528,213
Expenditures										
Personnel services	\$ 107,125	\$ 104,348	97%	\$ 428,500	\$ 208,781	49%	\$ 219,719	\$ 885,800	24%	\$ 677,019
Material and services	75,200	39,815	53%	300,800	169,330	56%	131,470	584,100	29%	414,770
Capital outlay										
Improvements	30,000	1,568	1%	120,000	25,671	21%	94,329	205,000	13%	179,329
Transfers	22,775	22,775	100%	91,100	45,550	50%	45,550	182,600	25%	137,050
Contingency				1,217,660				1,328,560		1,328,560
Total expenditures	\$ 235,100	\$ 168,507	72%	\$ 2,158,060	\$ 449,332	21%	\$ 491,068	\$ 3,186,060	14%	\$ 2,736,728
Revenue over (under) expenditures	\$ 8,050	\$ 54,359	5%	\$ (1,185,460)	\$ 23,055	2%	\$ 9,145	\$ (1,185,460)		
Beginning fund balance	1,185,460	1,166,597	98%	1,185,460	1,166,597	98%		1,185,460		
Ending fund balance	\$ 1,193,510	\$ 1,220,956	102%	\$ -	\$ 1,189,652	-		\$ -		

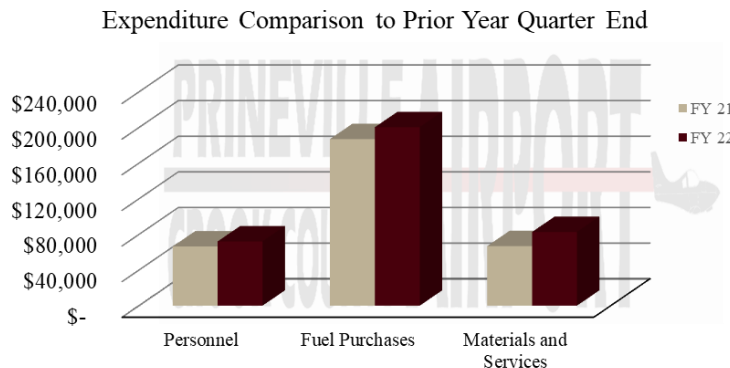
Airport Fund

This fund accounts for the activities of the airport. The airport’s main source of operating revenue is through charges for services that revolve around fuel sales and hangar leases. Expenditures are for general operations of the airport including cost of goods sold, maintenance and capital improvements.

Revenue collection through the second quarter came in at approximately 60 percent of the annual budget or \$514,000. Overall charges for services are down approximately -15 percent over the prior year at quarter end with fuel sales being down in comparison to the prior year same time frame. Fire season was much slower in comparison to the previous year where the airport was seeing record breaking fuel sale months. Leases and hangar rent activity has increased over the prior year. Below is a prior year comparison for operating revenue making up charges for services.



Overall expenditures through the second quarter came in at approximately \$537,000 or 60 percent of the annual budget. Materials and services are roughly 56 percent of the annual budget with the annual payment for liability insurance taking place during the first quarter. Overall operating expenses are up roughly 11 percent over the prior year at quarter end with fuel inventory at approximately \$74,000. Below is a prior year comparison of operating expenditures.



At second quarter end, fund balance decreased roughly \$23,000 or -37 percent, largely due to a reimbursing transfer to the General Fund.

Airport Fund - Continued

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Intergovernmental	\$ 45,000	\$ -	-	\$ 180,000	\$ 180,000	100%	\$ -	\$ 430,000	42%	\$ 250,000
Charges for services	144,250	130,943	91%	577,000	334,213	58%	242,787	1,154,000	29%	819,787
Interest	125	72	58%	500	181	36%	319	1,000	18%	819
Transfers	25,000	-	-	100,000	-	-	100,000	200,000	-	200,000
Total revenue	\$ 214,375	\$ 131,015	61%	\$ 857,500	\$ 514,393	60%	\$ 343,107	\$ 1,785,000	29%	\$ 1,270,607
Expenditures										
Personnel service	\$ 35,425	\$ 35,933	101%	\$ 141,700	\$ 72,126	51%	\$ 69,574	\$ 297,100	24%	\$ 224,974
Materials and services	127,150	86,812	68%	508,600	283,021	56%	225,579	1,028,000	28%	744,979
Capital outlay	25	-	-	100	-	-	100	100	0%	100
Debt service										
Les Schwab Hangar	6,250	-	-	25,000	25,000	100%	-	50,000	50%	25,000
Transfers	45,900	143,400	312%	183,600	156,800	85%	26,800	389,200	40%	232,400
Contingency				33,936				56,036	-	56,036
Total expenditures	\$ 214,750	\$ 266,145	124%	\$ 892,936	\$ 536,947	60%	\$ 322,053	\$ 1,820,436	29%	\$ 1,283,489
Revenue over (under) expenditures	\$ (375)	\$ (135,131)	-223%	\$ (35,436)	\$ (22,553)	-37%	\$ 21,053	\$ (35,436)		
Beginning fund balance	35,436	60,483	171%	35,436	60,483	171%		35,436		
Ending fund balance	\$ 35,061	\$ (74,648)	-	\$ -	\$ 37,930	-		\$ -		



Airport Manager, Kelly Coffelt, giving Mayor, Jason Beebe a tour of completed projects at the Prineville Airport.

Water Fund

This fund accounts for the activities of the City’s water utility. The primary source of revenue is water sales and expenditures are for the operation of the system including repair and maintenance of infrastructure.

Overall revenue collection through the second quarter came in at approximately \$4.05 million or 128 percent of the annual budget with \$1.9 million coming in from debt proceeds in the first quarter. Revenue associated with charges for service came in at roughly \$2.08 million which is a decrease compared to the prior year of roughly \$44,000. Miscellaneous revenue is associated with reimbursements for water quality monitoring.

Second quarter expenditures are at approximately \$3.21 million or 83 percent of the annual budget with \$1.9 million being associated with the refinancing of debt previously mentioned from the first quarter. Materials and services are at 51 percent of the annual budget with the annual insurance coming out in the first quarter. Capital expenditures are largely associated with meter reading upgrades, Crooked River Concepts and the Habitat Conservation Plan.

Fund balance increased roughly \$830,000 or 76 percent through the second quarter.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services	\$ 744,750	\$ 751,936	101%	\$ 2,979,000	\$ 2,078,150	70%	\$ 900,850	\$ 6,035,000	34%	\$ 3,956,850
Interest	1,250	1,083	87%	5,000	1,772	35%	3,228	10,000	18%	8,228
Miscellaneous	125	16,719	13375%	500	32,029	6406%	(31,529)	1,000	3203%	(31,029)
Debt proceeds	-	-	-	-	1,915,036	-	(1,915,036)	-	-	(1,915,036)
Transfers	42,200	18,035	43%	168,800	18,035	11%	150,765	340,600	5%	322,565
Total revenue	\$ 788,325	\$ 787,772	100%	\$ 3,153,300	\$ 4,045,022	128%	\$ (891,722)	\$ 6,386,600	63%	\$ 2,341,578
Expenditures										
Materials and services	\$ 181,775	\$ 159,107	88%	\$ 727,100	\$ 373,372	51%	\$ 353,728	1,459,300	26%	\$ 1,085,928
Franchise fee expense	36,000	36,000	100%	144,000	72,000	50%	72,000	292,000	25%	220,000
Capital outlay										
Improvements	125,000	37,749	30%	500,000	83,279	17%	416,722	1,000,000	8%	916,722
Debt service										
Principal										
Refunding bond 2017	35,775	-	-	143,100	1,892,115	1322%	(1,749,015)	293,600	644%	(1,598,515)
Water revenue bond ASR	18,050	-	-	72,200	-	-	72,200	144,400	0%	144,400
Interest										
Refunding bond 2017	12,650	-	-	50,600	13,753	27%	36,847	97,300	14%	83,547
Water revenue bond ASR	16,750	23,537	141%	67,000	23,537	35%	43,463	134,000	18%	110,463
2021 Refunding	-	3,347	-	-	3,347	-	(3,347)	-	-	(3,347)
Transfers	376,575	376,575	100%	1,506,300	753,150	50%	753,150	3,036,000	25%	2,282,850
Contingency				658,418				645,418		645,418
Total expenditures	\$ 802,575	\$ 636,314	79%	\$ 3,868,718	\$ 3,214,553	83%	\$ (4,253)	\$ 7,102,018	45%	\$ 3,887,465
Revenue over (under) expenditures	\$ (14,250)	\$ 151,457	14%	\$ (715,418)	\$ 830,469	76%	\$ (887,469)	\$ (715,418)		
Debt service reserve	336,200			336,200				336,200		194,600
Beginning fund balance	1,051,618	1,090,792	104%	1,051,618	1,090,792	104%		1,051,618		
Ending fund balance	\$ 1,037,368	\$ 1,242,249	120%	\$ -	\$ 1,921,261	-		\$ -		

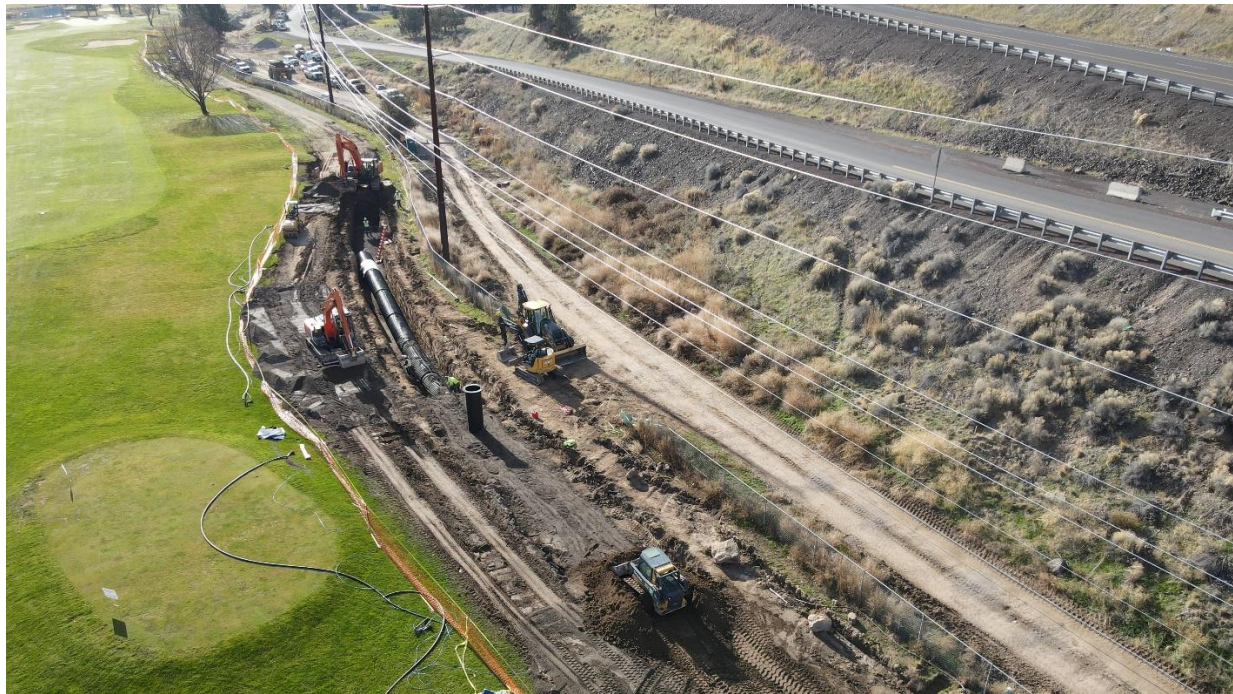
Wastewater Fund

This fund accounts for the activities of the City’s wastewater and treatment facilities. The primary source of revenue is sewer service fees. Expenditures are for the operation of the wastewater system including repair and maintenance of infrastructure and debt service related to infrastructure costs.

