



Location: City Hall – Council Chambers
Date: December 10, 2024
Time: 6:00 PM

City Council Meeting Agenda

Mayor Jason Beebe, Council Members Steve Uffelman, Janet Hutchison, Shane Howard, Gail Merritt, Scott Smith, Marv Sumner 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 11-12-2024

Visitors, Appearances and Requests

Council Presentations

Council Business

- [2.](#) Re-Appointment of Planning Commissioners - Josh Smith
- [3.](#) Intent to Award Railway Bridge Repair - Matt Wiederholt
4. Update of Fiscal Policies (**PUBLIC HEARING**) - Lori Hooper Antram
- [5.](#) SDC Deferment Policy (**PUBLIC HEARING**) - Josh Smith / Lori Hooper Antram
- [6.](#) FEMA PICM Option (**PUBLIC HEARING**) - Josh Smith
7. Consideration of Cancelling Second December Council Meeting (Falls on Christmas Eve) - Steve Forrester
- [8.](#) Abstract of Votes - City General Election Results - Lisa Morgan

Staff Reports and Requests

- [9.](#) City Manager's Report - Steve Forrester

Council Reports

Ordinances

Resolutions



10. Resolution 1607 - Authorizing with Apple Inc. - Casey Kaiser

an amendment to the ASR agreement

11. Resolution No.1608 - Authorizing an Intergovernmental Agreement with ODOT providing access to install ADA facilities - Casey Kaiser

12. Resolution No 1609 - Updating the City of Prineville Executive Session Policy - Jered Reid

13. Resolution No 1610 - A Resolution Amending the City of Prineville's Fiscal Policies - Lori Hooper Antram

Visitors, Appearances and Requests

14. Executive Session - Pursuant to ORS 192.660 (2)(i) & 192.660 (8) - To evaluate the performance of an officer, employee or staff member

Adjourn

Agenda items maybe added or removed as necessary after publication deadline

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

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City Council Meeting Brief
November 12, 2024

Council Members Present:

Jason Beebe
Gail Merritt
Janet Hutchison
Marv Sumner

Shane Howard
Scott Smith
Steve Uffelman

Council Members Absent

None.

Additions to the Agenda

None.

Consent Agenda

1. Regular Meeting Brief 10-22-2024

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

Visitors, Appearances and Requests

No one came forward.

2. **Ceremonial Promotional Swear In of Sergeant's Tyler Takagi & Jordan Zamora & Acting Sergeant Jon Dragoon – Interim Chief Shane Wilson**

Interim Chief Wilson provided background information on the requirements for Sergeant's positions and then provided career background information on each of the Sergeant's.

Interim Chief Wilson administered the oath to all three Sergeant's and family members pinned on each of their badges.

Interim Chief Wilson thanked the entire team for all of their support while he acted as the Interim Chief over the last year.

3. Ceremonial Swear In of Police Chief Jeff Profio

Interim Chief Wilson provided the career background information on Jeff Profio and then invited Jeff Profio, Police Chief and Steve Forrester, City Manager up.

Mr. Forrester thanked Shane and talked about all of Interim Chief Wilson's and the entire team's accomplishments during these changes and processes.

Mr. Forrester administered the oath of office to Chief Profio.

Council Presentations

4. Crook County Kids Club Presentation – Ashley Thrasher

Ashley Thrasher, Executive Director went through a power point presentation that highlighted the operations and locations of the Kids Club and who they serve. They also have a summer program they provide for seven weeks during the summer.

Ms. Thrasher explained that they help over 600 households in some capacity during the year and that investing in Kids Club is investing in the health of working families.

Ms. Thrasher went over accomplishments of the Kids Club, their goals for the future, the significant cost savings to families for childcare when enrolling in Kids Club, and where they get their income and operations expenses.

Ms. Thrasher thanked Council for their past contributions and asked that the Council consider supporting the Kids Club in the future as a regular line item in the city's budget process.

Discussions continued regarding the 35 children currently on the waiting list, and Council agreed on the benefits the Kids Club offers to our businesses here in town making it possible for people to be working here.

Wayne Looney- Kiwanis, came forward and talked about the great collaboration they have had with the Kids Club and how it was a no brainer for Kiwanis to support this organization over the years.

Council Business

5. Consideration of Cancelling Second Council Meeting in November – Steve Forrester

Steve Forrester, City Manager explained that Council has historically cancelled the second meetings in November and December due to the holidays.

Councilor Howard made a motion to cancel the second regular meeting in November. Motion seconded. All in favor, motion carried.

6. Approval of City Hall Carpet Purchase – James Wilson

James Wilson, Public Safety IT Director presented the staff report.

There were discussions regarding the tag on bidding process and how hard floor surfaces would not work for several reasons such as acoustics. This carpet is very durable and has performed well in the Police Department.

Councilor Sumner made a motion to approve the purchase of city hall carpet. Motion seconded. There were discussions on the process of the motion. All in favor, motion carried.

Staff Reports and Requests:

7. City Manager's Report – Steve Forrester

Mr. Forrester went through his City Manager report that highlighted recent activity in each of the departments, and invited Matt Wiederholt, Railroad Manager up for a railroad update.

Mr. Wiederholt announced that they recently went to bid on the bridge repair and that there were nine potential bidders with only a couple that were qualified.

Mr. Wiederholt explained that they recently were awarded a grant that Caroline Ervin applied for, of \$1.6M that will go towards railroad ties. This grant will also allow for purchase of equipment to maintain the railroad line.

There were discussions regarding railroad tie species and which kind of wood has the longest life.

There were no further discussions.

8. Quarterly Financial Report – Lori Hooper Antram

Lori Hooper Antram, Finance Director presented her quarterly financial report and went through a power point presentation that provided fund balances for each fund and how they are tracking with the budget.

There were no questions.

Council Reports

Councilor Hutchison provided an Ochoco Forest Collaborative Committee update talking about a piece of property that has been on the market awhile and then provided a wildfire end of season update.

Ordinances:

None.

Resolutions:

9. Resolution No. 1606 – Authorizing an Easement Agreement with Ochoco Irrigation District – Casey Kaiser

Casey Kaiser, Asst. City Manager/Public Works Director presented that staff report and went through a power point presentation.

Jered Reid, City Attorney explained that the process was slowed down some with the Bureau of Reclamation (BOR) property transfer.

There were no questions.

Councilor Uffelman made a motion to approve Resolution No. 1606. Motion seconded. No discussion on motion. All in favor, motion carried.

Visitors, Appearances and Requests:

No one came forward.

Adjourn

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

Meeting adjourned at 7:15 P.M.

Motions and Outcomes:

Motion:	Outcome	Beebe	Howard	Hutchison	Merritt	Smith	Sumner	Uffelmann
Consent Agenda as Presented	PASSED	Y	Y	Y	Y	Y	Y	Y
Cancelling Second Council Meeting in November	PASSED	Y	Y	Y	Y	Y	Y	Y
Approval of City Hall Carpet Purchase	PASSED	Y	Y	Y	Y	Y	Y	Y
Resolution No. 1606 – Authorizing an Easement Agreement with Ochoco Irrigation District	PASSED	Y	Y	Y	Y	Y	Y	Y
Adjourn Meeting	PASSED	Y	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
DEPARTMENT OF PLANNING & COMMUNITY DEVELOPMENT
PLANNING COMMISSION RECOMMENDATION

DATE: November 19th, 2024

PURPOSE: Recommendation to Reappoint Planning Commissioners

BACKGROUND:

The term of two of our current Planning Commissioners, Marty Bailey and Ron Cholin will expired on December 31, 2024. Both Commissioners have expressed the desire to continue their service on the Commission. The other appointed Planning Commissioners have no objections in recommending these re-appointments.

Planning Staff supports the recommendation of the Planning Commission as both Commissioners add valuable perspective to the Commission and are reliable contributors to this body.

RECOMMENDATION:

The Planning Commission formally recommends the City Council reappoint Marty Bailey and Ron Cholin to four-year terms as Planning Commissioners, which would expire on December 31, 2028.

Marty Bailey: *Marty Bailey* *11-18-24*
Planning Commission Chair



STAFF REPORT

MEETING DATE:	12/10/2024	PREPARED BY:	Matt Wiederholt
SECTION:	Council Business	DEPARTMENT:	Railroad
CITY GOAL:	Quality Municipal Services & Programs		
SUBJECT:	Intent to Award Railway Bridge Repair		

BACKGROUND:

On September 6, 2024, the Railway overpass on the Madras highway was struck by truck carrying an oversized load. Although significant damage occurred, staff and Rail Star engineering determined rail traffic could continue and immediate repairs were not needed. Staff released an intent to bid (ITB) on October 10, 2024. The railway hosted a mandatory site visit on October 30, 2024 with nine potential bidders participating. Bids were opened on November 14, 2024 with three companies submitting bids.

REASON FOR CONSIDERATION:

The structural integrity of the bridge has been compromised, posing a risk to rail traffic if the structure is hit again before repair.

There were three responsive bids submitted:

Cascade Civil	\$79,848.00
Legacy Contracting, Inc.	\$93,945.00
KOPPERS	\$104,000.00

FISCAL IMPACT: This project is being funded with an insurance claim and a \$25,000 deductible. The city is anticipating a deductible payback from the at fault insurance.

RECOMMENDATION: After reviewing the bid documents and bid bonds, staff recommends Council approve the Intent to Award for the Railway Bridge Repair Project to **Cascade Civil Corp, in the amount of \$79,848.00.**



STAFF REPORT

MEETING DATE: 12/10/2024

PREPARED BY: Lori Hooper Antram

SECTION: Ordinances

DEPARTMENT: Finance Department

CITY GOAL: Provide Quality Municipal Services and Programs and Position City for the Future

SUBJECT: Ordinance 1297 - An Ordinance Establishing Chapter 44 of the Prineville Municipal Code Adopting Financing and Deferral of System Development Charges

REASON FOR CONSIDERATION: Offering payment options for SDC's incentivizes development in Prineville.

BACKGROUND: ORS 223.208 authorizes local governments to provide financing of SDC's under the provisions of the Bancroft Bonding Act. The ORS gives local governments the flexibility to determine development eligibility, interest rates, terms and fees. Currently, Prineville has several multifamily developments in the works where having an SDC payment option could incentivize and expedite development.

When a developer must pay SDCs can impact financial feasibility, because SDCs add costs before the value of the development is fully realized. The earlier that SDCs are paid, the longer the developer must "carry" the costs. (Oregon System Development Charges Study: Why SDC's Matter and How they affect Housing, December 2022, ECONorthwest)

In researching on what other Oregon jurisdictions are doing, offering a deferral program with specific qualifying criteria and offering a financing program is standard. Redmond and Madras both have an SDC deferral policy and the City of Bend offers both, financing or a deferral option.

FISCAL IMPACT: If approved, the fiscal impact is expected to be minimal over the next several years. The administrative burden of managing the SDC financing option could be significant, if the option is used a lot. The fees associated with that option are intended to cover any extra administrative costs.

RECOMMENDATION: City staff recommends approving Ordinance No. 1297, An Ordinance Establishing Chapter 44 of the Prineville Municipal Code Adopting Financing and Deferral of System Development Charges.