Overall revenue collection at quarter end came in at approximately \$7.75 million or 183 percent of the annual budget with the \$4.96 million from debt proceeds in the first quarter and a transfer of \$511,300 in the second quarter to support the Peoples Irrigation Project. Revenue collection for charges for services was roughly \$2.21 million or 55 percent of annual budget which is an increase of approximately \$205,000 over the prior year at quarter end. This increase can largely be attributed to the data centers increased water usage and rate increases during the first quarter.

Expenditures at quarter end came in at roughly \$7.34 million or 127 percent of the annual budget with \$4.96 being associated with refinancing of debt from the first quarter previously mentioned. Personnel services are tracking under budget with the Public Works Department working on restructuring personnel, affecting several departments including Wastewater. Materials and services are at 94 percent of budget with the annual insurance payment of roughly \$71,000 coming out in the first quarter. Also coming out of materials and services is unanticipated repairs to the People’s Irrigation District’s ditch of roughly \$435,000 through the second quarter; this will likely require a budget adjustment prior to yearend.

Fund balance increased roughly \$403,000 or 22 percent through the second quarter largely due to the support transfer from the General Fund for the People’s Irrigation ditch project.



Work being done in November adjacent to the golf course for the Peoples Irrigation Ditch.

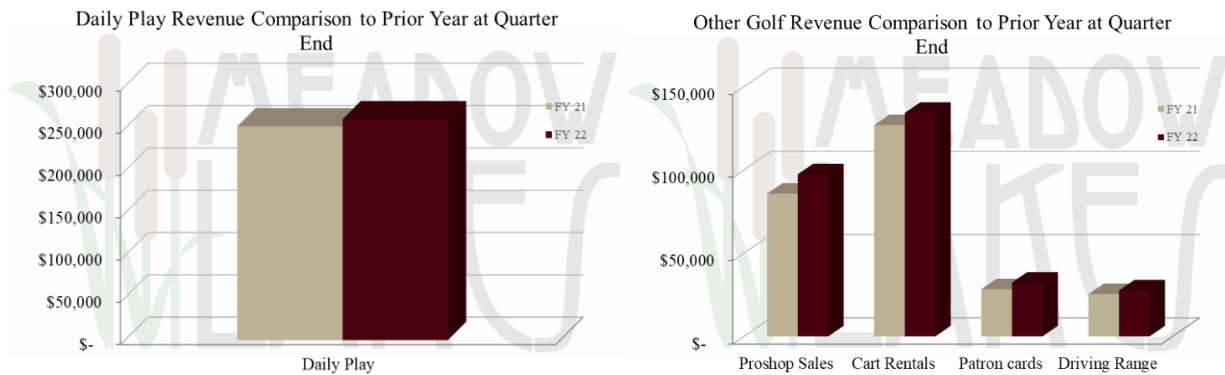
Wastewater Fund - Continued

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services	\$ 1,004,500	\$ 1,087,851	108%	\$ 4,018,000	\$ 2,211,186	55%	\$ 1,806,814	\$ 8,124,300	27%	\$ 5,913,114
Interest	2,500	2,300	92%	10,000	5,081	51%	4,919	20,000	25%	14,919
Transfers	-	511,300	-	-	511,300	-	(511,300)	-	-	(511,300)
Miscellaneous	20,925	8,124	39%	83,700	11,206	13%	72,494	167,400	7%	156,194
SDCs - reimbursement fees	29,850	45,562	153%	119,400	45,562	38%	73,838	241,300	19%	195,738
Debt proceeds	-	-	-	-	4,961,475	-	(4,961,475)	-	-	(4,961,475)
Intergovernmental	-	-	-	-	126	-	(126)	-	-	(126)
Total revenue	\$ 1,057,775	\$ 1,655,137	156%	\$ 4,231,100	\$ 7,745,937	183%	\$ (3,514,837)	\$ 8,553,000	91%	\$ 807,063
Expenditures										
Personnel services	\$ 62,700	\$ 34,318	55%	\$ 250,800	\$ 63,242	25%	\$ 187,558	\$ 509,600	12%	\$ 446,358
Materials and services	203,850	341,141	167%	815,400	763,731	94%	51,669	1,638,600	47%	874,869
Franchise fee expense	49,000	49,000	100%	196,000	98,000	50%	98,000	401,000	24%	303,000
Capital outlay										
Improvements	121,500	113,927	94%	486,000	211,196	43%	274,804	972,000	22%	760,804
Debt service										
Principal										
DEQ CWSRF R74682/2	125,950	-	-	503,800	2,962,108	588%	(2,458,308)	1,022,600	290%	(1,939,508)
Refunding 2017	41,750	-	-	167,000	2,207,885	1322%	(2,040,885)	342,600	644%	(1,865,285)
State of Oregon IFA	6,825	27,291	400%	27,300	27,291	100%	9	54,900	50%	27,609
USDA 2015	15,250	-	-	61,000	-	-	61,000	123,600	0%	123,600
Interest										
2021 Refunding - Key Bank	-	8,672	-	-	8,672	-	(8,672)	-	-	(8,672)
DEQ CWSRF R74682/2	20,875	-	-	83,500	45,291	54%	38,209	152,000	30%	106,709
Refunding 2017	14,750	-	-	59,000	16,048	27%	42,952	113,500	14%	97,452
State of Oregon IFA	1,700	6,765	398%	6,800	6,765	99%	35	13,300	51%	6,535
USDA 2015	26,325	-	-	105,300	-	-	105,300	208,900	0%	208,900
Fees										
DEQ CWSRF R74682/2	3,725	14,811	398%	14,900	14,811	99%	89	27,200	54%	12,389
Transfers	483,975	458,975	95%	1,935,900	917,950	47%	1,017,950	3,911,900	23%	2,993,950
Contingency				1,057,624				825,324		825,324
Total expenditures	\$ 1,178,175	\$ 1,054,899	90%	\$ 5,770,324	\$ 7,342,987	127%	\$ (2,630,287)	\$ 10,317,024	71%	\$ 2,974,037
Revenue over (under) expenditures	\$ (120,400)	\$ 600,238	33%	\$ (1,539,224)	\$ 402,950	22%	\$ (884,550)	\$ (1,764,024)		
Other resources / (requirements)										
Debt service reserve	1,014,800			1,014,800				790,000		790,000
Capital reserve										
Beginning fund balance	2,554,024	1,838,803	72%	2,554,024	1,838,803	72%		2,554,024		
Ending fund balance	\$ 2,433,624	\$ 2,439,041	100%	\$ -	\$ 2,241,753	-		\$ -		

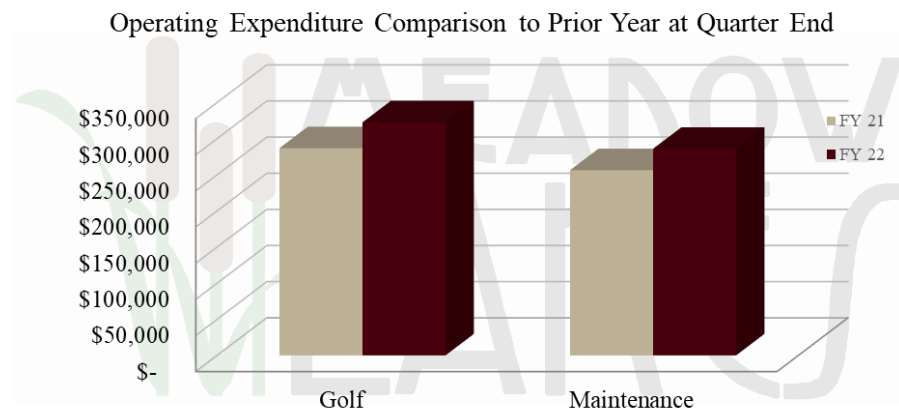
Golf Course and Restaurant Fund

This fund accounts for the activities of Meadow Lakes Golf Course and Restaurant. Revenue is generated through user fees, restaurant lease revenue (starting February 2019), and an operating payment from the City’s Wastewater Fund for treatment.

Overall revenue collection is at approximately \$1.37 million at quarter end or 74 percent of the annual budget, with roughly \$596,000 of debt proceeds coming in for new golf carts and refinancing some debt to get a better interest rate during the first quarter. Golf operating revenue came in at about \$557,000 or 57 percent of the annual budget which is an increase over the prior year of roughly 5 percent. The golf course had to close for several days in December due to snow. Despite this, rounds of golf are up roughly 700 rounds through the second quarter compared to the prior year quarter end due to the first quarter finishing strong. Below is a comparison to the prior year of the significant operating revenue sources for the golf course.



Expenditures at quarter end came in at roughly \$1.22 million or 56 percent of the annual budget with \$264,000 being associated with the refinancing of debt previously mentioned from the first quarter and the purchasing of new golf carts in the second quarter totaling roughly \$321,000. Waste disposal expenditures are at roughly \$286,000 or 53 percent of the annual budget, an increase of approximately 12 percent over the prior year. This increase can largely be attributed to needed pond and equipment maintenance and additional course supplies from the first quarter. Golf course expenditures are 63 percent of the annual budget with operating expenditures up approximately 12 percent over the prior year, largely due to increased activity. Below is a comparison of operating only expenditures to the prior year by department.



Golf Course and Restaurant Fund - Continued

Fund balance increased roughly \$146,000 or 28 percent through the second quarter largely due to increased activity.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services										
Golf Course	\$ 246,500	\$ 148,857	60%	\$ 986,000	\$ 557,211	57%	\$ 428,789	\$ 1,997,800	28%	\$ 1,440,589
Waste Disposal	92,500	92,500	100%	370,000	185,000	50%	185,000	740,000	25%	555,000
Restaurant	6,025	5,358	89%	24,100	10,716	44%	13,384	57,700	19%	46,984
Interest	1,500	1,060	71%	6,000	1,922	32%	4,078	12,000	16%	10,078
Transfers	25,000	-	-	100,000	-	-	100,000	200,000	-	200,000
Miscellaneous	2,425	6,100	252%	9,700	16,179	167%	(6,479)	19,900	81%	3,721
Debt proceeds	90,900	-	-	363,600	596,044	164%	(232,444)	363,600	164%	(232,444)
Total revenue	\$ 464,850	\$ 253,875	55%	\$ 1,859,400	\$ 1,367,071	74%	\$ 492,329	\$ 3,391,000	40%	\$ 2,023,929
Expenditures										
Golf Course	\$ 258,875	\$ 474,218	183%	\$ 1,035,500	\$ 653,326	63%	\$ 382,174	\$ 1,726,800	38%	\$ 1,073,474
Waste Disposal	134,125	120,443	90%	536,500	285,926	53%	250,574	1,113,800	26%	827,874
Restaurant	7,800	6,344	81%	31,200	14,686	47%	16,514	66,200	22%	51,514
Debt service										
Principal - note payable	12,500	-	-	50,000	-	-	50,000	122,800	-	122,800
Interest - note payable	1,150	-	-	4,600	-	-	4,600	4,600	-	4,600
Principal - 2021 Refunding	-	-	-	-	-	-	-	-	-	-
Interest - 2021 Refunding	-	1,042	-	-	1,042	-	(1,042)	-	-	(1,042)
Principal - 2017 bond	12,500	-	-	50,000	264,000	528%	(214,000)	100,000	264%	(164,000)
Interest - 2017 bond	2,500	-	-	10,000	1,919	19%	8,081	18,200	11%	16,281
Contingency				447,025				527,625		527,625
Total expenditures	\$ 429,450	\$ 602,047	140%	\$ 2,164,825	\$ 1,220,898	56%	\$ 496,902	\$ 3,680,025	33.2%	\$ 2,459,127
Revenue over (under) expenditures	\$ 35,400	\$ (348,171)	-67%	\$ (305,425)	\$ 146,173	28%	\$ (4,573)	\$ (289,025)		
Debt service reserve	114,600			114,600				131,000		131,000
Beginning fund balance	420,025	518,550	123%	420,025	518,550	123%		420,025		
Ending fund balance	\$ 455,425	\$ 170,379	37%	\$ -	\$ 664,723	-		\$ -		



New golf carts delivered in December 2021

Administration and Financial Support Services Fund

This fund accounts for the activities of the City Manager’s office, human resources, recorder, finance, Council directed contributions, and information technology services. The primary source of revenue is charges to other funds for services.

Overall revenue collection through the second quarter came in at approximately \$1.53 million or 50 percent of the annual budget. Charges for services are largely associated with Internal Service Fund transfers totaling \$1.44 million and 911 user equipment reimbursements of \$62,000 through the second quarter.

Overall expenditures at quarter end are at approximately 45 percent of the annual budget or \$1.66 million. Expenditures are tracking below budget in the City Council Department and Finance Department with the Administrative Services Department tracking at roughly 50 percent of the budget. In the Information Technology Department, expenditures are at 64 percent of budget with several annual service agreements coming due during the first quarter and upgrades to 911 infrastructure and 911 user equipment continuing through the second quarter.

Fund balance decreased roughly \$131,000 or -19 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Charges for services	\$ 740,675	\$ 791,393	107%	\$ 2,962,700	\$ 1,529,714	52%	\$ 1,432,986	\$ 6,095,600	25%	\$ 4,565,886
Intergovernmental	25,000		-	100,000	502	1%	99,498	100,000	1%	99,498
Interest	625	711	114%	2,500	1,618	65%	882	5,000	32%	3,382
Total revenue	\$ 766,300	\$ 792,104	103%	\$ 3,065,200	\$ 1,531,834	50%	\$ 1,533,366	\$ 6,200,600	25%	\$ 4,668,766
Expenditures										
City Council	\$ 22,975	\$ 18,271	80%	\$ 91,900	\$ 37,007	40%	\$ 54,893	\$ 185,300	20%	\$ 148,293
Administration / Team Services	227,400	219,378	96%	909,600	451,367	50%	458,233	1,838,000	25%	1,386,633
Financial Services	275,050	257,167	93%	1,100,200	484,607	44%	615,593	2,166,300	22%	1,681,693
Information Technology	267,900	249,120	93%	1,071,600	689,845	64%	381,755	2,193,900	31%	1,504,055
Contingency				534,849				460,049		460,049
Total expenditures	\$ 793,325	\$ 743,936	94%	\$ 3,708,149	\$ 1,662,826	45%	\$ 1,510,474	\$ 6,843,549	24%	\$ 5,180,723
Revenue over (under) expenditures	\$ (27,025)	\$ 48,168	7%	\$ (642,949)	\$ (130,991)	-19%	\$ 22,891	\$ (642,949)		
Beginning fund balance	642,949	693,898	108%	642,949	693,898	108%		642,949		
Ending fund balance	\$ 615,924	\$ 742,066	120%	\$ -	\$ 562,907	-		\$ -		

Building Facilities Fund

This fund accounts for the operating costs of the city hall facility and related debt service, police facility, public works facility, Barnes Butte Complex and the community development block grant (CDBG) for the senior center. Revenue is received through rental charges to user departments, grants and activities.

Overall revenues are roughly \$1.7 million or 98 percent of the annual budget with \$987,000 in debt proceeds coming in from a refinancing during the first quarter. Second quarter intergovernmental revenues were associated with the Community Development Block grant for the senior center. Other revenue for the quarter was largely associated with user rents and transfers.

Expenditures through the second quarter are roughly 51 percent of the annual budget with the refinancing of debt mentioned earlier in the first quarter. The City Hall building debt was refinanced in the amount of \$986,000 affecting the City Hall Facilities Department. The Barnes Butte Department and the Police Facilities Department are tracking under budget at approximately 33 percent and 14 percent of the annual budget respectively. Capital expenditures for police facilities included budgeted sidewalk and curb improvements during the second quarter. The Sr. Center project was completed in the last fiscal year but when they opened to the public a couple months later, their steam table stopped working. The project had finished slightly under budget leaving some grant dollars still to be spent. The State was contacted and they allowed the rest of the grant dollars to be used to replace the steam table. The senior center reimbursed the City for the costs that were not covered by the remaining grant funds during the second quarter. In the Public Works facilities Department, expenditures are at 41 percent of budget.

Fund balance increased roughly 76 percent through the second quarter.



Picture taken by Officer Jordan Zamora during the 2nd quarter.

Building Facilities Fund - Continued

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Quarter Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Rent	\$ 54,400	\$ 55,000	101%	\$ 217,600	\$ 110,000	51%	\$ 107,600	\$ 451,300	24%	\$ 341,300
Transfers	283,700	284,050	100%	1,134,800	568,100	50%	566,700	1,995,700	28%	1,427,600
Miscellaneous	1,250	3,075	246%	5,000	6,582	132%	(1,582)	10,000	66%	3,418
Debt proceeds	-	-	-	-	986,811	-	(986,811)	-	-	(986,811)
Intergovernmental	94,400	13,432	14%	377,600	26,715	7%	350,885	377,600	7%	350,885
Interest	1,250	564	45%	5,000	1,059	21%	3,941	10,000	11%	8,941
Total revenue	\$ 435,000	\$ 356,120	82%	\$ 1,740,000	\$ 1,699,267	98%	\$ 40,733	\$ 2,844,600	60%	\$ 1,145,333
Expenditures										
City Hall facilities	\$ 73,500	\$ 32,260	44%	\$ 294,000	\$ 1,051,836	358%	\$ (757,836)	\$ 540,800	194%	\$ (511,036)
Police facilities	146,925	99,047	67%	587,700	192,357	33%	395,343	1,142,800	17%	950,443
CDBG - Sr. Center	-	14,966	-	-	14,966	-	(14,966)	-	-	(14,966)
Public Works facilities	9,125	5,464	60%	36,500	14,840	41%	21,660	73,000	20%	58,160
Barnes Butte	151,575	53,044	35%	606,300	85,419	14%	520,881	788,200	11%	702,781
Contingency	-	-	-	35,628	-	-	-	119,928	-	119,928
Total expenditures	\$ 381,125	\$ 204,781	54%	\$ 1,560,128	\$ 1,359,418	51%	\$ 165,082	\$ 2,664,728	51%	\$ 1,305,310
Revenue over (under) expenditures	\$ 53,875	151,340	34%	\$ 179,872	339,850	76%	\$ (124,350)	\$ 179,872		
Other requirements										
Debt service reserve	542,300	-	-	542,300	-	-	-	542,300	-	-
Beginning fund balance	362,428	448,426	124%	362,428	448,426	124%		362,428		
Ending fund balance	\$ 416,303	\$ 599,766	144%	\$ 542,300	\$ 788,276	145%		\$ -		



Pedestrian bridge being installed for additional access to Barnes Butte.

Plaza Maintenance Fund

This fund accounts for the maintenance of the plaza joining City Hall and the Crook County Annex building. The county and the city maintain the plaza in a joint effort. Starting in 2005 the county was responsible for accounting for the maintenance of the plaza per a city and county agreement. The agreement has been revised and the city, starting FY 13, now assumes the responsibility of accounting for the plaza maintenance. Revenues are generated through a transfer from the city with matching monies from the county. Expenditures are for maintaining the landscaping, sidewalks and lighting.

Revenues through the second quarter are at roughly 99 percent of the annual budget with the City’s annual transfer being completed in the second quarter.

Second quarter materials and services are for contracted grounds keeping totaling approximately \$1,900.

Fund balance increased roughly 64 percent through the second quarter.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Intergovernmental	\$ 2,500	\$ -	-	\$ 10,000	\$ 10,000	100%	\$ -	\$ 20,000	50%	\$ 10,000
Interest	50	31	62%	200	68	34%	132	400	17%	332
Transfers	2,500	10,000	-	10,000	10,000	100%	-	20,000	50%	10,000
Total revenue	\$ 5,050	\$ 10,031	199%	\$ 20,200	\$ 20,068	99%	\$ 132	\$ 40,400	50%	\$ 20,332
Expenditures										
Materials and services	\$ 7,250	\$ 1,867	26%	\$ 29,000	\$ 4,109	14%	\$ 24,891	\$ 43,000	10%	\$ 38,891
Transfers	500	500	100%	2,000	1,000	50%	1,000	4,000	25%	3,000
Contingency				14,602				18,802		18,802
Total expenditures	\$ 7,750	\$ 2,367	31%	\$ 45,602	\$ 5,109	11%	\$ 25,891	\$ 65,802	8%	\$ 60,693
Revenue over (under) expenditures	\$ (2,700)	\$ 7,664	33%	\$ (25,402)	\$ 14,959	64%	\$ (25,759)	\$ (25,402)		
Beginning fund balance	25,402	23,339	92%	25,402	23,339	92%		25,402		
Ending fund balance	\$ 22,702	\$ 31,003	137%	\$ -	\$ 38,298	-		\$ -		



The plaza in December 2021

Public Works Support Services Fund

This fund accounts for the activities of the Public Works management, support staff, fleet and vehicle maintenance costs. The primary source of revenue is charges to other funds for services.

Second quarter revenues are at roughly 47 percent of the annual budget and are largely associated with transfers for services from the streets, water and wastewater departments for public works.

Expenditures through the second quarter are at roughly 41 percent of the annual budget. Expenditures for support services are as anticipated through the second quarter with personnel services coming in at 49 percent at quarter end. Expenditures in the fleet and vehicles department are tracking at 41 percent of the annual budget with no capital expenditures taking place in the second quarter.

Fund balance increased approximately \$62,000 or 17 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Intergovernmental	\$ 27,500	\$ -	-	\$ 110,000	\$ 1,294	1%	\$ 108,706	\$ 220,000	1%	\$ 218,706
Charges for services	577,075	518,325	90%	2,308,300	1,036,650	45%	1,271,650	4,640,600	22%	3,603,950
Interest	300	610	203%	1,200	1,273	106%	(73)	2,400	53%	1,127
Miscellaneous	1,750	615	35%	7,000	1,615	23%	5,385	14,000	12%	12,385
Debt Proceeds	45,825	-	-	183,300	184,940	101%	(1,640)	183,300	101%	(1,640)
Total revenue	\$ 652,450	\$ 519,550	80%	\$ 2,609,800	\$ 1,225,772	47%	\$ 1,385,668	\$ 5,060,300	24%	\$ 3,836,168
Expenditures										
Public Works Support Services	\$ 462,725	\$ 470,806	102%	\$ 1,850,900	\$ 918,140	50%	\$ 932,760	\$ 3,805,000	24%	\$ 2,886,860
Public Works Fleet and Vehicles	149,200	31,026	21%	596,800	245,411	41%	351,389	1,025,200	24%	779,789
Contingency				370,738				438,738		438,738
Total expenditures	\$ 611,925	\$ 501,832	82%	\$ 2,818,438	\$ 1,163,550	41%	\$ 1,284,150	\$ 5,268,938	22%	\$ 4,105,388
Revenue over (under) expenditures	\$ 40,525	\$ 17,718	5%	\$ (208,638)	\$ 62,222	17%	\$ 101,518	\$ (208,638)		
Beginning fund balance	208,638	375,558	180%	208,638	375,558	180%		208,638		
Ending fund balance	\$ 249,163	\$ 393,276	158%	\$ -	\$ 437,780	-		\$ -		

ORDINANCE NO. 1272

AN ORDINANCE ADOPTING CHANGES TO PRINEVILLE CODE CHAPTER 32

Whereas, City of Prineville (“City”) Staff have compiled amendments by restatement to the City of Prineville’s Code Chapter 32 governing Departments, Boards and Commissions, which are attached as Exhibit A and incorporated herein; and

NOW, THEREFORE, THE PEOPLE OF THE CITY OF PRINEVILLE DO ORDAIN AS FOLLOWS:

1. That Chapter 32 of the Code of Prineville is amended as shown on Exhibit A.
2. That this ordinance becomes effective thirty (30) days after its passage.

Presented for the first time at a regular meeting of the City Council held on March 8, 2022, and for the second presentation on March 22, 2022.