ORDINANCE NO. 1297

AN ORDINANCE ESTABLISHING CHAPTER 44 OF THE PRINEVILLE MUNICIPAL CODE ADOPTING FINANCING AND DEFERRAL OF SYSTEM DEVELOPMENT CHARGES

Whereas, the City of Prineville (“City”) developed a System Development Charge pursuant to ORS 233.297 to ORS 223.314 and by Sections 4 and 39 of the Prineville City Chapter.

Whereas, pursuant to the Bancroft Bonding Act, the City may create a system that allows for the financing of System Development Charges.

Whereas, City Staff has created applications to allow for either financing or deferral of the payment of System Development Charges.

Whereas, the City Council had a public hearing on December 10, 2024 to allow for public testimony regarding the proposed Ordinance.

Whereas, the proposed Chapter 44 of the Prineville Municipal Code is attached hereto as Exhibit A.

Whereas, the City Council believes that a state of emergency exists, and this Ordinance should become effective immediately upon passage.

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

1. Prineville Municipal Code Chapter 44 entitled “Financing and Deferral of Systems Development Charges,” is hereby established, as outlined in the attached Exhibit A.
2. This Ordinance, being necessary for the immediate preservation of public peace, health, and safety of the City of Prineville, an emergency is declared to exist, and this Ordinance shall be in full force and effect immediately upon its passage.

Presented for the first time at a regular meeting of the City Council held on January ____ 2025, and passed unanimously therein.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder

Chapter 44 – Financing and Deferral of Systems Development Charges

44.010 Purpose.

The purposes of this Chapter are to authorize financing agreements that provide for payments deferrals and installment payments of City system development charges.

44.020 Definitions

As used in this Chapter, the following terms shall be defined as follows:

A. “System development charge” means a charge imposed pursuant to Chapter 44 of this Code.

B. “Owner or property owner” means all persons who appear on the County property tax record for the property subject to the system development charge.

44.030 Application, Consent to Assessment

Any owner of real property subject to a systems development charge may apply to defer the payment of system development charges, or pay the charge in installments as set forth in this Chapter. As a condition to such application, the owner shall waive any right to challenge the validity or applicability of the charge and shall consent to the assessment of the property subject to the charge.

44.040 Terms and Conditions of Deferred Payment and Installment Payment Agreements.

A. Deferred Payments.

1. The City shall authorize the deferred payment of system development charges until the Final Inspection or within nine (9) months of the date of the Agreement between the Property Owner and the City.

2. The Property Owners shall not request Final Inspection from the City prior to payment of System Development Charges. The City is not obligated to conduct the Final Inspection or issue the Certificate of Occupancy until the System Development Charges are paid.

3. The Property Owner shall not occupy any structure or transfer ownership of the property prior to the payment of System Development Charges.

4. Failure to pay System Development Charges prior to occupying the structure will result in the immediate termination and shut-off of City Water and Wastewater service to the property without further notice to Owner or the occupants. Restoration of Water and Wastewater service will be subject to payment of all System Development Charges, including penalty surcharge and interest, as well as any reconnection fees.

5. The Property Owner shall, in writing, disclose the System Development Collection Deferral Agreement to any lender or other individual or entity with a financial, ownership, or possessory interest in the property.

6. Failure to abide by the terms of a System Development Collection Deferral Agreement shall exclude a Property Owner from entering into future System Development Collection Deferral Agreement with the City.

7. Failure to pay prior to the earlier of Certificate of Occupancy or nine (9) months of an executed System Development Collection Deferral Agreement will result in a twenty-five percent (25%) surcharge of the total System Development Charge (subject to adjustment by the City Manager for extenuating circumstances). Interest (equal to the prime lending rate plus 4%) will accrue from the time of the Certificate of Occupancy to the time of payment.

B. The City shall authorize installment payments for System Development Collection in accordance with this Chapter.

1. A Property Owner shall pay the associated System Development Charges in semiannual installments over a ten (10) year period.

2. A Property Owner shall provide and update, when necessary, an address which semiannual invoices will be mailed.

3. A Property Owner shall not transfer ownership of the property prior to the payment of Systems Development Charges in full.

4. Failure of a Property Owner to pay System Development Charges will result in the immediate termination and shut-off of City Water and Wastewater service to the property without further notice to Property Owners or to the occupants. Restoration of Water and Wastewater service will be subject to payment of all System Development Charges, including penalty surcharge and interest, as well as any reconnection fees.

5. A Property Owner shall, in writing, disclose any System Development Installment Payment Agreement to any lender or other individual or entity with a financial, ownership, or possessory interest in the property.

6. Failure to abide by the terms of a System Development Installment Payment Agreement shall exclude a Property from entering into future System Development alternative payment option agreements with the City.

44.050 Assessment

If the City finds that the Agreements are in order and that subject property has been permitted to connect to City facilities and has thereby benefited, it shall approve the Agreements to direct the billing for the charges upon the land benefited plus a financing fee. All such assessments may

be combined in one assessment roll and shall be entered upon the Docket of City Liens and collected in the same manner as other local improvement assessments.

44.060 Cancellation

A. The City is authorized to cancel assessments of system development charges where the property is not physically connected to the public improvement of where the new development approved by the building permit is not constructed and the building permit is cancelled.

B. For property which has been subject to a cancellation of assessment of system development charges, a new installment payment contract shall be subject to the code provisions applicable to system development charges and installment payment contracts on file on the date the new contract is received by the City.



STAFF REPORT

MEETING DATE:	12/10/2023	PREPARED BY:	Joshua Smith
SECTION:	Public Hearing	DEPARTMENT:	Planning
CITY GOAL:	Position the City of the future		
SUBJECT:	FEMA Pre-Implementation Compliance Measures		

BACKGROUND:

The National Marine Fisheries Service (NMFS) 2016 Biological opinion (Biop) is now a part of the National Flood Insurance Program (NFIP) in the State of Oregon in response to a federal lawsuit. This lawsuit concluded that the Federal Emergency Management Agency's (FEMA) implementation of the NFIP in Oregon is causing jeopardy to 17 Endangered Species Act (ESA) listed species and adverse change to critical habitat for 16 of them. This is significant because Cities (~230) and Counties (30) must follow the minimum requirements of the floodplain development standards to be eligible for the NFIP. In Prineville this is a more pronounced issue for existing development; as much of our current floodplain has been developed in some fashion, including public infrastructure.

FEMA is requiring local authorities to implement these new standards, starting with a pre-implementation process. This process requires the local authority to choose one of three pre-implementation compliance measures by December 1st, 2024.

POLICY IMPLICATIONS:

FEMA is requiring local authorities to implement additional standards for development in the Special Flood Hazard Area (SFHA) also referred to as the 100-year floodplain.

They have offered three options:

1. Prohibit development within the SFHA.
2. Incorporate (adopt) additional code language based on the Oregon model code.
3. Permit-by-permit habitat assessments.

Even with requests from Governor Kotek, Oregon State Legislators, numerous other entities and legal opinions stating this is unlawful; the original deadline has not changed. FEMA is requiring all jurisdictions in the mapped area, provide their FEMA office; with their chosen pre-implementation compliance method (PICM) by December 1, 2024.

Staff has attended several webinars and a workshop on the permit-by-permit option. At this time, staff is making every attempt to understand the request for compliance, however; the proposed model code and the permit-by-permit option seem impractical and unenforceable. It is Staff's recommendation to default to the permit-by-permit option and work on a response letter to FEMA similar to the County. This provides the most flexibility and allows the City time to work with community partners, property owners, and other jurisdictions to meet and better understand the requirements being requested.

DOCUMENT OVERVIEW:

Exhibit A - PICM Fact Sheet: This is a brief overview from FEMA of the pre-compliance measures.

Exhibit B - Model Ordinance proposed updates: These are the code sections that would need to be added to our current floodplain code to comply.

Oregon National Flood Insurance Program Endangered Species Act Integration

Pre-Implementation Compliance Measures Basics

What are PICMs?

Pre-Implementation Compliance Measures, also known as PICMS, are short-term measures that communities must adopt to comply with Endangered Species Act (ESA) requirements under the NFIP. FEMA has developed these measures to address Reasonable and Prudent Alternative (RPA) Element 2 (Interim Measures) in the 2016 National Fisheries and Marine Services (NMFS) Biological Opinion (BiOp). These interim measures are intended to occur as the agency undertakes a National Environmental Policy Act (NEPA) review to assess the effects of FEMA's proposed NFIP-ESA integration efforts.

Under PICM, communities may select one of three compliance measures:

1. Prohibit all new development in the floodplain;
2. Incorporate the ESA performance standards into local floodplain ordinances through a model ordinance; or
3. Require permit applications to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area (SFHA) will achieve no net loss.

Which communities in Oregon are subject to PICM?

PICM, and future Oregon NFIP-ESA integration performance standards, apply to communities that are:

1. Located in the Oregon implementation area, as specified by the 2016 NMFS BiOp;
2. Participating in the NFIP; and
3. Have a mapped SFHA

PICM standards and requirements only apply to areas located within the SFHA.



What is no net loss?

Any development action resulting in negative impacts to one or more key floodplain functions that are then mitigated or avoided to offset said impacts.

In other words: when developing in the SFHA, all development actions must be adequately avoided or mitigated to ensure that floodplain functions can operate at the same capacity as before the development action occurred.

No Net Loss focuses on the floodplain functions of:

- Floodplain Storage
- Water Quality
- Vegetation

The NFIP is a national program, why is only Oregon subject to PICM?

NFIP-ESA integration is occurring in areas where FEMA has consulted with the US Fish and Wildlife Service (USFWS) and NMFS. FEMA consulted with NMFS to address changes needed to the NFIP program within Oregon's Columbia River drainage basin and Coast to better protect ESA-listed species of salmonoids and southern resident killer whales within the area.

Other areas where consultations have occurred are in the Puget Sound of Washington, California, New Mexico, and Florida. Other ESA-listed species may have their needs addressed in the future in other parts of the country.

What authority allows FEMA to apply additional performance standards for No Net Loss?

Under 44 CFR 60.3(a)(2) a community must ensure that all other Federal, State and Local permits have been obtained when they are permitting a project in the SFHA. As such a local community must ensure that a "take permit" under section 10 of the ESA is not required. The NMFS Biological Opinion on the implementation of the NFIP in Oregon has determined that developing a floodplain may affect the three key floodplain functions and potentially cause take.

Therefore, a community must ensure that any project that has an adverse effect on those three functions mitigates for the effect to a no net loss standard. FEMA has been authorized take under the RPAs in the NMFS BiOp on the implementation of the NFIP in Oregon. A community participating in the NFIP can use the NFIP take authorization for coverage as long as they are abiding by the NFIP-ESA performance standards.

A community also has the option of seeking their own take coverage for a project through another federal nexus. They may also choose to develop a Habitat Conservation Plan for their floodplain development program under section 10 of the ESA and obtain their own take permit.

How long is PICM supposed to last?

PICM is intended to address ESA compliance as interim measures while the agency undertakes a NEPA review of FEMA's proposed NFIP-ESA integration efforts. PICM will be required for communities through the remainder of the Environmental Impact Statement (EIS) process. Once the Record of Decision (ROD) for the EIS is issued, and thus marking the end of the EIS process, PICM will no longer be required. The ROD is expected to be issued in 2026.

When will PICM go into effect?

Communities must adopt and implement a PICM by **December 1st, 2024**. If communities do not select a PICM by this deadline, they will be defaulted to the Permit-by-Permit approach. Communities adopting the model ordinance, must ensure the ordinance is adopted by their community by July 31st, 2025. As communities work to adopt the ordinance, they will still be required to implement another PICM option between December 1st, 2024 and July 31st, 2025.

Learn more and participate

Visit www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration to access the model ordinance, habitat assessment guide, and read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Pre-Implementation Compliance Measure Selection

Understanding your community's needs is essential to selecting a Pre-Implementation Compliance Measure (PICM) suited to you.

Under PICM, communities may select one of three measures to ensure Endangered Species Act (ESA) compliance:

- Prohibit all new development in the floodplain;
- Incorporate the ESA performance standards into local floodplain ordinances through the PICM Model Ordinance; or
- Require permit applications to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area (SFHA) will achieve no net loss.

PICM, and future Oregon NFIP-ESA integration performance standards apply to the following communities:

- Located within the NFIP-ESA implementation area;
- Participating in the NFIP; and
- Have a mapped Special Flood Hazard Area (SFHA)

Furthermore, portions of the community that do not fit the above criteria are not subject to PICM. **PICM standards and requirements do not extend beyond the SFHA.**

Understanding the PICM Options

The 2016 National Marine Fisheries Service (NMFS) Biological Opinion (BiOp) identifies that FEMA's interim compliance with the ESA must require communities to:

- Prohibit all NFIP-related actions in the SFHA; **or**
- Determine the presence of fish or critical habitat, assess permit applications for potential impacts to species and habitat, and require that any action with potential adverse effects be fully mitigated with no net loss of floodplain functions.

The PICM Model Ordinance and Permit-by-Permit approaches attempt to mitigate impacts of development and ensure no net loss of floodplain functions.

Adoption of the PICM model floodplain ordinance by a community would ensure that development meets ESA compliance as performance standards are built into the code.

A Permit-by-Permit approach would require development applications to analyze potential loss to floodplain functions and propose mitigation that abides by the mitigation requirements outlined in the habitat assessment guide and ensures no net loss of the impacted functions.

What is the main difference between the PICM Model Ordinance and Permit-by-Permit approaches?

Both the PICM Model Ordinance and Permit-by-Permit approaches require a community to analyze and determine the potential loss to three key floodplain functions (floodplain storage, water quality, and vegetation) and required mitigation for any loss to those functions by using pre-determined ratios. Mitigation ratios are provided to ensure that permitted development meets the No Net Loss standards without having to do further analysis of mitigation options to comply with the ESA. For instance, the intrinsic habitat value of a single tree at 6" diameter breast height (dbh) in the Riparian Buffer Zone (RBZ) has already been factored into the ratios and requires a minimum of 3 trees to be planted to make up for the loss of habitat value at the development site.

Under the PICM Model Ordinance approach, compliance with NFIP-ESA integration standards for PICM are built into the code and therefore, no separate process is needed to ensure compliance. The Permit-by-Permit approach requires all new floodplain development analyze any negative impact to the floodplain functions and identify and implement appropriate mitigation measures to ensure NFIP-ESA compliance.

Is it possible to adopt the PICM Model Ordinance but also allow for a Permit-by-Permit approach for more complicated projects that do not necessarily fit into typical site development type of processes?

Both approaches require new development to analyze and determine the potential loss to the floodplain functions and mitigate for any loss to those functions at the required ratios specified in the PICM Model Ordinance and Habitat Assessment Guide. As development would require the same mitigation, a Permit-by-Permit approach and habitat assessment for a project would not be needed if a community has already adopted the Model Ordinance.

Would prohibiting all new development in the SFHA prevent habitat or floodplain restoration projects from being implemented?

The 2016 NMFS BiOp did not carve out exceptions under Element 2 of the RPA when proposing to prohibit all NFIP-related actions in the SFHA. However, FEMA would agree that restoration projects and a few other activities could be exempt from this PICM option if the community is careful in how they word the prohibition and exceptions.

How are communities expected to adopt a PICM?

Communities must use their locally adopted and required processes to ensure that they are able to legally implement the chosen PICM option.

What is the Habitat Assessment Guide and when is it used?

The Habitat Assessment Guide is used under the Permit-by-Permit approach. The guide provides a methodology to review and analyze potential loss to floodplain functions that a development might incur as well as guidance surrounding mitigation required to ensure NFIP-ESA requirements under PICM. A community may use this guide to review a submitted assessment for new development to ensure that the methodology for evaluating impacts and proper mitigation to achieve no net loss is being met.

Can a community change PICMs during this process?

Communities can change PICMs throughout the process but are required to implement their current PICM until their new measure is ready to be fully implemented.

How do communities make their selection known to FEMA?

Communities can notify FEMA of their PICM selection through an email to the FEMA-R10-MIT-PICM inbox.

Learn more and participate

Visit www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration to access the model ordinance, habitat assessment guide, and read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Pre-Implementation Compliance Measure Timeline

What is the timeline for implementing PICM?

Under PICM, communities may select one of three measures to ensure ESA compliance:

1. Prohibit all new development in the floodplain;
2. Incorporate the ESA performance standards into local floodplain ordinances through the PICM Model Ordinance; or
3. Require permit applications to develop a Floodplain Habitat Assessment documenting that their proposed development in the Special Flood Hazard Area (SFHA) will achieve no net loss.

Communities must adopt and implement a PICM by December 1st, 2024, ensuring any changes needed to implement this option have already been made.

Communities that do not select a PICM by December 1st, 2024, will be defaulted to the Permit-by-Permit approach.

Communities seeking to adopt performance standards into local floodplain ordinances through the PICM Model Ordinance will have until July 31st, 2025, to adopt ordinances and make necessary changes. However, the community must still implement another PICM between December 1st and July 31st to ensure ESA compliance in the interim.

Can communities request extensions?

No, communities must meet the established December 1st, 2024 deadline or default to a Permit-by-Permit approach. FEMA will work with communities to assess the status of the adoption and implementation of PICMs leading up to the deadline.

Are projects that obtained a development permit before December 1st required to meet PICM?

Existing projects with permits obtained before December 1st will not be subject to PICM.



PICM Reporting Requirements

Beginning January 31st, 2025, communities will be required to collect data elements related to the Reasonable and Prudent Alternative (RPA) 5 in the National Marine Fisheries Service (NMFS) 2016 Biological Opinion (BiOp). Collection of these data elements is required on all new floodplain development permits.

Required data elements for reporting include, but are not limited to:

- Applicant, project title, project description;
- Project location and size of project in SFHA, Riparian Buffer Zone (RBZ), and Floodway;
- Amount of fill added and compensatory storage created;
- Area of clearing and grading that occurred;
- Acres disconnected and reconnected to/from the floodplain;
- Amount of new impervious surface added;
- Type and amount of water quality mitigation provided;
- Number of trees removed and their size;
- Number of trees planted.

Communities will report this data back to FEMA via reporting toolkit on an annual basis, beginning January 31, 2026.

The reporting toolkit, when available, will be downloadable from FEMA's website.

Are projects permitted before PICM implementation, but where construction occurs after PICM begins, subject to PICM?

FEMA encourages communities to follow local vesting laws. The agency's focus is on new permits and applications after December 1st. Construction of projects that were permitted before this deadline can continue as normal.

What if a community's adoption process timeline does not allow us to meet the December 1st deadline of implementing a PICM?

While FEMA recognizes that the time it takes to implement a PICM varies by community, there is still an obligation to abide by ESA requirements. If a community cannot implement a PICM by the December 1st deadline, FEMA will work with the community to consider alternative options to remain compliant with ESA requirements in the interim.

How do communities make their selection known to FEMA?

Communities can notify FEMA of their PICM selection through an email to the FEMA-R10-MIT-PICM inbox. (FEMA-r10-mit-picm@fema.dhs.gov).

What penalties are communities looking at if they cannot meet the December deadline?

Communities will default to the permit-by-permit option if no selection was given to FEMA by December 1st. If FEMA does not hear from a community, the agency will contact them to identify what technical assistance is needed to implement PICM. If a community has no PICM implemented by July 31st, 2025, FEMA will prioritize an audit of floodplain development activities that occurred in the community, specifically focused on the PICM time-period to assess what has occurred and any mitigation that would have been required for development that occurred.

Learn more and participate

Visit www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration to access the reporting tool, model ordinance, habitat assessment guide, and read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Pre-Implementation Compliance Measure Mitigation

Why is mitigation required?

Unlike ESA implementation in the Puget Sound of Washington, the 2016 National Marine Fisheries Service (NMFS) Biological Opinion (BiOp) for Oregon allows for adverse effects to occur in the Special Flood Hazard Area (SFHA), as long as they result in a no net loss of floodplain functions. No Net Loss allows for mitigation and minimization of development and development-related impacts to occur in the SFHA, instead of just avoidance.

Under No Net Loss, development actions can occur as long as adverse actions are mitigated so floodplain functions can still operate at the same capacity as before the development action happened. Compliance of No Net Loss standards is most commonly achieved through the use of mitigation ratios.

What are the floodplain functions?

NMFS, in the 2016 BiOp, has identified three floodplain functions that must be mitigated when developing in the SFHA to ensure ESA compliance:

- Floodplain Storage
- Water Quality
- Vegetation

To make mitigating for these three functions measurable, FEMA has identified proxies for each of the functions that translate to potential development actions occurring in the floodplain. These proxies include:

- Undeveloped Space (Floodplain Storage)
- Pervious Surface (Water Quality)
- Trees (Vegetation)

PICM mitigation requirements include compensation for the loss of undeveloped space, pervious surface, and the removal of trees on a development site.

Floodplain Function	Proxy (No Net loss of ...)	Mitigates Against
Floodplain Storage	Undeveloped Space	Developed Space
Water Quality	Pervious Surfaces	Impervious Surface
Vegetation	Trees	Trees Removed

Floodplain functions, proxies, and actions mitigated against

Undeveloped Space

Undeveloped space is defined as the volume of flood capacity and fish-accessible (the ability of a fish to access a space) and fish-egress-able (the ability of a fish to exit a space) habitat from the existing ground to the Base Flood Elevation (BFE) that is undeveloped.

Any form of development that reduces this flood storage volume and fish accessible/egress-able habitat must be mitigated to achieve no net loss. Examples of this development include, but are not limited to:

- Addition of fill
- Structures
- Concrete structures (vaults or tanks)
- Pilings

Mitigation is required for the volumetric space that occupies the area between the existing ground and BFE. Proper mitigation includes creating an acceptable amount of undeveloped space between the existing ground and BFE as determined by the mitigation ratios.

Fish accessibility and egress-ability is a key component of floodplain storage, as it ensures we are maintaining habitat dynamics for ESA-listed species. Mitigating with ratios for undeveloped space will ensure you are also accounting for fish accessibility and egress-ability.

Pervious and Impervious Surfaces

Pervious surfaces are surfaces that can be penetrated by water and help regulate the rate of surface water runoff. Impervious surfaces are the opposite. They are surfaces that cannot be penetrated by water and thereby increase surface water runoff, leading to erosion of stream banks, degradation of habitat, and increased sediment loads in streams. Impervious surfaces also heat up water as it travels to the waterbody and increase the overall temperature of the waterway. Additionally, impervious surfaces carry pollutants into the waterbody that would have otherwise been filtered out by pervious surfaces.