Rodney J. Beebe
Mayor

ATTEST:

Lisa Morgan, City Recorder

CHAPTER 32: DEPARTMENTS, BOARDS AND COMMISSIONS

Section

Planning Commission

32.01 Establishment

32.02 Members

32.03 Chairman and Vice Chairman

32.04 Procedures

32.05 Advisory committees

32.06 Powers

32.07 Recommendations

32.08 Expenditures

Contract Review Board

32.25 Establishment; powers and duties

32.26 Rules

Cross reference:

Crook County-City of Prineville Airport

Commission, see T.S.O. Table IV

Fire Department, see Ch. 95

Police Department, see Ch. 33

PLANNING COMMISSION¹

32.01 ESTABLISHMENT.

There is hereby created a City Planning Commission (hereinafter referred to as the Commission) for the city.

(’91 Code, § 1-2.1) (Ord. 715, passed 1-8-74; Am. Ord. 1161, passed 1-13-09)

32.02 MEMBERS.

(A) **Number of Members.** The Prineville Planning Commission shall be comprised of 7 members.

(B) **Residency.** Members should reside within the Prineville Urban Growth Boundary.

(C) **Qualifications.**

(1) No more than two voting members of the Commission may engage principally in the buying, selling or developing of real estate for profit as individuals, or be members of any partnership, or officers or employees of any corporation that engages principally in the buying, selling or developing of real estate for profit. No more than two members shall be engaged in the same kind of occupation, business, trade or profession.

(2) Consideration should be given, whenever possible, to representation of backgrounds consistent with the skill set needed for the commission, a balance of viewpoints, and diversity, including representation for all of the community.

(D) **Appointments.** Appointments to the Commission shall be made by a committee of Council members appointed by the Mayor. This Committee shall make a recommendation to be approved by consent of Council. The Committee may review applications and interview candidates at their discretion. Re-appointment of Commission members shall not require committee review unless recommended by the Mayor, Council member, or City Manager.

(E) **Terms.** All members shall be appointed or re-appointed for four year terms beginning on January 1 of each year. Vacancies shall be filled for the unexpired term of the predecessor in office. All terms shall initially be staggered for one, two or three years to prevent all terms from expiring at once.

(F) **Removal.** A commission member serves at the pleasure of the Council and may be removed or replaced at any time following a motion approved by the Council. Removal may be based on misconduct, nonperformance of duty, or three or more successive unexcused absences from regular meetings.

('91 Code, § 1-2.2) (Ord. 715, passed 1-8-74; Am. Ord. 927, passed 9-27-88; Am. Ord. 1013, passed 8-1-94; Am. Ord. 1161, passed 1-13-09)

32.03 CHAIRMAN AND VICE CHAIRMAN.

At its first meeting of each year, the Planning Commission shall elect from among its membership a Chairperson and Vice-Chairperson. The Chairperson or Vice-Chairperson, acting as Chairperson, shall have the right to make or correct motions and vote on all matters before the Commission. A majority of the Commission may replace its Chairperson or Vice-Chairperson with another member at any time.

('91 Code, § 1-2.3) (Ord. 715, passed 1-8-74; Am. Ord. 1161, passed 1-13-09)

32.04 PROCEDURES.

(A) **Meeting Schedule.** The Commission shall meet at least once a month to conduct City business, at such times and places as may be fixed by the Commission. If no City business is scheduled the meeting may be canceled by the Chairman.

(B) **Meeting Conduct.** The latest addition of Robert's Rules of Order shall govern each commission meeting. The Commission may establish rules, regulations and procedures for its operation consistent with the laws of the State, City and County.

(C) **Open to the Public.** All meetings shall be open to the public.

(D) **Quorum.** A majority of the voting members of the committee shall constitute a quorum.

(E) **Special meetings.** Special meetings may be called at any time by the Chairman or by two members by written notice served upon each member of the Commission at least 24 hours before the time specified for the proposed meeting and with compliance with ORS Chapter 192.

('91 Code, § 1-2.5) (Ord. 715, passed 1-10-74; Am. Ord. 1161, passed 1-13-09. Formerly 32.05)

32.05 ADVISORY COMMITTEES.

(A) For the purpose of obtaining citizen participation, the Commission may establish advisory committees on specific planning categories such as but not limited to land use, economics, housing, transportation, solid waste, natural resource management, open space and recreation.

(B) The Commission shall consult with each advisory committee established under this section in the preparation, adoption, revision and implementation of a comprehensive or other plans for the city. The Commission shall furnish each such committee with technical and other assistance.

('91 Code, § 1-2.6) (Ord. 715, passed 1-10-74; Am. Ord. 1161, passed 1-13-09. Formerly 32.06)

32.06 POWERS.

(A) Act in an advisory capacity to the Prineville City Council regarding the City’s comprehensive planning program, using citizen input and public hearings when appropriate.

(B) Serve in a quasi-judicial capacity on land development proposals by conducting public hearings and issuing decisions on applications and appeals pursuant to the City’s land use code and procedures.

(C) Act as the Citizens Involvement Committee for the Council. The Commission may be asked to make recommendations regarding the location of thoroughfares, public buildings, parks, public facilities, and any other matter relating to the planning and development of the city.

(D) Study and propose measures that are advisable for promotion of the public interest, health, morals, safety, comfort, convenience and welfare of the City and the Prineville area. The Commission may make recommendations on its own initiative or at the request of the City Council.

(’91 Code, § 1-2.8) (Ord. 715, passed 1-10-74; Am. Ord. 1161, passed 1-13-09. Formerly 32.08)

32.07 RECOMMENDATIONS.

All recommendations and suggestions made to the City Council by the Commission shall be in writing.

(’91 Code, § 1-2.9) (Ord. 715, passed 1-10-74; Am. Ord. 1161, passed 1-13-09. Formerly 32.09)

32.08 EXPENDITURES.

The Commission shall have no authority to make expenditures on behalf of the City, or to obligate the City for the payment of any sums of money, except as herein provided, and then only after the City Council shall have first authorized the expenditures by appropriate resolution, which resolution shall provide an administrative method by which the funds shall be drawn and expended.

(’91 Code, § 1-2.10) (Ord. 715, passed 1-10-74; Am. Ord. 1161, passed 1-13-09. Formerly 32.10)

CONTRACT REVIEW BOARD

32.25 ESTABLISHMENT; POWERS AND DUTIES.

Pursuant to ORS 279.055, the Council of the city is hereby continued as the City Contract Review Board. The Board shall have all the powers granted it by ORS 279.055.

(’91 Code, § 1-9.1) (Ord. 955, passed 3-12-91)

32.26 RULES.

The Board shall not exercise its authority until it has adopted rules by resolution to carry out its powers and duties.

(’91 Code, § 1-9.2) (Ord. 955, passed 3-12-91)

¹Prior legislation: ’91 Code, §§ 1-2.4, 1-2.7.



STAFF REPORT

MEETING DATE: 4/12/2022

PREPARED BY: Mike Kasberger

SECTION: Staff Reports and Requests

DEPARTMENT: Public Works

CITY GOAL: Fiscal Responsibility, Provide Quality Municipal Service & Programs

SUBJECT: Easement for Wells in Crooked River Park

REASON FOR CONSIDERATION:

City has constructed a well field and water treatment facility located at 1432 South Main St, Prineville OR, under a temporary easement agreement. The facility is now complete and we are memorializing our agreement with the County by recording a permanent easement.

BACKGROUND:

On or about September 6th, 2017 the City began drilling wells at Crooked River Park to supply water for our Aquifer Storage and Recovery project. This easement is for 3 production wells and reserves space for 1 well not yet constructed. It provides the setback required by OHA for each of the wells and also give access to operate and maintain each of these wells.

FISCAL IMPACT:

There is no fiscal impact.

RECOMMENDATION:

Staff Recommends that Council approve the referenced easement as presented.

**RESOLUTION NO. 1515
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION APPROVING AN EASEMENT AGREEMENT WITH CROOK
COUNTY**

Whereas, the City of Prineville (“City”) and Crook County (“County”) entered into an Agreement (“Agreement”) effective September 6, 2017 and amended December 29, 2020, allowing the City to drill one or more test wells on portions of County’s Property to determine if the test wells had the potential to serve as municipal wells; and

Whereas, City had the option to provide notice to the County of test wells that it intended to use as permanent municipal wells, which City so provided on December 21, 2021; and

Whereas, per the Agreement, County has agreed to execute an easement prepared by City granting the City a permanent easement for wells, water lines, pump house, electric lines, and other accessories; and

Whereas, an Easement Agreement has been prepared by the City, which is attached to this Resolution; and

Whereas, City staff recommends that the attached Easement Agreement be approved by City Council.

Now, Therefore, the City of Prineville resolves as follows:

1. The attached Easement Agreement is approved.
2. The Mayor and City Manager are authorized and instructed to execute on behalf of the City the Easement Agreement.

Approved by the City Council this ____ day of March, 2022.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder

After Recording Return to:
Jered Reid
35 SE C Street, Suite D
Madras, Oregon 97741

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (“Agreement”) is made on the date last written below by and between **Crook County**, a political subdivision of the State of Oregon (“Grantor”) and the **City of Prineville**, an Oregon municipal corporation (“Grantee.”). Both Grantor and Grantee shall be known as “Party” and collectively “Parties.”

RECITALS

- A. Grantor is the owner of that certain real property located within Crook County, Oregon as more particularly described as Tax Lot 203 of Township 15 South, Range 16 East of the Willamette Meridian, City of Prineville, Crook County, Oregon (“Grantor Property”).
- B. On or about September 6, 2017, the Parties entered into an Agreement that allowed Grantee to drill one or more test wells on portions of the Property to determine if the test wells have the potential to serve as municipal wells.
- C. Grantee has requested to use certain test wells as permanent municipal wells and Grantor has agreed to grant to Grantee certain easements over portions of the Grantor’s Property for the purpose sand subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The RECITALS set forth above are expressly incorporated into, and made a part of, this Agreement as if fully rewritten herein.
2. Grantor hereby gives, grants, and conveys unto Grantee and its agents, employees, contractors, successors, or assigns, (i) a perpetual non-exclusive easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto (the “Easement Area”), for operating, maintaining, repairing, replacing, constructing, reconstructing, modifying, upgrading and/or inspecting a well and related facilities (the “Well”) to service the City of Prineville (the “Well Easement”); (ii) a perpetual non-exclusive easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto, for operating, maintaining, repairing, replacing, constructing, reconstructing, modifying, upgrading and/or inspecting water lines and related facilities (the “Water Lines”) to service the City of Prineville (the “Water Lines Easement”); (iii) a perpetual non-exclusive ingress and egress easement over, upon, across, under and through the portion of the Grantor Property as described

on Exhibit A attached hereto and illustrated on Exhibit B attached hereto (the “Ingress/Egress Easement”); (iv) a perpetual non-exclusive easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto, for electrical supply to the Well and the Water Lines (the “Electrical Easement”); and (v) a temporary non-exclusive easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto, to construct the Well and the Water Lines within the easement areas described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto (the “Construction Easement”, and collectively with the Well Easement, the Water Lines Easement, the Ingress/Egress Easement and the Electrical Easement, the “Easements”, and each, an “Easement”).

3. Grantee shall install separate meters measuring the electricity to the Well and the Water Lines and pay the charges for electricity bill to the meters servicing the Well and the Water Lines.

4. Grantee shall repair or remediate, at Grantee’s sole cost and expense, any damage to the Grantor Property arising out of or in connection with Grantee’s use of the Well and the Water Lines or the easement rights granted herein.

5. Grantee hereby specifically indemnifies and holds Grantor and its successors, assigns, employees and agents (the “Indemnitees”), free and harmless from any and all claims, suits, obligations, liabilities or expenses (collectively, the “Claims”) arising out of any damage to property and/or personal injury caused by the acts of Grantee, and its agents, employees, or contractors, in connection with Grantee’s exercise of its rights hereunder or use of the Well and the Water Lines. The foregoing indemnity shall not apply to the extent that such Claims are caused by the negligence or willful misconduct of any Indemnitee.