In PICM, there are three options to mitigate against the addition of impervious surfaces:

- A replacement of the equivalent amount of area where impervious surfaces were added with pervious surfaces;
- Development actions use documented low impact development or green infrastructure practices to infiltrate and treat stormwater produced by the new impervious surface; or
- When the above two methods are not feasible, require professional stormwater retention to ensure no increase in peak volume or flow and proper treatment to minimize pollutant loading.

Trees

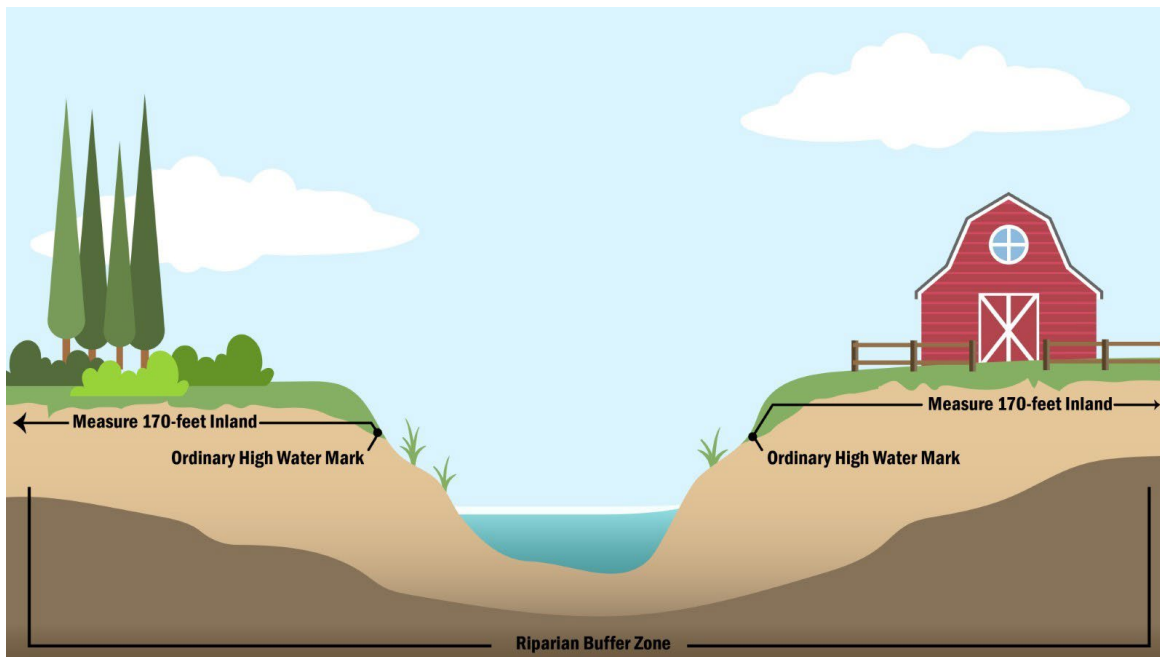
Trees play a vital role in the ecosystem and habitat of salmon. They stabilize banks against erosion, provide shade which regulates temperature for the waterbody, and creates habitat that attracts insects and other vital food sources. Under PICM, each tree over 6" diameter breast height (dbh) that is removed in the SFHA, must be replaced as identified by ratios. As larger trees provide a greater role in ecosystem services, more trees are required to replace them.

Replacement trees must be native species that would occur naturally in the Level III ecoregion of the impact area. Replacement trees are assumed to be saplings and younger trees.

The RBZ and Me

The Riparian Buffer Zone (RBZ) is an area of land bordering rivers, streams, and other water bodies that provides an outsized role in supporting floodplain functions that affect ESA-listed species and essential fish habitat (EFH). The RBZ serves as important habitat to fish during flooding events, providing refuge from high velocity flows in the floodway. Vegetation attracts insects and other vital food sources, filters sediment and pollutants from runoff, and moderates water temperature through the shade it provides, and stabilizes eroding banks.

Under PICM, FEMA has established a 170-foot RBZ for use in the NFIP-ESA integration area. This 170-foot standard is measured from the ordinary high-water mark of a fresh waterbody, or from the mean higher-high water line of a marine shoreline or tidally influenced river reach. This distance generally equates to 80% of the maximum potential tree height of common tree species in the implementation area. The RBZ does not extend beyond the SFHA, meaning that the RBZ ends where the SFHA ends, if it is less than 170 feet. Communities, otherwise, cannot reduce the 170-foot RBZ boundary during PICM.



Measuring the Riparian Buffer Zone

The RBZ has additional requirements on top of achieving No Net Loss standards due to its outsized role in the floodplain functions. **The RBZ does not ban development.** When developing, the RBZ requires a beneficial gain standard in addition to No Net Loss to provide additional benefits with no negative components to ESA-listed species and essential fish habitats. The beneficial gain standard is as follows:

- An area within the same reach of the project and equivalent to 5% of the total project area within the RBZ shall be planted with native herbaceous and shrub vegetation.

Beneficial gain is required for development in the RBZ, with the following exceptions:

- Habitat restoration activities,
- Activities considered exempt from No Net Loss,
- Functionally dependent uses: A use which cannot perform its intended purpose unless it is located or carried out in proximity to water. The term includes:
 - Docking and port facilities that are necessary for the loading and unloading of cargo or passengers; and
 - Ship building and ship repair facilities.
 - Functionally dependent uses do not include long-term storage, related manufacturing facilities, or ancillary facilities such as restrooms.

Understanding the Mitigation Ratio Table

Mitigation ratios are provided in PICM to ensure that permitted development meets the No Net Loss standards without having to do further analysis of mitigation options to comply with the ESA. For instance, the intrinsic habitat value of a single tree at 6" diameter breast height (dbh) in the Riparian Buffer Zone (RBZ) has already been factored into the ratios and requires a minimum of 3 trees to be planted to make up for the loss of habitat value at the development site.

Mitigation ratios to ensure ESA compliance vary based off location in the SFHA. The RBZ and Floodway play an outsized role in supporting floodplain functions, therefore higher ratios for mitigation are required to negate the impact of development. Development actions in the RBZ-fringe (the area outside of the RBZ but within the rest of the SFHA) have a lesser impact on floodplain functions and therefore lower ratios can negate any adverse impact.

Mitigation is preferred to occur within the same site as where the development impacts occur, but offsite mitigation is possible at the same ratios if mitigation is happening in the same reach (the section of waterway where similar hydrologic conditions exist). If mitigation needs to occur outside of the reach where development is happening, ratio requirements are essentially doubled.

Mitigation ratio requirements are only necessary when development impacts are occurring in the SFHA. If development is happening partially inside the SFHA, ratios and mitigation is only required for impacts within the area.

Proposed Mitigation Ratios to Achieve No Net Loss Standards

Basic Mitigate Ratios	Undeveloped Space (ft³)	Pervious Surface (ft²)	Trees (6”<dbh≤20”)	Trees (20”<dbh≤39”)	Trees (39”<dbh)
RBZ and Floodway	2:1	1:1	3:1	5:1	6:1
RBZ-Fringe	1.5:1	1:1	2:1	4:1	5:1
Mitigation multipliers					
Mitigation onsite to Mitigation offsite, same reach	100%	100%	100%	100%	100%
Mitigation onsite to Mitigation offsite, different reach, same watershed (5th)	200%	200%	200%	200%	200%

Do communities have to mitigate for each floodplain function, or do they choose only one of the functions to mitigate?

Communities must mitigate for each impact to the floodplain function.

Can a community use one action to mitigate for multiple functions?

Communities would need to ensure that each floodplain function is properly mitigated. In some instances, one mitigation action can count towards mitigation of more than one floodplain function. For example, removing a 200 ft² structure could count towards both flood storage and water quality mitigation if the action is creating both undeveloped space and pervious surface.

Who is responsible for measuring the RBZ?

Communities are responsible for identifying the RBZ. FEMA will not identify them on Flood Insurance Rate Maps (FIRM).

Why do communities have to ensure ESA compliance in SFHAs that provide no fish-accessibility?

Even though there may not be essential fish habitat in an SFHA, development can still create indirect or cumulative impacts that have an adverse effect on ESA-listed species and habitat downstream.

Learn more and participate

Visit www.fema.gov/about/organization/region-10/oregon/nfip-esa-integration to access the model ordinance, habitat assessment guide, and read the latest information about NFIP-ESA Integration in Oregon.

You can also contact us at FEMA-R10-MIT-PICM@fema.dhs.gov

Model Ordinance Language

- 1005 A. Be on the site for fewer than 180 consecutive days, and
- 1006 B. Be fully licensed and ready for highway use, on wheels or jacking
- 1007 system, is attached to the site only by quick disconnect type utilities and
- 1008 security devices, and has no permanently attached additions.

1009 **5.3.1.3 TANK STANDARDS FOR COASTAL HIGH HAZARD ZONES**

1010 Tanks shall meet the requirements of section 5.1.5 and 6.0.

1011 **6.0 STANDARDS FOR PROTECTION OF SFHA FLOODPLAIN FUNCTIONS**

1012 Adherent to the NMFS 2016 Biological Opinion, mitigation is necessary to ensure a no net loss

1013 in floodplain functions. FEMA's 2024 Draft Oregon Implementation Plan identifies proxies that

1014 provide measurable actions that can prevent the no net loss of the parent floodplain functions.

1015 These proxies include undeveloped space, pervious surfaces, and trees to account for a no

1016 net loss in respective floodplain functions of floodplain storage, water quality, and vegetation.

1017 Mitigation of these proxies must be completed to ensure compliance with no net loss

1018 standards. No net loss applies to the net change in floodplain functions as compared to

1019 existing conditions at the time of proposed development and mitigation must be addressed to

1020 the floodplain function that is receiving the detrimental impact. The standards described below

1021 apply to all special flood hazard areas as defined in Section 2.0.

1022 **6.1 NO NET LOSS STANDARDS**

1023 A. No net loss of the proxies for the floodplain functions mentioned in Section 1 is

1024 required for development in the special flood hazard area that would reduce

1025 undeveloped space, increase impervious surface, or result in a loss of trees that are

1026 6-inches dbh or greater. No net loss can be achieved by first avoiding negative

1027 effects to floodplain functions to the degree possible, then minimizing remaining

1028 effects, then replacing and/or otherwise compensating for, offsetting, or rectifying

1029 the residual adverse effects to the three floodplain functions. Prior to the issuance

1030 of any development authorization, the applicant shall:

1031 i. Demonstrate a legal right by the project proponent to implement the

1032 proposed activities to achieve no net loss (e.g., property owner agreement);

1033 ii. Demonstrate that financial assurances are in place for the long-term

1034 maintenance and monitoring of all projects to achieve no net loss;

1035 iii. Include a management plan that identifies the responsible site manager,

1036 stipulates what activities are allowed on site, and requires the posting of

1037 signage identifying the site as a mitigation area.

1038 B. Compliance with no net loss for undeveloped space or impervious surface is

1039 preferred to occur prior to the loss of habitat function but, at a minimum, shall occur

1040 concurrent with the loss. To offset the impacts of delay in implementing no net loss,

1041 a 25 percent increase in the required minimum area is added for each year no net

1042 loss implementation is delayed.

1043 C. No net loss must be provided within, in order of preference: 1) the lot or parcel that
1044 floodplain functions were removed from, 2) the same reach of the waterbody where
1045 the development is proposed, or 3) the special flood hazard area within the same
1046 hydrologically connected area as the proposed development. Table 1 presents the no
1047 net loss ratios, which increase based on the preferences listed above.

1048 **6.1.1 UNDEVELOPED SPACE**

1049 A. Development proposals shall not reduce the fish-accessible and egress-able
1050 undeveloped space within the special flood hazard area.

1051 B. A development proposal with an activity that would impact undeveloped
1052 space shall achieve no net loss of fish-accessible and egress-able space.

1053 C. Lost undeveloped space must be replaced with fish-accessible and egress-
1054 able compensatory volume based on the ratio in Table 1 and at the same
1055 flood level at which the development causes an impact (i.e., plus or minus 1
1056 foot of the hydraulically equivalent elevation).

1057 i. Hydraulically equivalent sites must be found within either the
1058 equivalent 1-foot elevations or the same flood elevation bands of
1059 the development proposal. The flood elevation bands are identified
1060 as follows:

1061 (1) Ordinary High Water Mark to 10-year,

1062 (2) 10-year to 25-year,

1063 (3) 25-year to 50-year,

1064 (4) And 50-year to 100-year

1065 ii. Hydrologically connected to the waterbody that is the flooding source;

1066 iii. Designed so that there is no increase in velocity; and

1067 iv. Designed to fill and drain in a manner that minimizes anadromous
1068 fish stranding to the greatest extent possible.

1069 **6.1.2 IMPERVIOUS SURFACES**

1070 Impervious surface mitigation shall be mitigated through any of the following
1071 options:

1072 A. Development proposals shall not result in a net increase in impervious
1073 surface area within the SFHA, or

1074 B. use low impact development or green infrastructure to infiltrate and treat
1075 stormwater produced by the new impervious surface, as documented by a
1076 qualified professional, or

1077 C. If prior methods are not feasible and documented by a qualified
1078 professional stormwater retention is required to ensure no increase in peak
1079 volume or flow and to maximize infiltration, and treatment is required to
1080 minimize pollutant loading. See section 6.2.C for stormwater retention
1081 specifications.

1082 **6.1.3 TREES**

1083 A. Development proposals shall result in no net loss of trees 6-inches dbh or greater
1084 within the special flood hazard area. This requirement does not apply to
1085 silviculture where there is no development.

1086 i. Trees of or exceeding 6-inches dbh that are removed from the RBZ,
1087 Floodway, or RBZ-fringe must be replaced at the ratios in Table 1.

1088 ii. Replacement trees must be native species that would occur naturally
1089 in the Level III ecoregion of the impact area.

1090 **6.2 STORMWATER MANAGEMENT**

1091 Any development proposal that cannot mitigate as specified in 6.1.2(A)-(B) must include
1092 the following:

1093 A. Water quality (pollution reduction) treatment for post-construction
1094 stormwater runoff from any net increase in impervious area; and

1095 B. Water quantity treatment (retention facilities) unless the outfall discharges
1096 into the ocean.

1097 C. Retention facilities must:

1098 i. Limit discharge to match the pre-development peak discharge rate
1099 (i.e., the discharge rate of the site based on its natural groundcover
1100 and grade before any development occurred) for the 10-year peak
1101 flow using a continuous simulation for flows between 50 percent of
1102 the 2-year event and the 10-year flow event (annual series).

1103 ii. Treat stormwater to remove sediment and pollutants from impervious
1104 surfaces such that at least 80 percent of the suspended solids are
1105 removed from the stormwater prior to discharging to the receiving
1106 water body.

1107 iii. Be designed to not entrap fish and drain to the source of flooding.

1108 iv. Be certified by a qualified professional.

1109 D. Stormwater treatment practices for multi-parcel facilities, including
1110 subdivisions, shall have an enforceable operation and maintenance
1111 agreement to ensure the system functions as designed. This agreement will
1112 include:

1113 i. Access to stormwater treatment facilities at the site by the
1114 **COMMUNITY TYPE (e.g., city, county)** for the purpose of inspection
1115 and repair.

1116 ii. A legally binding document specifying the parties responsible for the
1117 proper maintenance of the stormwater treatment facilities. The
1118 agreement will be recorded and bind subsequent purchasers and
1119 sellers even if they were not party to the original agreement.

1120 iii. For stormwater controls that include vegetation and/or soil
1121 permeability, the operation and maintenance manual must include
1122 maintenance of these elements to maintain the functionality of the
1123 feature.

1124 iv. The responsible party for the operation and maintenance of the
1125 stormwater facility shall have the operation and maintenance
1126 manual on site and available at all times. Records of the
1127 maintenance and repairs shall be retained and made available for
1128 inspection by the **COMMUNITY TYPE (e.g., city, county)** for five years

1129 **6.3 ACTIVITIES EXEMPT FROM NO NET LOSS STANDARDS**

1130 The following activities are not subject to the no net loss standards in Section 6.1;
1131 however, they may not be exempt from floodplain development permit requirements.

1132 A. Normal maintenance of structures, such as re-roofing and replacing siding,
1133 provided there is no change in the footprint or expansion of the roof of the
1134 structure;

1135 B. Normal street, sidewalk, and road maintenance, including filling potholes,
1136 repaving, and installing signs and traffic signals, that does not alter
1137 contours, use, or alter culverts and is less than six inches above grade.
1138 Activities exempt do not include expansion of paved areas;

1139 C. Routine maintenance of landscaping that does not involve grading,
1140 excavation, or filling;

1141 D. Routine agricultural practices such as tilling, plowing, harvesting, soil
1142 amendments, and ditch cleaning that does not alter the ditch configuration
1143 provided the spoils are removed from special flood hazard area or tilled into
1144 fields as a soil amendment;

1145 E. Routine silviculture practices that do not meet the definition of
1146 development, including harvesting of trees as long as root balls are left in

1147 place and forest road construction or maintenance that does not alter
1148 contours, use, or alter culverts and is less than six inches above grade;

1149 F. Removal of noxious weeds and hazard trees, and replacement of non-native
1150 vegetation with native vegetation;

1151 G. Normal maintenance of above ground utilities and facilities, such as
1152 replacing downed power lines and utility poles provided there is no net
1153 change in footprint;

1154 H. Normal maintenance of a levee or other flood control facility prescribed in
1155 the operations and maintenance plan for the levee or flood control facility.
1156 Normal maintenance does not include repair from flood damage, expansion
1157 of the prism, expansion of the face or toe or addition of protection on the
1158 face or toe with rock armor.

1159 I. Habitat restoration activities.

1160 **6.4 RIPARIAN BUFFER ZONE (RBZ)**

1161 A. The Riparian Buffer Zone is measured from the ordinary high-water line of a
1162 fresh waterbody (lake; pond; ephemeral, intermittent, or perennial stream)
1163 or mean higher-high water of a marine shoreline or tidally influenced river
1164 reach to 170 feet horizontally on each side of the stream or inland of the
1165 MHHW. The riparian buffer zone includes the area between these outer
1166 boundaries on each side of the stream, including the stream channel.

1167 B. Habitat restoration activities in the RBZ are considered self-mitigating and
1168 are not subject to the no net loss standards described above.

1169 C. Functionally dependent uses are only subject to the no net loss standards for
1170 development in the RBZ. Ancillary features that are associated with but do
1171 not directly impact the functionally dependent use in the RBZ (including
1172 manufacturing support facilities and restrooms) are subject to the beneficial
1173 gain standard in addition to no net loss standards.

1174 D. Any other use of the RBZ requires a greater offset to achieve no net loss of
1175 floodplain functions, on top of the no net loss standards described above,
1176 through the beneficial gain standard.

1177 E. Under FEMA's beneficial gain standard, an area within the same reach of
1178 the project and equivalent to 5% of the total project area within the RBZ
1179 shall be planted with native herbaceous and shrub vegetation and
1180 designated as open space.
1181

1182 Table 1 No Net Loss Standards

Basic Mitigate Ratios	Undeveloped Space (ft³)	Impervious Surface (ft²)	Trees (6”<dbh≤20”)	Trees (20”<dbh≤39”)	Trees (39”<dbh)
RBZ and Floodway	2:1*	1:1	3:1*	5:1	6:1
RBZ-Fringe	1.5:1*	1:1	2:1*	4:1	5:1
Mitigation multipliers					
Mitigation onsite to Mitigation offsite, same reach	100%	100%	100%	100%	100%
Mitigation onsite to Mitigation offsite, different reach, same watershed (5th field)	200% *	200%*	200%*	200%	200%

1183 Notes:

- 1184 1. Ratios with asterisks are indicated in the BiOp
- 1185 2. Mitigation multipliers of 100% result in the required mitigation occurring at the same value
- 1186 described by the ratios above, while multipliers of 200% result in the required mitigation
- 1187 being doubled.
- 1188 a. For example, if only 500 ft² of the total 1000 ft² of required pervious surface
- 1189 mitigation can be conducted onsite and in the same reach, the remaining 500 ft² of
- 1190 required pervious surface mitigation occurring offsite at a different reach would
- 1191 double because of the 200% multiplier.
- 1192 3. RBZ impacts must be offset in the RBZ, on-site or off-site.
- 1193 4. Additional standards may apply in the RBZ (See 6.4 Riparian Buffer Zone)

APPENDIX A: Section 6.0 Alternate Language to Achieve No Net Loss

6.0 STANDARDS FOR PROTECTION OF SFHA FLOODPLAIN FUNCTIONS

Adherent to the NMFS 2016 Biological Opinion, mitigation is necessary to ensure a no net loss in floodplain functions. FEMA’s 2024 Draft Oregon Implementation Plan identifies proxies that provide measurable actions that can prevent the no net loss of the parent floodplain functions. These proxies include undeveloped space, pervious surfaces, and trees to account for a no net loss in respective floodplain functions of floodplain storage, water quality, and vegetation. Mitigation of these proxies must be completed to ensure compliance with no net loss standards. No net loss applies to the net change in floodplain functions as compared to existing conditions at the time of proposed development and mitigation must be addressed to the floodplain function that is receiving the detrimental impact. The standards described below apply to all special flood hazard areas as defined in Section 2.0.

6.1 NO NET LOSS STANDARDS

A. No net loss of the proxies for the floodplain functions mentioned in Section 1 is required for development in the special flood hazard area that would reduce undeveloped space, increase impervious surface, or result in a loss of trees that are 6-inches dbh or greater. No net loss can be achieved by first avoiding negative effects to floodplain functions to the degree possible, then minimizing remaining effects, then replacing and/or otherwise compensating for, offsetting, or rectifying the residual adverse effects to the three floodplain functions.

B. Compliance with no net loss for undeveloped space or impervious surface is preferred to occur prior to the loss of habitat function but, at a minimum, shall occur concurrent with the loss.