6. Grantor agrees not to build, construct or install, or to convey to others the permission to build, construct or install, as applicable any permanent structures, sidewalks, driveways, landscaping, and/or similar improvements on, over, across, in, through, or under the Easements.

7. In the event of any litigation, action or proceeding concerning the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all costs, expenses and fees incurred (including without limitation reasonable attorneys’ and paralegals’ fees), in connection therewith, and in connection with any appellate or post-judgment proceedings. The provisions of this Section shall survive the closing or termination of this Agreement.

8. This Agreement and the easements and rights granted hereunder are, and shall be, binding upon, and inure to the benefit of, the parties hereto and their respective grantees, lessees, transferees, successors and assigns, and the same shall run with the land and be binding upon the Properties.

9. Any notice from Grantor to Grantee or from Grantee to Grantor shall be deemed duly served (a) when personally served, (b) three (3) days after deposited in the U.S. certified mail, return receipt requested, or (c) one (1) day after sent via "overnight" courier service, addressed to such party as follows:

If to Grantor: Crook County Court
ATTN: County Judge
203 NE Court Street
Prineville, Oregon 97754

With a copy to: Crook County Legal Counsel
300 NE Third Street
Prineville, OR 97754

If to Grantee: City of Prineville
ATTN: City Manager
387 NE Third Street
Prineville, OR 97754

With a copy to: Jered Reid
35 SE C Street, Suite D
Madras, OR 97741

Either party hereto may change the name and address of the designee to which notice shall be sent by giving written notice of such change to the other party hereto as hereinbefore provided.

10. This Agreement shall be governed by and construed under the laws of the State of Oregon.

11. Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto, it being understood and agreed that the only relationship between the parties is that of easement grantor and easement grantee.

12. If any provision of this Agreement is found invalid or unenforceable by a court of competent jurisdiction, such finding will not affect the other provisions of this Agreement, all of which shall remain in full force and effect.

13. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Copies (whether facsimile, photostatic or otherwise) of signatures to this Agreement shall be deemed originals and may be relied on to the same extent as the originals.

14. This Agreement contains the entire agreement between the parties concerning the subject matter of the Agreement and incorporates and supersedes all prior understandings and

agreements, both written and oral. This Agreement may be amended only by written agreement signed by all of the parties hereto.

15. Grantor and Grantee shall promptly, from time to time after the date hereof, execute, deliver and/or record such further instructions as reasonably requested by the other (and reasonably acceptable to the party from whom requested), in order to fully effect the easements and rights contemplated hereby.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year last written below.

Crook County

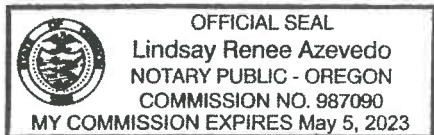
By: [Signature]
Seth Crawford, County Judge

By: [Signature]
Brian Barney, Commissioner

By: [Signature]
Jerry Brummer, Commissioner

STATE OF OREGON)
) ss.
County of Crook)

Personally appeared the above-named **Seth Crawford, County Judge, Brian Barney, Commissioner, and Jerry Brummer, Commissioner**, for Crook County and acknowledged the foregoing instrument to be their voluntary act and deed on behalf of Crook County this 16th day of March, 2022.



[Signature]
Notary Public for Oregon
My Commission Expires: 5/5/2023

City of Prineville

By: _____
Steve Forrester, City Manager

By: _____
Rodney J. Beebe, Mayor

STATE OF OREGON)
) ss.
County of Crook)

Personally appeared the above-named **Steve Forrester, City Manager, and Rodney J. Beebe, Mayor**, for the City of Prineville and acknowledged the foregoing instrument to be their voluntary act and deed on behalf of the City this ____ day of _____, 2022.

Notary Public for Oregon
My Commission Expires: _____

LEGAL DESCRIPTION FOR WATER LINE EASEMENTS LOCATED IN THE NW1/4
OF SECTION 8, T.15S., R.16E., W.M., CITY OF PRINEVILLE, CROOK COUNTY,
OREGON
W.O. 21-5704

LEGAL DESCRIPTION – WATER LINE EASEMENT NO. 2

A centerline legal description for a twenty (20) feet wide water line easement, ten (10) feet on each side of centerline, located on a tract of land conveyed to Crook County, being Tax Lot 203 of T.15S., R.16E, Section 8, Records of Crook County, Oregon, located in the Northwest one-quarter (NW1/4) of Section 8, Township 15 South, Range 16 East, W.M., City of Prineville, Crook County, Oregon, said centerline is more particularly described as follows: Beginning at the North one-quarter corner of said Section 8, thence South 81°22'07" West a distance of 1166.92 feet to the True Point of Beginning of this centerline description, thence South 2°59'55" East a distance of 147.08 feet; thence South 85°43'57" West a distance of 175.40 feet; South 87°51'51" West a distance of 135.59 feet; thence North 44°53'17" West a distance of 135.83 feet to the termination point of this centerline description.

LEGAL DESCRIPTION – WATER LINE EASEMENT NO. 3

A centerline legal description for a twenty (20) feet wide water line easement, ten (10) feet on each side of centerline, located on a tract of land conveyed to Crook County, being Tax Lot 203 of T.15S., R.16E, Section 8, Records of Crook County, Oregon, located in the Northwest one-quarter (NW1/4) of Section 8, Township 15 South, Range 16 East, W.M., City of Prineville, Crook County, Oregon, said centerline is more particularly described as follows: Beginning at the North one-quarter corner of said Section 8, thence South 65°58'21" West a distance of 1139.64 feet to the True Point of Beginning of this centerline description, thence North 58°41'07" West a distance of 110.44 feet; thence North 7°14'41" West a distance of 85.31 feet to the termination point of this centerline description.

LEGAL DESCRIPTION – WATER LINE EASEMENT NO. 4

A centerline legal description for a twenty (20) feet wide water line easement, ten (10) feet on each side of centerline, located on a tract of land conveyed to Crook County, being Tax Lot 203 of T.15S., R.16E, Section 8, Records of Crook County, Oregon, located in the Northwest one-quarter (NW1/4) of Section 8, Township 15 South, Range 16 East, W.M., City of Prineville, Crook County, Oregon, said centerline is more particularly described as follows: Beginning at the North one-quarter corner of said Section 8, thence South 70°11'16" West a distance of 1432.20 feet to the True Point of Beginning of this centerline description, thence North 14°21'27" East a distance of

111.88 feet; thence North $1^{\circ}41'08''$ West a distance of 42.00 feet to the termination point of this centerline description.

LEGAL DESCRIPTION FOR WELL, WATER LINE AND ACCESS EASEMENTS
LOCATED IN THE NW1/4 OF SECTION 8, T.15S., R.16E., W.M., CITY OF
PRINEVILLE, CROOK COUNTY, OREGON
W.O. 21-5704

LEGAL DESCRIPTION – WELL EASEMENT NO.2

Legal description for a well easement located on a tract of land conveyed to Crook County, being Tax Lot 203 of T.15S., R.16E, Section 8, Records of Crook County, Oregon, located in the Northwest one-quarter (NW1/4) of Section 8, Township 15 South, Range 16 East, W.M., City of Prineville, Crook County, Oregon, more particularly described as follows: A one hundred (100) feet radius circle from which the radius bears South 86°34'31" West a distance of 1584.73 feet form the North one-quarter corner of said Section 8.

LEGAL DESCRIPTION – WELL EASEMENT NO.3

Legal description for a well easement located on a tract of land conveyed to Crook County, being Tax Lot 203 of T.15S., R.16E, Section 8, Records of Crook County, Oregon, located in the Northwest one-quarter (NW1/4) of Section 8, Township 15 South, Range 16 East, W.M., City of Prineville, Crook County, Oregon, more particularly described as follows: A one hundred (100) feet radius circle from which the radius bears South 70°11'16" West a distance of 1432.20 feet form the North one-quarter corner of said Section 8.

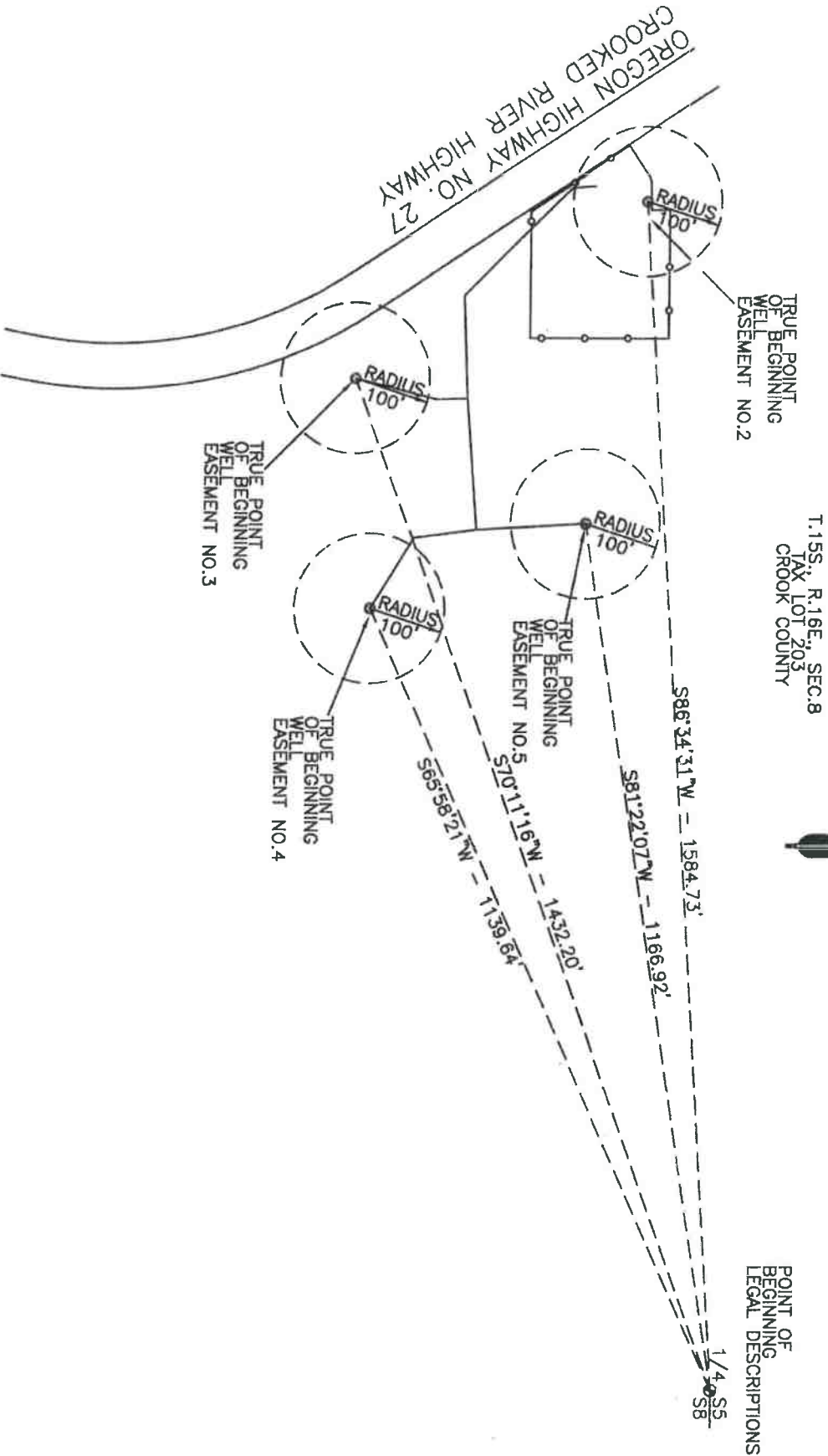
LEGAL DESCRIPTION – WELL EASEMENT NO.4

Legal description for a well easement located on a tract of land conveyed to Crook County, being Tax Lot 203 of T.15S., R.16E, Section 8, Records of Crook County, Oregon, located in the Northwest one-quarter (NW1/4) of Section 8, Township 15 South, Range 16 East, W.M., City of Prineville, Crook County, Oregon, more particularly described as follows: A one hundred (100) feet radius circle from which the radius bears South 65°58'21" West a distance of 1139.64 feet form the North one-quarter corner of said Section 8.