C. No net loss must be provided within, in order of preference: 1) the lot or parcel that floodplain functions were removed from, 2) the same reach of the waterbody where the development is proposed, or 3) the special flood hazard area within the same hydrologically connected area as the proposed development. Table 1 presents the no net loss ratios, which increase based on the preferences listed above.

6.1.1 UNDEVELOPED SPACE

A. Development proposals shall not reduce the fish-accessible and egress-able habitat and flood storage volume created by undeveloped space within the special flood hazard area. A development proposal with an activity that would impact undeveloped space shall achieve no net loss of fish-accessible and egress-able space and flood storage volume.

i. Lost undeveloped space must be replaced with fish-accessible and egress-able compensatory volume based on the ratio in Table 1.

1232 ii. Hydrologically connected to the waterbody that is the flooding source;

1233 **6.1.2** Designed so that there is no increase in velocity **IMPERVIOUS SURFACES**

1234 Impervious surface mitigation shall be mitigated through any of the following options:

1235 A. Development proposals shall not result in a net increase in impervious surface
1236 area within the SFHA through the use of ratios prescribed in Table 1, or

1237 B. Use low impact development or green infrastructure to infiltrate and treat
1238 stormwater produced by the new impervious surface, as documented by a
1239 qualified professional, or

1240 C. If prior methods are not feasible and documented by a qualified professional
1241 stormwater retention is required to ensure no increase in peak volume or flow
1242 and to maximize infiltration, and treatment is required to minimize pollutant
1243 loading. See section **6.2.C** for stormwater retention specifications.

1244 **6.1.3 TREES**

1245 A. Development proposals shall result in no net loss of trees 6-inches dbh or greater
1246 within the special flood hazard area.

1247 i. Trees of or exceeding 6-inches dbh that are removed from the RBZ,
1248 Floodway, or RBZ-fringe must be replaced at the ratios in Table 1 and
1249 planted within the special flood hazard area.

1250 ii. Replacement trees must be native species that would occur naturally
1251 in the Level III ecoregion of the impact area.

1252 **6.2 STORMWATER MANAGEMENT**

1253 Any development proposal that cannot mitigate as specified in 6.1.2(A)-(B) must include
1254 the following:

1255 A. Water quality (pollution reduction) treatment for post-construction
1256 stormwater runoff from any net increase in impervious area; and

1257 B. Water quantity treatment (retention or detention facilities) unless the outfall
1258 discharges into the ocean.

1259 C. Retention and detention facilities must:

1260 i. Limit discharge to match the pre-development peak discharge
1261 rate (i.e., the discharge rate of the site based on its natural
1262 groundcover and grade before any development occurred) for
1263 the 10-year peak flow using a continuous simulation for flows
1264 between 50 percent of the 2-year event and the 10-year flow
1265 event (annual series).

- 1266 ii. Treat stormwater to remove sediment and pollutants from impervious
- 1267 surfaces such that at least 80 percent of the suspended solids are
- 1268 removed from the stormwater prior to discharging to the receiving
- 1269 water body.

- 1270 iii. Be designed to not entrap fish.

- 1271 iv. Be certified by a qualified professional.

- 1272 D. Detention facilities must:

- 1273 i. Drain to the source of flooding.

- 1274 ii. Designed by a qualified professional.

- 1275 E. Stormwater treatment practices for multi-parcel facilities, including
- 1276 subdivisions, shall have an enforceable operation and maintenance
- 1277 agreement to ensure the system functions as designed. This agreement will
- 1278 include:

- 1279 v. Access to stormwater treatment facilities at the site by the
- 1280 **COMMUNITY TYPE (e.g., city, county)** for the purpose of inspection
- 1281 and repair.

- 1282 vi. A legally binding document specifying the parties responsible for the
- 1283 proper maintenance of the stormwater treatment facilities. The
- 1284 agreement will be recorded and bind subsequent purchasers and
- 1285 sellers even if they were not party to the original agreement.

- 1286 vii. For stormwater controls that include vegetation and/or soil
- 1287 permeability, the operation and maintenance manual must include
- 1288 maintenance of these elements to maintain the functionality of the
- 1289 feature.

- 1290 viii. The responsible party for the operation and maintenance of the
- 1291 stormwater facility shall have the operation and maintenance
- 1292 manual on site and available at all times. Records of the
- 1293 maintenance and repairs shall be retained and made available for
- 1294 inspection by the **COMMUNITY TYPE (e.g., city, county)** for five years

6.3 ACTIVITIES EXEMPT FROM NO NET LOSS STANDARDS

1296 The following activities are not subject to the no net loss standards in Section 6.1;

1297 however, they may not be exempt from floodplain development permit requirements.

- 1298 A. Normal maintenance of structures, such as re-roofing and replacing siding,
- 1299 provided there is no change in the footprint or expansion of the roof of the
- 1300 structure;

- 1301 B. Normal street, sidewalk, and road maintenance, including filling potholes,
1302 repaving, and installing signs and traffic signals, that does not alter
1303 contours, use, or alter culverts and is less than six inches above grade.
1304 Activities exempt do not include expansion of paved areas;
- 1305 C. Routine maintenance of landscaping that does not involve grading,
1306 excavation, or filling;
- 1307 D. Routine agricultural practices such as tilling, plowing, harvesting, soil
1308 amendments, and ditch cleaning that does not alter the ditch configuration
1309 provided the spoils are removed from special flood hazard area or tilled into
1310 fields as a soil amendment;
- 1311 E. Routine silviculture practices (harvesting of trees), including hazardous fuels
1312 reduction and hazard tree removal as long as root balls are left in place;
- 1313 F. Removal of noxious weeds and hazard trees, and replacement of non-native
1314 vegetation with native vegetation;
- 1315 G. Normal maintenance of above ground utilities and facilities, such as
1316 replacing downed power lines and utility poles provided there is no net
1317 change in footprint;
- 1318 H. Normal maintenance of a levee or other flood control facility prescribed in
1319 the operations and maintenance plan for the levee or flood control facility.
1320 Normal maintenance does not include repair from flood damage, expansion
1321 of the prism, expansion of the face or toe or addition of protection on the
1322 face or toe with rock armor.
- 1323 I. Habitat restoration activities.
- 1324 J. Pre-emptive removal of documented susceptible trees to manage the
1325 spread of invasive species.
- 1326 K. Projects that are covered under separate consultations under Section 4(d),
1327 7, or 10 of the Endangered Species Act (ESA).

6.4 RIPARIAN BUFFER ZONE (RBZ)

- 1329 A. The Riparian Buffer Zone is measured from the ordinary high-water line of a
1330 fresh waterbody (lake; pond; ephemeral, intermittent, or perennial stream)
1331 or mean higher-high water of a marine shoreline or tidally influenced river
1332 reach to 170 feet horizontally on each side of the stream or inland of the
1333 MHHW. The riparian buffer zone includes the area between these outer
1334 boundaries on each side of the stream, including the stream channel.
- 1335 B. Functionally dependent uses are only subject to the no net loss standards in
1336 Section 6.1 for development in the RBZ. Ancillary features that are
1337 associated with but do not directly impact the functionally dependent use in

- 1338 the RBZ (including manufacturing support facilities and restrooms) are
 1339 subject to the beneficial gain standard in addition to no net loss standards.
- 1340 C. Any other use of the RBZ requires a greater offset to achieve no net loss of
 1341 floodplain functions, on top of the no net loss standards described above,
 1342 through the beneficial gain standard.
- 1343 D. Under FEMA's beneficial gain standard, an area within the same reach of
 1344 the project and equivalent to 5% of the total project area within the RBZ
 1345 shall be planted with native herbaceous, shrub and tree vegetation.
 1346

1347 Table 1 No Net Loss Standards

Basic Mitigate Ratios	Undeveloped Space (ft³)	Impervious Surface (ft²)	Trees (6" < dbh ≤ 20")	Trees (20" < dbh ≤ 39")	Trees (39" < dbh)
RBZ and Floodway	2:1	1:1	3:1	5:1	6:1
RBZ-Fringe	1.5:1	1:1	2:1	4:1	5:1
Mitigation multipliers					
Mitigation onsite to Mitigation offsite, same reach	100%	100%	100%	100%	100%
Mitigation onsite to Mitigation offsite, different reach, same watershed (5th field)	200%	200%	200%	200%	200%

- 1348 Notes:
- 1349 1. Mitigation multipliers of 100% result in the required mitigation occurring at the same value
 1350 described by the ratios above, while multipliers of 200% result in the required mitigation
 1351 being doubled.
- 1352 a. For example, if a development would create 1,000 square feet of new impervious
 1353 surface, then 1,000 square feet of new pervious surface would need to be created.
 1354 However, if only 500 square feet can be created within the same reach, the
 1355 remaining 500 square feet created within a different reach would need to be double
 1356 the required amount because of the 200 percent multiplier. In other words, another
 1357 1,000 square feet of pervious surface would need to be created at the location in the
 1358 different reach, in addition to the 500 square feet created within the same reach.

APPENDIX B: Additional and Updated Definitions

1359

1360 **Ancillary Features:** Features of a development that are not directly related to the primary
1361 purpose of the development.

1362 **Fish Accessible Space:** The volumetric space available to an adult or juvenile individual
1363 of the identified 16 ESA-listed fish to access.

1364 **Fish Egress-able Space:** The volumetric space available to an adult or juvenile individual
1365 of the identified 16 ESA- fish to exit or leave from.

1366 **Floodplain Storage Capacity:** The volume of floodwater that an area of floodplain can
1367 hold during the 1-percent annual chance flood.

1368 **Footprint:** The existing measurements of the structure related to the three floodplain
1369 functions and their proxies. The footprint related to floodplain storage refers to
1370 the volumetric amount of developed space measured from the existing ground
1371 level to the BFE, and the footprint related to water quality refers to the area of
1372 impervious surface that the structure creates.

1373 **Pervious Surface:** Surfaces that allow rain and snowmelt to seep into the soil and gravel
1374 below. Pervious surface may also be referred to as permeable surface.

1375 **Undeveloped Space:** The volume of flood capacity and fish-accessible/egress-able
1376 habitat from the existing ground to the Base Flood Elevation that has not been
1377 reduced due to activity that meets FEMA's definition of development. Examples
1378 of development that impede undeveloped space includes, but is not limited to,
1379 the addition of fill, structures, concrete structures (vaults or tanks), pilings,
1380 levees and dikes, or any other development that reduces flood storage volume
1381 and fish accessible/egress-able habitat.

1382

1383



STAFF REPORT

MEETING DATE: 12/10/2024

PREPARED BY: Lisa Morgan

SECTION: Council Business

DEPARTMENT: Administration

CITY GOAL: N/A

SUBJECT: Abstract of Votes – City Election Results

REASON FOR CONSIDERATION: The city received the Crook County General Election Results for the city election on November 5, 2024.

BACKGROUND: There were three council positions and one mayor with terms ending December 31, 2024. There was one candidate for the mayor position and three candidates for the three councilor positions. The certified results were as follows:

Mayor Position:

Rodney Jason Beebe with 4,121 votes at 97.45%

Council Positions:

Jerry Brummer with 3,593 votes at 35.01%

Steve Uffelmann with 3,288 votes at 32.03%

Marv Sumner with 3,213 votes at 31.30%

The Ceremonial Oaths of Office will take place at the January 6, 2024 Special Council Meeting.