LEGAL DESCRIPTION – WELL EASEMENT NO.5

Legal description for a well easement located on a tract of land conveyed to Crook County, being Tax Lot 203 of T.15S., R.16E, Section 8, Records of Crook County, Oregon, located in the Northwest one-quarter (NW1/4) of Section 8, Township 15 South, Range 16 East, W.M., City of Prineville, Crook County, Oregon, more particularly described as follows: A one hundred (100) feet radius circle from which the radius bears South 81°22'07" West a distance of 1166.92 feet form the North one-quarter corner of said Section 8.

EXHIBIT MAP FOR WELL AND WATER LINE EASEMENTS LOCATED IN THE NW1/4 OF SECTION 8, T.15S., R.16E., W.M., CITY OF PRINEVILLE, CROOK COUNTY, OREGON
W.O. 21-5704





STAFF REPORT

MEETING DATE: 4/12/2022

PREPARED BY: Mike Kasberger

SECTION: Staff Reports and Requests

DEPARTMENT: Public Works

CITY GOAL: Fiscal Responsibility, Provide Quality Municipal Service & Programs

SUBJECT: Easement for Wells in Crooked River Park

REASON FOR CONSIDERATION:

City has constructed a well field and water treatment facility in Crooked River Park under a temporary easement agreement. The facility is now complete and we are memorializing our agreement with the Crook County Parks and Recreation District by recording a permanent easement.

BACKGROUND:

On or about September 6th, 2017 the City began drilling wells at Crooked River Park to supply water for our Aquifer Storage and Recovery project. This easement is for 14 production wells, 7 monitoring wells and reserves space for 1 well not yet constructed. It provides the setback required by OHA for each of the wells and also give access to operate and maintain each of these wells.

FISCAL IMPACT:

There is no fiscal impact.

RECOMMENDATION:

Staff Recommends that council approve easement as presented.

**RESOLUTION NO. 1516
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION APPROVING AN EASEMENT AGREEMENT WITH CROOK
COUNTY PARKS & RECREATION DISTRICT**

Whereas, the City of Prineville (“City”) and Crook County Parks & Recreation District (“District”) entered into an Agreement (“Agreement”) effective September 6, 2017 and amended December 29, 2020, allowing the City to drill one or more test wells on portions of District’s Property to determine if the test wells had the potential to serve as municipal wells; and

Whereas, City had the option to provide notice to the District of test wells that it intended to use as permanent municipal wells, which City so provided on December 21, 2021; and

Whereas, per the Agreement, District has agreed to execute an easement prepared by City granting the City a permanent easement for wells, water lines, pump house, electric lines, and other accessories; and

Whereas, an Easement Agreement has been prepared by the City, which is attached to this Resolution; and

Whereas, City staff recommends that the attached Easement Agreement be approved by City Council.

Now, Therefore, the City of Prineville resolves as follows:

1. The attached Easement Agreement is approved.
2. The Mayor and City Manager are authorized and instructed to execute on behalf of the City the Easement Agreement.

Approved by the City Council this ____ day of March, 2022.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder

After Recording Return to:
Jered Reid
35 SE C Street, Suite D
Madras, Oregon 97741

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (“Agreement”) is made on the date last written below by and between **Crook County Parks and Recreation District**, an Oregon public recreational district (“Grantor”) and the **City of Prineville**, an Oregon municipal corporation (“Grantee.”). Both Grantor and Grantee shall be known as “Party” and collectively “Parties.”

RECITALS

- A. Grantor is the owner of that certain real property located within Crook County, Oregon as more particularly described as that tract of land conveyed to Crook County Parks and Recreation district in Deeds MF 107044, Records of Crook County, Oregon, located in the Norwest one-quarter (NW1/4) of Section 8, Township 15 South, Range 16 East of the Willamette Meridian, City of Prineville, Crook County, Oregon. (“Grantor Property”).
- B. On or about September 6, 2017, the Parties entered into an Agreement that allowed Grantee to drill one or more test wells on portions of the Property to determine if the test wells have the potential to serve as municipal wells.
- C. Grantee has requested to use certain test wells as permanent municipal wells and Grantor has agreed to grant to Grantee certain easements over portions of the Grantor’s Property for the purpose sand subject to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the foregoing, the covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The RECITALS set forth above are expressly incorporated into, and made a part of, this Agreement as if fully rewritten herein.
2. Grantor hereby gives, grants, and conveys unto Grantee and its agents, employees, contractors, successors, or assigns, (i) a perpetual non-exclusive easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto (the “Easement Area”), for operating, maintaining, repairing, replacing, constructing, reconstructing, modifying, upgrading and/or inspecting a well and related facilities (the “Well”) to service the City of Prineville (the “Well Easement”); (ii) a perpetual non-exclusive easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto, for operating, maintaining, repairing, replacing, constructing, reconstructing, modifying, upgrading and/or inspecting water lines and related facilities (the “Water Lines”) to service the

City of Prineville (the “Water Lines Easement”); (iii) a perpetual non-exclusive ingress and egress easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto (the “Ingress/Egress Easement”); (iv) a perpetual non-exclusive easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto, for electrical supply to the Well and the Water Lines (the “Electrical Easement”); and (v) a temporary non-exclusive easement over, upon, across, under and through the portion of the Grantor Property as described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto, to construct the Well and the Water Lines within the easement areas described on Exhibit A attached hereto and illustrated on Exhibit B attached hereto (the “Construction Easement”, and collectively with the Well Easement, the Water Lines Easement, the Ingress/Egress Easement and the Electrical Easement, the “Easements”, and each, an “Easement”).

3. Grantee shall install separate meters measuring the electricity to the Well and the Water Lines and pay the charges for electricity bill to the meters servicing the Well and the Water Lines.

4. Grantee shall repair or remediate, at Grantee’s sole cost and expense, any damage to the Grantor Property arising out of or in connection with Grantee’s use of the Well and the Water Lines or the easement rights granted herein.

5. Grantee hereby specifically indemnifies and holds Grantor and its successors, assigns, employees and agents (the “Indemnitees”), free and harmless from any and all claims, suits, obligations, liabilities or expenses (collectively, the “Claims”) arising out of any damage to property and/or personal injury caused by the acts of Grantee, and its agents, employees, or contractors, in connection with Grantee’s exercise of its rights hereunder or use of the Well and the Water Lines. The foregoing indemnity shall not apply to the extent that such Claims are caused by the negligence or willful misconduct of any Indemnitee.

6. Grantor agrees not to build, construct or install, or to convey to others the permission to build, construct or install, as applicable any permanent structures, sidewalks, driveways, landscaping, and/or similar improvements on, over, across, in, through, or under the Easements, unless mutually agreed by each Party, which agreement shall not be unreasonably withheld. Mutually agreed upon improvements at the time of this easement are a pumphouse, pedestrian boat ramp, and a ADA accessible path along the Crooked River.

7. In the event of any litigation, action or proceeding concerning the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all costs, expenses and fees incurred (including without limitation reasonable attorneys’ and paralegals’ fees), in connection therewith, and in connection with any appellate or post-judgment proceedings. The provisions of this Section shall survive the closing or termination of this Agreement.

8. This Agreement and the easements and rights granted hereunder are, and shall be, binding upon, and inure to the benefit of, the parties hereto and their respective grantees, lessees,

transferees, successors and assigns, and the same shall run with the land and be binding upon the Properties.

9. Any notice from Grantor to Grantee or from Grantee to Grantor shall be deemed duly served (a) when personally served, (b) three (3) days after deposited in the U.S. certified mail, return receipt requested, or (c) one (1) day after sent via "overnight" courier service, addressed to such party as follows:

If to Grantor: Crook County Parks and Recreation District
ATTN: Executive Director
296 South Main Street
Prineville, Oregon 97754

If to Grantee: City of Prineville
ATTN: City Manager
387 NE Third Street
Prineville, OR 97754

With a copy to: Jered Reid
35 SE C Street, Suite D
Madras, OR 97741

Either party hereto may change the name and address of the designee to which notice shall be sent by giving written notice of such change to the other party hereto as hereinbefore provided.

10. This Agreement shall be governed by and construed under the laws of the State of Oregon.

11. Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or joint venture between the parties hereto, it being understood and agreed that the only relationship between the parties is that of easement grantor and easement grantee.

12. If any provision of this Agreement is found invalid or unenforceable by a court of competent jurisdiction, such finding will not affect the other provisions of this Agreement, all of which shall remain in full force and effect.

13. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; but in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. Copies (whether facsimile, photostatic or otherwise) of signatures to this Agreement shall be deemed originals and may be relied on to the same extent as the originals.

14. This Agreement contains the entire agreement between the parties concerning the subject matter of the Agreement and incorporates and supersedes all prior understandings and

agreements, both written and oral. This Agreement may be amended only by written agreement signed by all of the parties hereto.

15. Grantor and Grantee shall promptly, from time to time after the date hereof, execute, deliver and/or record such further instructions as reasonably requested by the other (and reasonably acceptable to the party from whom requested), in order to fully effect the easements and rights contemplated hereby.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year last written below.

Crook County Parks and Recreation District

By: _____
Darlene Henderson, Board Chair

By: _____
Carol Benkosky, Vice Chair

By: _____
Ruthie McKenzie, Secretary

STATE OF OREGON)
) ss.
County of Crook)

Personally appeared the above-named Darlene Henderson, Carol Benkosky, and Ruthie McKenzie for Crook County Parks and Recreation District and acknowledged the foregoing instrument to be their voluntary act and deed on behalf of Crook County Parks and Recreation District this ____ day of _____, 2022.

Notary Public for Oregon
My Commission Expires: _____

City of Prineville

By: _____
Steve Forrester, City Manager

By: _____
Rodney J. Beebe, Mayor

STATE OF OREGON)
) ss.
County of Crook)

Personally appeared the above-named **Steve Forrester, City Manager**, and **Rodney J. Beebe, Mayor**, for the City of Prineville and acknowledged the foregoing instrument to be their voluntary act and deed on behalf of the City this _____ day of _____, 2022.

Notary Public for Oregon
My Commission Expires: _____

**RESOLUTION NO. 1517
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION ESTABLISHING A POLICY GOVERNING CHARITABLE
DONATIONS MADE BY THE CITY COUNCIL**

Whereas, the City Council wishes to establish policies and procedures for community non-profit groups to request and receive public funds from the City of Prineville (“City”).

Whereas, the City Council recognizes the potential for misuse of public funds with insufficient oversight and policies.

Whereas, the City Council Governance Committee has made recommendations regarding guidelines and procedures for Council Contribution/Donations.

Whereas, the City Council desires to create a policy that avoids the appearance of impropriety and minimizes the opportunity for misuse of public funds.

Whereas, the charitable donation policy provided for herein provides for proper public purposes, a neutral, non-political process, and transparency.

Whereas, the City Council hereby establish the following Comprehensive Policy for City Council Governing Charitable Donations.

Now, Therefore, the City of Prineville resolves as follows:

1. The aforementioned recitals are true and correct.
2. **Applicability of Policy.** In order to establish a fair and transparent process for distribution of charitable donations, the City of Prineville hereby establishes this Comprehensive Policy for the City Council Governing Charitable Donations. This policy shall apply to any group, organization, or person requesting public funds.
3. **Public Purpose.** The donation of any public funds by the City of Prineville shall promote a valid public purpose that directly benefits City of Prineville residents and property owners.
4. **Comprehensive Policy Governing Charitable Donations by City Council.** Charitable donations shall be subject to the below guidelines. The eligibility requirements for the donation of any public funds are:
 - a. The solicitation request shall be for a public purpose as provided for in Section 3.
 - b. The solicitation request must be accompanied by a completed application and all required documentation.

c. Upon final approval of a solicitation request, the group/organization will be required to attend a City Council within sixty (60) days to present to City Council regarding the use of the funds.

d. All charitable donation requests shall be submitted on the application form available with the City Recorder.

e. Completed application forms for donations with supporting documentations shall be submitted to the City Clerk and forwarded to City Council for sponsorship. Upon a City Council Member's sponsorship, the application shall be presented at the next Regular City Council Meeting for City Council Consideration.

f. The applications, support documentation, and City Council determination shall be placed on the City's website.