FISCAL IMPACT: None

RECOMMENDATION: Motion to accept certified Abstract of Votes election results (Attached).

Statement of Votes Cast by Geography
 Crook County, Oregon, OR_Crook_2024GeneralElection, Nov 05, 2024
 All Precincts, All Districts, All Counter Groups, All ScanStations, City Council Member, Mayor, All Boxes
 Official FINAL - City only
 Total Ballots Cast: 5917, Registered Voters: 21945, Overall Turnout: 26.96%
 12 precincts reported out of 12 total

Choice	Votes	Vote %
All Precincts		

Mayor (Vote for 1)

5917 ballots (0 over voted ballots, 0 overvotes, 1688 undervotes), 8939 registered voters, turnout 66.19%

Jason Beebe	4121	97.45%
Write-in	108	2.55%
Total	4229	100.00%
Overvotes	0	
Undervotes	1688	

City Council Member (Vote for 3)

5917 ballots (1 over voted ballots, 3 overvotes, 7484 undervotes), 8939 registered voters, turnout 66.19%

Jerry M Brummer	3593	35.01%
Steve Uffelman	3288	32.03%
Marvin Sumner	3213	31.30%
Write-in	99	0.96%
Write-in	43	0.42%
Write-in	28	0.27%
Total	10264	100.00%
Overvotes	3	
Undervotes	7484	

I, Cheryl W Seely, Crook County Clerk, do hereby certify that the votes recorded on this report correctly summarize the tally of votes cast at the November 5, 2024 General Election.

Dated this 27th day of November, 2024


 Cheryl W Seely
 Crook County Clerk



City Manager Update to Council

December 10, 2024

Public Safety / Dispatch

We have a new Community Service Officer on board who you will be introduced to in January. Please welcome Andy Pierce who comes to us with over 28 years experience.

The Christmas Parade went smooth and was enjoyed by many thanks to our Public Safety & Public Works teams.

There are five interviews scheduled for public safety positions, all are lateral officers with two entry level officers in process as well. We are hopeful that the Police Department will become fully staffed.

The Shop with a Cop event is coming up soon and will report back on how that went.

Chief Profio has been busy meeting with community members for Coffee with a Cop events. The first one was held on 12/3 and two more are scheduled for 12/12 at Golden Coffee from 1-3 PM and another on January 7th in the evening.

Public Works

Waterline projects are underway for the recently approved development of 20 residential units behind Rays.

Combs Flat extension continues to move right along as planned.

The wastewater treatment plant recently went through a DEQ inspection and they were very complimentary of our facility and operations. Prineville is the only city in the state that has five application sites which also leads to the most reporting requirements of any other city. Nice work to Zach Chandler and the rest of the team out there.

Railroad

Matt and the crew remain very busy with the barley business booming at the railroad with a significant number of cars in cue.

Meadow Lakes Golf

November was a good month for Meadow Lakes and is now gearing up for the annual holiday sale on December 14th. Golf certificates went on sale the day after Thanksgiving and are already flying out the door.

Airport - Nu Update

Planning

Josh & Tasha remain busy with the projects mentioned before such as the UGB expansion.

Human Resources

Recruitment efforts underway still for a entry level utility worker position and 9-1-1 operators.

Information Technology

IT just about done with the G-tech upgrades and the radio conversion projects.

Finance

Finance remains busy with financial operations and is getting ready to gear up for the next budget cycle.

City Recorder/Risk Management

The city is trying a new holiday tradition with a live tree in the lobby at city hall. The community will have an opportunity to write a reason they are grateful on a paper ornament made by our own Crook County Kids Club. The tree will remain here until Monday, December 23rd at which time it will be planted to grow for years at Barnes Butte Recreation Area. Stop by and get your ornament to hang while sharing gratitude.

City Legal – No Update

EDCO – No Update

Public Relations

There is a lot of great content coming out in December with all of the holiday festivities our community has to offer thanks to all of our wonderful volunteers. Volunteers across our community really enhance the livability and quality of life here and we thank them all.

Mayor/Council – No Update

Economic Development and Strategic

Caroline was successful in landing a \$445,000 grant through ODOT Carbon Reduction Program which will provide three electric Ford Lightning pickups that we expect to have by next fall. They will be assigned to the Railroad, PD and IT.

Other – No Update



STAFF REPORT

MEETING DATE:	12/10/2024	PREPARED BY:	Casey Kaiser
SECTION:	Resolutions	DEPARTMENT:	Public Works
CITY GOAL:	Quality Municipal Services & Programs		
SUBJECT:	Resolution 1607 Authorizing an amendment to the ASR agreement with Apple Inc.		

REASON FOR CONSIDERATION:

The proposed agreement releases a portion (870 EDU's) of Apple's current water capacity reservation and returns it to the City. In exchange the City agrees to issuing an additional 250 EDU's of wastewater capacity to Apple. As part of the agreement Apple is agreeing to release the water capacity without refund. The City agrees to prioritize the use of the returned capacity towards the capacity needed to provide service to currently unconnected residents within the City.

BACKGROUND:

The proposed agreement amends the existing 2018 ASR agreement with Apple, Inc. The original agreement established water capacity reservations for Apple in exchange for their funding a portion of the City's Aquifer Storage and Recovery (ASR) project. Since that time Apple has determined it does not need the total amount of water capacity established in the original agreement. Apple does however, have a need for additional wastewater capacity. Apple has agreed to release back to the City 870 EDU's of water capacity in exchange for 250 EDU's of additional wastewater capacity.

FISCAL IMPACT: There is not a direct cost to the City as a result of the proposed agreement. The value of the water capacity being released back to the City from Apple is much greater than the value of the wastewater credits being issued.

RECOMMENDATION:

Both City staff and Apple have reviewed the agreement and believe it reflects the best interests of both parties and the community. Staff recommends approving Resolution 1607 authorizing the proposed agreement amendment with Apple Inc.

ATTACHMENT(S):

Resolution 1607, Proposed Agreement Amendment

**RESOLUTION NO. 1607
CITY OF PRINEVILLE, OREGON**

**A RESOLUTION AUTHORIZING AMENDMENT TO AGREEMENT FOR AQUIFER
STORAGE RECOVERY PROJECT**

Whereas, City of Prineville (“City”) and Apple, Inc. (“Apple”) executed an Agreement effective August 27, 2018, for the Prineville Aquifer Storage Recovery (“ASR”) Project (“Agreement”).

Whereas, as part of the Agreement, Apple agreed to fund the ASR Project in an amount not to exceed its Reimbursement Cap in exchange for the allocation of a reserve capacity of daily water requirements equaling 2,778 EDUs. This brought Apple’s total water reserve capacity from Apple’s contribution to the ASR project and other projects to 3,749.19 EDUs (“Water Reserve Capacity”).

Whereas, under the Agreement, if Apple elects to release a portion of the Water Reserve Capacity, then it is entitled to a refund in the amount equal to the portion of the Water Reserve Capacity that Apple elects to release.

Whereas, Apple now desires to release a portion of the Water Reserve Capacity in exchange for additional sewer reserve capacity (“Sewer Reserve Capacity”).

Whereas, City and Apple have negotiated an Amendment to the Agreement (“Amendment”), 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 Amendment.

Now, Therefore, the City of Prineville resolves that the Amendment to Development Agreement attached to this Resolution between the City and Apple 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 December, 2024.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder

AMENDMENT TO AGREEMENT FOR AQUIFER STORAGE RECOVERY PROJECT

THIS AMENDMENT to Agreement for Aquifer Storage Recovery Project (“Amendment”) is made and entered into this ____ day of _____, 2024, between the **City of Prineville**, Oregon, an Oregon municipal corporation (“City”) and **Apple Inc.**, a California corporation (“Apple”); each City and Apple may be referred to as “Party”; and together, the “Parties.”

RECITALS

A. On August 28, 2018, the Parties entered into an Agreement (“Agreement”) set forth on Exhibit A, attached hereto and incorporated herein. Capitalized terms used but not defined in this Amendment shall have the meanings given to such terms in the Agreement.

B. As part of the Agreement, Apple agreed to fund the ASR Project in an amount not to exceed its Reimbursement Cap in exchange for the allocation of a reserve capacity of daily water requirements equaling 2,778 EDUs. This brought Apple’s total water reserve capacity from Apple’s contribution to the ASR project and other projects to 3,749.19 EDUs (“Water Reserve Capacity”).

C. Under the Agreement, if Apple elects to release a portion of the Water Reserve Capacity, then it is entitled to a refund in the amount equal to the portion of the Water Reserve Capacity that Apple elects to release.

D. Apple now desires to release a portion of the Water Reserve Capacity in exchange for additional sewer reserve capacity (“Sewer Reserve Capacity”).

E. Currently, Apple has a Sewer Reserve Capacity equaling 108.52 EDUs.

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 to amend the Agreement as follows:

1. **Reserved Capacity.** Apple shall release 870 EDUs of Water Reserve Capacity to the City. After the release, Apple’s remaining Water Reserve Capacity shall equal 2,879.19 EDUs.

2. **Reserved Sewer Capacity.** As consideration for Apple’s release of a portion of its Water Reserve Capacity, the City shall allocate an additional 250 EDUs to Apple’s Sewer Reserve Capacity, resulting in a total Sewer Reserve Capacity for Apple of 358.52 EDUs.

3. **Refund.** As a result of the City allocating the additional sewer EDUs to Apple, no refund shall be issued to Apple in recognition of its release of a portion of its Water Reserve Capacity pursuant to this Amendment.

4. **Payment.** The City accepts the return of a portion of Apple's Water Reserve Capacity in exchange for the issuance of additional sewer capacity to Apple and no additional payment shall be required.

5. **Representations.** City shall utilize the additional water capacity provided by Apple to contribute to the overall water capacity of the City, including, but not limited to, prioritizing the allocation of additional water capacity to provide City water service to unconnected residents within the City limits. The additional water capacity shall not be used to contribute to the overall water capacity of the Airport aquifer area, unless the City is providing service to unconnected residents in that area.


6. **Timing.** The exchange of water reserved EDUs and sewer reserved EDUs shall occur within thirty (30) days of the mutual execution of this Amendment.

7. **Effect of Amendment.** Except as amended by this Amendment, all other terms of the Agreement shall remain in full force and effect. In the event of any conflict between this Amendment and the Agreement, the terms of this Amendment shall control.

8. **Miscellaneous.** This Amendment may be executed in one or more counterparts, including electronically transmitted counterparts, which when taken together shall constitute one in the same instrument. Electronic transmittals of the signed document shall be binding as though they were an original of such signed document.

EXECUTED as of the day and year first written above.

APPLE INC.,
a California corporation

By: 
Name: Kristina Raspe
Its: Vice President, Global Real Estate &
Facilities

CITY OF PRINEVILLE,
a municipal corporation of the State of Oregon

By: _____
Name: Jason Beebe
Its: Mayor

**Agreement
between
City of Prineville, Oregon and Apple Inc.**

This Agreement ("Agreement") is made and entered into as of Aug 28th, 2018, by and between the **City of Prineville**, Oregon, an Oregon municipal corporation ("City") and **Apple Inc.**, a California corporation ("Apple"); each of the City and Apple are a "Party" and together, are the "Parties."