5. **Funding Awards.** In preparing the annual budget, City staff will budget a discretionary fund for awards which are approved by City Council pursuant to this Resolution. Any funds appropriated for donations and not spent for such purpose during the then current fiscal year shall revert to the General Revenue Fund at the end of the fiscal year.

6. **Authorization.** The City Council hereby approves, in substantially, the attached form (attached hereto as Exhibit A), the applications the documents with the stated criteria, acknowledgements, and required documentations.

7. **Exclusivity.** The matters set forth in this Resolution shall serve as the City's Comprehensive Policy Governing Charitable Donations for the City Council, and it shall be posted on the City's website.

Approved by the City Council this ____ day of April, 2022.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder



STAFF REPORT

MEETING DATE: 4/12/2022 **PREPARED BY:** Eric Klann
SECTION: Council Business **DEPARTMENT:** Public Works
CITY GOAL(S): Position the City for the future
SUBJECT: **Development Agreement with Vitesse, LLC**

REASON FOR CONSIDERATION: Vitesse desires to improve fire flows and redundancy to its data center facilities at its Prineville campus. A development agreement between the City of Prineville and Vitesse will need to be executed. A few key points relating to this project are:

- Project will increase fire flows in the area
- Project will improve redundancy in the area
- There will be no cost to the City, even in the event of a cost overage
- The city will be paid to administer the project
- No additional capacity is being authorized

BACKGROUND: As a measure to improve safety and fire protection at its facilities, Vitesse is requesting that the City procure materials and construction services to construct, install, and maintain water pipe to improve fire flow capabilities and system redundancy.

FISCAL IMPACT: The City will receive a 10% administration fee of up to \$840,000 for administration of the project. This amount is expected to cover all personnel and project related costs as well as a large portion of the cost for updates to the Water System Master Plan and Wastewater Facilities Plan, SDC methodology report for water and wastewater, and industrial user capacity charge report for water and wastewater.

RECOMMENDATION: Staff recommends that Council approve the agreement with Vitesse, LLC as presented.

RELATED DOCUMENT(S): Development Agreement.

**RESOLUTION NO. 1518
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION AUTHORIZING DEVELOPMENT AGREEMENT BETWEEN CITY
OF PRINEVILLE AND VITESSE, LLC**

Whereas, Vitesse, LLC (“Vitesse”) owns and operates a data center within Prineville city limits that requires significant fire suppression requirements necessitating certain improvements to improve water flow capacity to the property.

Whereas, Vitesse desires to have City of Prineville (“City”) procure materials and constructions services to construct, install, and maintain 7,0000 linear foot water pipe consisting of both 24 inch and 30 inch pipe.

Whereas, City is willing to contract, install, and maintain the Projects and Vitesse pursuant to a development agreement.

Whereas, City and Vitesse have negotiated a Development Agreement (“Agreement”), which is attached to this Resolution and incorporated herein.

Whereas, City staff believes it is in the best interest of the City to approve and execute the Agreement.

Now, Therefore, the City of Prineville resolves that the Development Agreement attached to this Resolution between the City and Vitesse is hereby approved and that the Mayor is authorized and instructed to sign such Agreement on behalf of the City.

Approved by the City Council this ____ day of April, 2022.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder

DEVELOPMENT AGREEMENT
Between
City of Prineville and Vitesse, LLC

This Agreement (“Agreement”) is made and entered into as of the date last written below (the “Effective Date”), by and between the **City of Prineville**, an Oregon municipal corporation (“City”) and **Vitesse, LLC**, a Delaware limited liability company (“User”); each of City and User are “Party” and together, the “Parties.”

RECITALS

A. Whereas, User owns and operates a data center on real property located within City and generally depicted on Exhibit A, attached hereto and incorporated herein.

B. Whereas, the property generally depicted in Exhibit A has significant fire suppression needs, and the Parties are desirous of making certain improvements to improve water flow capacity in the area.

C. Whereas, User desires to have City procure materials and construction services to construct, install, and maintain a 2,240 linear foot water pipe consisting of 24 inch polyvinyl chloride (“PVC”) or high-density polyethylene (“HDPE”) pipe, which will run from Wells to Millican and service the User’s property by improving fire flow capabilities and system redundancy in the event of a fire (“Project 1B”).

D. Whereas, User also desires to have City procure materials and construction services to construct, install, and maintain a 4,425 linear foot water pipe consisting of 30 inch PVC or HDPE pipe, which will run from tanks to Wells and service User’s property by improving fire flow capabilities and system redundancy in the event of a fire (“Project 2B,” collectively with Project 1B, the “Projects”).

E. Whereas, the general location of the Projects is depicted on Exhibit B, attached hereto and incorporated herein.

F. Whereas, User directly contracted with an engineer (the “Engineer”) to provide design and engineering services for the Projects.

G. Whereas, City has estimated that the total cost of Project 1B is THREE MILLION ONE-HUNDRED EIGHTY THOUSAND DOLLARS (\$3,180,000.00) and has estimated the total costs of Project 2B is FIVE MILLION ONE-HUNDRED NINETY THOUSAND DOLLARS (\$5,190,000.00) as set forth on Exhibit C, attached hereto and incorporated herein.

H. Whereas, City is willing to construct, install, and maintain the Projects.

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained herein, including the Recitals which are incorporated herein by reference, which are relied upon by the Parties and which constitute part and parcel of this Agreement; and

other good and valuable consideration the receipt and sufficiency of which are expressly acknowledged by the Parties, City and User hereby agree as follows:

1. Procurement. City will solicit and procure all materials and construction services necessary to construct, install, and maintain the Projects. City’s solicitation and procurement process will include the solicitation of bids for purchase and installation of PVC and HDPE piping and ancillary materials for the Projects with pipe sizes consistent with the Recitals, although only one material type will be used to construct the Projects. All procurement activities must be conducted in accordance with Oregon’s Public Contracting Code (ORS 279A, ORS 279B and ORS 279C), all applicable state and local contracting rules, and all applicable laws, rules and regulations relating to anti-corruption and anti-bribery.

2. Performance. City hereby agrees to complete and be responsible for the construction, installation, and maintenance of the Projects. During the course of each Project, City will:

2.1 monitor the budget and schedule of each Project and promptly notify User of any anticipated changes to the budget or schedule of either Project;

2.2 submit to User all applications for payment and invoices submitted by contractors and material suppliers for each Project;

2.3 submit to User all change order requests submitted by contractors for each Project;

2.4 coordinate all testing and inspections required by third parties;

2.5 promptly conduct all inspections City is obligated to perform; and

2.6 organize and conduct a final inspection with User, the Engineer, and each Project’s contractor to confirm that the Project (i) is entirely complete in accordance with the Project’s design, plans, and specifications and (ii) can be utilized by User for its intended purpose (“Final Completion”).

3. Approval Authority. City will not execute any change order, request for substitution, construction contract amendment or other document authorizing changes to either Project’s cost, schedule, or scope without User’s prior written consent. User automatically consents, however, to change orders that are not objected to within 48 hours after User’s receipt of the change order and a request for approval from City. User also automatically consents to other documents changing either Project’s cost, schedule, or scope that are not objected to within fourteen days after User’s receipt of the document and a request for approval from City.

4. Performance Bond. Unless exempted under ORS 279C.390, City will ensure that the contractor for each Project provides a performance bond in accordance with ORS 279C.380. The performance bond provided by the contractor must list User as an additional obligee and be in a form approved in writing by User.

5. Project Timelines. The Projects shall be completed in accordance with the design prepared by the Engineer and with all laws and regulations. City will achieve Final Completion for each Project as follows:

5.1 City will strive to achieve Final Completion of Project 1B no later than 210 days after the Effective Date of this Agreement.

5.2 City will strive to achieve Final Completion of Project 2B no later than 270 days after the Effective Date of this Agreement.

6. Consideration. In consideration of City's performance, User hereby agrees to pay City:

6.1 The entire cost of constructing the Projects (collectively, the "Project Costs"), which will not exceed EIGHT MILLION FOUR-HUNDRED THOUSAND DOLLARS (\$8,400,000.00) (the "Maximum Price"); and

6.2 An administrative fee equal to the lesser of (a) 10 percent (10%) of the Project Costs, or (b) \$840,000.

7. Payment Schedule. City may submit to User an invoice no more than once each month consisting of (1) all Project Costs incurred that have not been reimbursed and (2) a portion of the administrative fee equal to 10 percent of the Project Costs included in the invoice. The amount owed under each invoice shall also be reduced by retainage in accordance with Section 8. Payment shall be made, following review and approval of the invoice submitted by City, within thirty (30) days after User's receipt of the invoice. If User objects to the invoice submitted, User shall advise City in writing, giving reason therefore, within fifteen (15) days after User's receipt of said invoice.

Notwithstanding Section 6, in the event that City believes that the Project Costs will exceed the Maximum Price, City shall provide notice to User of its belief no sooner than sixty (60) days before the Maximum Price is exceeded. City will coordinate meetings among User, the Engineer, and the Project contractors to conduct value engineering analysis and explore opportunities for cost savings. Upon receiving a notice, User may elect to (1) suspend or terminate one or both Projects; (2) limit or modify the Projects; or (3) agree to amend the Agreement to increase the Maximum Price. User shall notify City of its election no later than thirty (30) days from receiving notice from City. Upon receiving User's election, the Parties hereby agree to endeavor, in good faith, to make any amendments required to the Agreement. Unless City fails to provide notice as set forth in this paragraph, City shall not be responsible for costs exceeding the Maximum Price.

8. Retainage. User shall withhold from each monthly payment retainage equal to ten percent (10%) of the administrative fee amount included in the invoice due to the City. The User will pay all retainage withheld under this Section within 30 days of Final Completion of Project 2B.

9. Progress Reports. City shall submit a progress report along with each monthly invoice that includes percentage completion data and summaries of progress for each Project based on their respective schedules and required dates of Final Completion. If the progress report indicates

that either Project is not projected to achieve Final Completion by the dates established in Section 5, then City will submit an acceleration plan summarizing the additional actions City will take to ensure completion in accordance with the dates established in Section 5. In addition, at User's request, the City will provide oral reports and presentations to User on the progress of the Projects.

10. Compliance. City and User agree to comply with all applicable laws, rules, and regulations, including but not limited to anti-corruption and anti-bribery, illegal kickbacks, illegal campaign contributions, import and export, trade sanctions, health and safety, the environment, and human rights.

10.1. Accurate Books and Records. The City will keep and maintain complete and accurate books and records in connection with its performance under this Agreement, including all Project Costs, and will retain these records for at least five (5) years after final payment under this Agreement. Upon request, City shall make these books and records available to User.

10.2. Notice and Cooperation. If City becomes aware of any violation or suspected violation of the laws set forth in Section 10 (Compliance) in connection with the performance of this Agreement, it shall provide prompt written notice to User setting forth the relevant facts and circumstances. City and User shall cooperate in good faith to review any violations or suspected violations, including by providing reasonable access to all relevant information, including documentation. The City's failure to cooperate with User shall be deemed a material breach of this Agreement.

11. Term. Unless terminated by the Parties, the term of this Agreement shall expire on the later of (1) ten (10) years after the date that Project 1B achieves Final Completion or (2) ten (10) years after the date that Project 2B achieves Final Completion.

12. Assignability of Agreement. This Agreement shall be fully assignable, in whole or in part, by either Party and shall bind and inure to the benefit of the Parties and their respective assigns and successors.

13. Confidentiality. Subject to the requirements of Oregon's Public Records Law (ORS 192), City shall not disclose at any time to any persons or entities any information that User identifies as confidential business information. If required by law to disclose confidential information, City shall redact or delete from the records it discloses, or makes available for inspection, all information designated by User as confidential. Promptly following City's receipt of a request to inspect or disclose copies of public records relating to this Agreement or the Projects, City shall give written notice and a copy of the request to User. City shall not allow inspection or disclose copies of any records until User has had at least fourteen (14) business days to determine whether to contest the right of the requestor to inspect or receive copies of the records.

14. Default; Remedy.

14.1 Default/Cure. The following shall constitute defaults on the part of a Party:

14.1.1 A breach of a material provision of this Agreement, whether by action or inaction of a Party which continues and is not remedied within ten (10) days after the other Party has given notice specifying the breach; provided that if the non-breaching Party determines that such breach cannot with due diligence be cured within a period of ten (10) days, the non-breaching Party may allow the breaching Party a longer period of time to cure the breach, and in such event the breach shall not constitute a default so long as the breaching Party diligently proceeds to affect a cure and the cure is accomplished within the longer period of time granted by the non-breaching Party; or

14.1.2 Any assignment by a Party for the benefit of creditors, or adjudication as a bankruptcy, or appointment of a receiver, trustee, or creditor’s committee over a Party.

14.2 Remedies. Each Party shall have all available remedies at law or in equity to recover damages and compel the performance of the other Party pursuant to this Agreement. The rights and remedies afforded under this Agreement are not exclusive and shall be in addition to and cumulative with any and all rights otherwise available at law or in equity. The exercise by either Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different time, of any other such remedy for the same default or breach or of any of its remedies for any other default or breach of the other Party, including, without limitation, the right to compel specific performance.

15. Amendment or Termination of Agreement. This Agreement may be amended or terminated by the mutual consent of the Parties and their successors in interest.

16. Miscellaneous Provisions.

16.1 Notices. A notice or communication under this Agreement by either Party shall be dispatched by registered or certified mail, postage prepaid, return receipt requested, and

16.1.1 In the case of a notice or communication to User, address as follows:

Vitesse, LLC
1 Hacker Way
Menlo Park, CA 94025
Attn: _____

With a copy to:

Vitesse, LLC
1 Hacker Way
Menlo Park, CA 94025
Attn: Real Estate Counsel

In the case of a notice or communication to City, addressed as follows:

City of Prineville
387 NE Third Street
Prineville, OR 97754
Attn: City Engineer

With a copy to:

Jered Reid
35 SE C Street, Suite D
Madras, Oregon 97741

or addressed in such other way in respect to a Party as that Party may, from time to time, designate in writing dispatched as provided in this section.

16.2 Headings. Any titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

16.3 Waivers. No waiver made by either Party with respect to the performance, or manner or time thereof, of any obligation of the other Party or any condition inuring to its benefit under this Agreement shall be considered a waiver of any other rights of the Party making the waiver. No waiver by City or User of any provision of this Agreement or any breach thereof shall be of any force or effect unless in writing; and no such waiver shall be construed to be a continuing waiver.

16.4 Attorneys' Fees. In the event of a suit, action, arbitration, or other proceeding of any nature whatsoever, including, without limitation, any proceeding under U.S. Bankruptcy Code, is instituted to interpret or enforce any provision of this Agreement, or with respect to any dispute relating to this Agreement, including, without limitation, any action in which a declaration of rights is sought or an action for rescission, the prevailing Party shall be entitled to recover from the losing Party its reasonable attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge or arbitrator at trial or arbitration, as the case may be, or on any appeal or review, in addition to all other amounts provided by law. This provision shall cover costs and attorneys' fees related to or with respect to proceeding in Federal Bankruptcy Courts, including those related to issues unique to bankruptcy law.

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

16.6 Choice of Law. This Agreement shall be interpreted under the laws of the State of Oregon.

16.7 Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on a Saturday, Sunday, or legal holiday in the State of Oregon, the period shall be extended to include the next day which is not a Saturday, Sunday, or such a holiday.

16.8 Construction. In construing this Agreement, singular pronouns shall be taken to mean and include the plural and the masculine pronoun shall be taken to mean and include the feminine and the neuter, as the context may require.

16.9 Severability. If any clause, sentence, or any other portion of the terms and conditions of this Agreement becomes illegal, null, or void for any reason, the remaining portions will remain in full force and effect to the fullest extent permitted by law.

16.10 Place of Enforcement. Any action or suit to enforce or construe any provision of this Agreement by any Party shall be brought in the Circuit Court of the State of Oregon for Crook County, or the United States District Court for the District of Oregon.

16.11 Good Faith and Reasonableness. The Parties intend that the obligations of good faith and fair dealing apply to this Agreement generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Agreement. The obligation to be reasonable shall only be negated if arbitrariness is clearly and explicitly permitted as to the specific item in question, such as in the case of a Party being given “sole discretion” or being allowed to make a decision in its “sole judgment.”

16.12 Condition of City Obligations. All City obligations pursuant to this Agreement which require the expenditure of funds are contingent upon future appropriations by City as part of the local budget process. Nothing in this Agreement implies an obligation on City to appropriate any such monies. This condition may not, however, limit any remedies available to City or User under this Agreement.

16.13 Cooperation in the Event of Legal Challenge. In the event of any legal action instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the Parties agree to cooperate in defending such action.

16.14 Enforced Delay, Extension of Times of Performance. In addition to the specific provisions of this Agreement, performance by any Party shall not be in default where delays or default is due to war, insurrection, strikes, walkouts, riots, floods, drought, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation or similar basis for excused performance which is not within reasonable control of the Party to be excused.

16.15 No Third-Party Beneficiaries. City and User and their successors and assigns are the only Parties to this Agreement and are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

16.16 Other Necessary Acts. Each Party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other Parties the full and complete enjoyment of rights and privileges hereunder.

16.17 Entire Agreement. This Agreement represents the entire agreement between the Parties relating to the subject matter hereof. This Agreement alone fully and completely expresses the agreement of the Parties relating to the subject matter hereof. There are no other courses of dealing, understanding, agreements, representations, or warranties, written or oral, except as set forth herein.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

USER:

Vitesse, LLC,
a Delaware limited liability company

By: _____

Name: _____

Its: _____

Date: _____

CITY:

City of Prineville, Oregon,
an Oregon municipal corporation

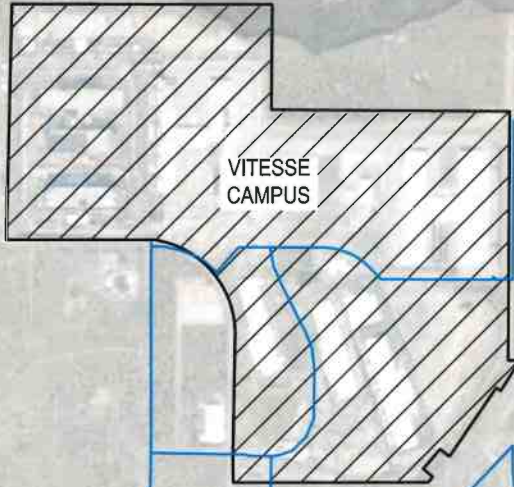
By: _____

Name: _____

Its: _____

Date: _____

CITY OF PRINEVILLE



PRINEVILLE AIRPORT

EXISTING AIRPORT WELLS 1 AND 2

EXISTING AIRPORT WELL 3

EXISTING AIRPORT RESERVOIR #1

EXISTING AIRPORT RESERVOIR #2

US HWY 126

EXISTING WATER MAIN, TYP

EXISTING MILLICAN WELL



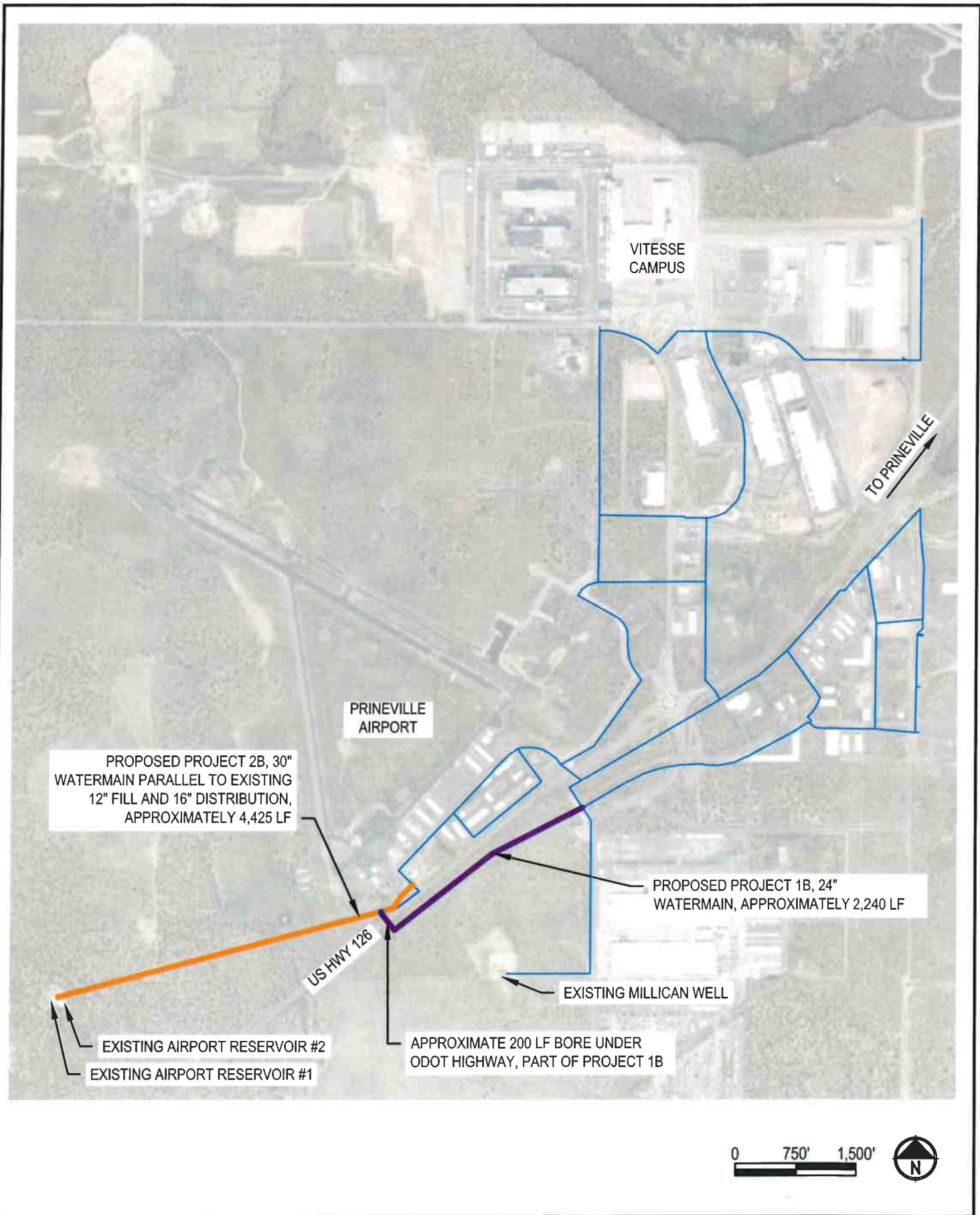


Table 6: Combined Estimated Range of Probable Project Costs for Resiliency Project #1 Improvements

Number	Sub-Project	-30% Construction Cost	Estimated Cost	+50% Construction Cost
1b	South 24"	\$2,230,000	\$3,180,000	\$4,770,000
2b	30" Parallel	\$3,640,000	\$5,190,000	\$7,790,000
R1a	Add'l 1.5MG Reservoir at Existing HGL	\$3,130,000	\$4,470,000	\$6,700,000
ASR 2+3	Combined ASR 2 & 3 cost	\$3,500,000	\$5,000,000	\$7,500,000
Total Resiliency Project #1 Estimated Cost		\$12,500,000	\$17,840,000	\$26,760,000