RECITALS

- A. Apple desires to proceed with the aquifer storage and recovery project ("ASR Project") to enhance regional water supply resiliency by developing ecologically friendly water storage alternatives to allow the City to continue meeting the water supply needs of its residential, commercial, and industrial customers, including Apple's data center located in Prineville, Oregon ("Apple Facility"). The feasibility and implementation studies for the ASR Project are set forth on Exhibit "A" ("Feasibility and Implementation Plans and Specifications") attached hereto.
- B. Apple desires to have the City and the City is willing to construct the ASR Project in accordance with the Feasibility and Implementation Plans and Specifications.
- C. Apple will fund the actual cost of the ASR Project in accordance with this Agreement in an amount not to exceed Eight Million Seven Hundred Forty Thousand Dollars (\$8,740,000.00), as shown in detail on Exhibit "B".
- D. Apple desires to reserve (i) an anticipated peak daily demand capacity of 2,250,100 gallons, as more specifically shown on Exhibit "C" ("Reserved Capacity"), and (ii) the right to be refunded for all or any portion of the Reserved Capacity that Apple may elect to release to the City for use by other customers.

NOW, THEREFORE, for the consideration set forth below, and the mutual covenants and agreements contained herein, including the recitals which are incorporated herein by reference, which are relied upon by 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, the City and Apple hereby agree as follows:

1. Performance. The City hereby agrees to install the ASR Project in accordance with the Feasibility and Implementation Plans and Specifications. Using the City's usual procedures, the City will enter into a construction contract with each successful bidder for the construction of all portions of the ASR Project. In soliciting bids, awarding the constructions contracts, managing the construction project and payment to the contractors, the City shall comply with all applicable state and local public contracting laws, rules, regulations, ordinances. The City shall manage the construction of all portions of the ASR Project. Pursuant to Oregon state law, the City is required to make progress payments on the ASR Project contracts monthly as work progresses, based upon work actually completed and approved by the City. Not more frequently than once a month, the City shall furnish Apple with an invoice and a copy of each contractor's bill showing how much

of the bill the City has paid. Within forty-five (45) days of receiving invoices from the City, together with reasonable supporting documentation, Apple shall reimburse the City for work satisfactorily performed. If any portion of the ASR Project for which City is seeking reimbursement has not been completed or does not substantially conform to the Feasibility and Implementation Plans and Specifications, and such non-conformance was not approved by Apple in writing, the existence of such incomplete work or non-conformity shall be an excuse to Apple's obligation to make the applicable payment until such work has been completed or non-conformity has been corrected. The ASR Project shall at all times be deemed to be City property and Apple shall have no obligation to maintain, repair or replace any portion of the ASR Project.

2. Reimbursement Cap. Unless agreed to in writing by the Parties, Apple's financial responsibility for the ASR Project shall be limited to Eight Million Seven Hundred Forty Thousand Dollars (\$8,740,000.00) ("Reimbursement Cap"). The Parties agree to communicate periodically as to the cost of the ASR Project to assure that costs are limited to the greatest extent possible.

3. Reserved Capacity; SDC Credit. As consideration for Apple's agreement to fund the cost of the ASR Project up to the Reimbursement Cap, Apple shall be allocated the (a) entire Reserved Capacity, and (b) water system development charge credits ("Water SDC Credits") in an amount equal to the amount paid by Apple for the ASR Project. Based upon the City's Water SDC Credit rate of \$3,146 effective as of the date of this Agreement, Apple shall be entitled to 2,778 Water SDC Credits (with one SDC credit equaling a maximum of 810 gallons of water per day) provided that Apple funds an amount equal to the Reimbursement Cap. The Water SDC Credits shall be adjusted upward or downward depending on the final amount Apple funds for the ASR Project. The Reserved Capacity and Water SDC Credits may be used in connection with the Apple Facility, any expansion or modification of the Apple Facility and any other project located in the City developed by or for Apple or any Affiliate of Apple. "Affiliate" means a (i) subsidiary, (ii) parent, or (iii) division, corporation, partnership or limited liability company controlled by or under common control with Apple.

4. Right to Refund. In the event that Apple elects not to utilize all or a portion of the Reserved Capacity, Apple shall be entitled to a refund in an amount equal to the portion of the Reserved Capacity that Apple elects to release ("Apple Refund"). Following receipt of written notice from Apple specifying the portion of the Reserved Capacity that Apple elects to release for use by other customers, the City shall begin paying the Apple Refund through the collection of water system development charges from all customers that will use the released portion of the Reserved Capacity. As part of City Ordinance and City Resolution, the following shall apply to refunds pursuant to this Agreement:

a. The Apple Refund shall be allowed for a maximum of ten (10) years from the date that Apple notifies the City of its intention to release all or a portion of the Reserved Capacity.

b. No interest shall accrue on refund amounts.

c. The Apple Refund shall be made only from available funds. Available funds shall be those funds derived from water system development charges received by the City from parties in the Airport Industrial Area, as shown on Exhibit "D", less City administrative fees set by City

resolution and the amount required to pay any annual debt payment through water system development charges.

5. No Representations or Warranties; Indemnification. Apple makes no representations or warranties about the Feasibility and Implementation Plans and Specifications as to correctness, completeness, currency, content, conclusions, fitness for a particular use or accuracy. The City agrees to indemnify, defend and hold Apple, its officers, employees and agents harmless from and against any liability, claims, actions, causes of action or demands arising out of the design, construction and operation of the ASR Project.

6. Default; Remedy.

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

6.1.1 A breach of a material provision of this Agreement, whether by action or inaction of a Party which continues and is not remedied within sixty (60) 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 sixty (60) days, the non-breaching Party shall 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; or

6.1.2 Any assignment by a Party for the benefit of creditors, or adjudication as a bankrupt, or appointment of a receiver, trustee or creditor's committee over a Party.

6.2 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 parties, including, without limitation, the right to compel specific performance.

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

8. Miscellaneous Provisions.

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

8.1.1 In the case of a notice or communication to Apple, address as follows:

Apple Inc.
One Apple Park Way, MS: 47-2 REF
Cupertino, CA 95014
Attn: Real Estate & Development

With a copy to:

Apple Inc.
One Apple Park Way, MS: 4-D LAW
Cupertino, CA 95014
Attn: Real Estate Counsel

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

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

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.

8.2 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.

8.3 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 Apple 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.

8.4 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.

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

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

8.7 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.

8.8 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.

8.9 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.

8.10 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.

8.11 Good Faith and Reasonableness. The parties intent 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."

8.12 Condition of City Obligations. All City obligations pursuant to this Agreement which require the expenditure of funds or contingent upon future appropriations by the City as part of the local budget process. Nothing in this Agreement implies an obligation on the City to appropriate any such monies.

8.13 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.

8.14 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 bases for excused performance which is not within reasonable control of the party to be excused.

8.15 No Third-Party Beneficiaries. City and Apple 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

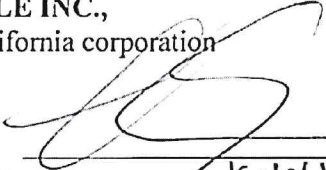
or right, whether directly or indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

8.16 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.

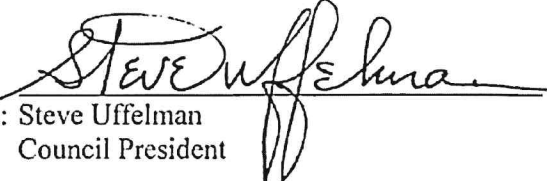
8.17 Entire Agreement. This Agreement represents the entire agreement between the parties relating to the subject matter hereof. This Agreement alone fully and completely expresses the agreement of the parties relating to the subject matter hereof. There are no other courses of dealing, understanding,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

EXECUTED as of the day and year first written above.

APPLE INC.,
a California corporation

By: 
Name: Kristina Raspe
Its: VP, Real Estate Development

CITY OF PRINEVILLE,
a municipal corporation of the State of Oregon

By: 
Name: Steve Uffelman
Its: Council President

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Exhibit "A"
Feasibility and Implementation Plans and Specifications
[To be Inserted]

Exhibit "B" ASR Project Costs

Table 2
ASR Project Planning Level Cost Estimate
City of Prineville ASR Feasibility Study

	Planning Level Costs	Notes
New Municipal Water Source (Wellfield and Treatment System)		
<i>Permitting</i>		
Water Right Application	\$22,010	with \$12,010 OWRD fee
OHA new groundwater source plan review package	\$12,000	includes \$2,500 OHA fee
Land use permitting and county discussions	\$2,000	
<i>New Wellfield - (install 22 wells)</i>		
Engineering Design/Permitting (20%)	\$157,696	Standard %
Construction/Services During Construction (SDC) ^{1,2}	\$785,480	CGE obtained costs
<i>New Source Infrastructure and Treatment System</i>		
Engineering Design/Permitting/SDC/Engineering Startup (20%)	\$962,000	Standard %
Construction ³	\$4,810,000	CH2M cost estimate
<i>Subtotal</i>	\$6,754,186	
ASR Project		
<i>ASR Limited License Application - Permitting</i>		
ASR Pilot Test Work Plan	\$40,000	
ASR Limited License Application	\$24,000	
OHA pre-construction wellhead retrofit plan review package	\$10,000	includes \$2,500 OHA fee
<i>Wellport Retrofit</i>		
Engineering Design/Permitting (20%)	\$64,000	Standard %
Construction ⁴	\$320,000	CH2M cost estimate
<i>ASR Baseline Monitoring - Year 1 Pilot Testing</i>		
Installation of one monitoring well (design & bid package, construction, SDC) ⁵	\$145,810	Assumes OWRD required
Year 1 Pilot Testing & Reporting	\$121,000	
<i>Subtotal</i>	\$725,810	
TOTAL Planning Level Cost Estimate	\$7,480,000	
Construction Contingency (20%)	\$1,496,000	
Permitting/ASR Pilot Testing Contingency (20%)	\$75,564	
PROJECT TOTAL with Contingency	\$8,740,000	

Notes:

1. CGE obtained estimated well completion costs (~\$400/ft) that is based on the wells being completed similarly to the existing shallow and deep test wells
2. Assumed 12 deep and 12 shallow wells for both redundancy and to cover any longer-term well interference issues and a service during construction cost at 12% (assumes shallow wells are 40 ft deep, and deep wells are on average 120 ft deep)
3. Includes pumps, piping, and treatment plant equipment and construction. (See Appendix A for a detailed description of the costs and break-down of the cost estimate - Crooked River Part West Wellfield and Wellport Well ASR Modifications Pre-design Report, Confidential Client, (CH2M, March 2018))
4. See Appendix A for a detailed description of the costs and break-down of the Wellport retrofit cost estimate
5. Cost assumes one new 700 foot deep observation well (location, design, drilling, and SDC) (assumes drilling cost of \$110,000)

Exhibit "C"
Reserved Capacity

Reserved Capacity Calculation

\$8,740,000	Apple Contribution toward ASR Project
	Current water SDC per Equivalent Dwelling Unit
\$3,146.26	(EDU)
2,778	EDUs
810	Gallons of water per day
<hr/>	
2,250,100	Reserved Capacity

Exhibit "D"
Airport Industrial Area

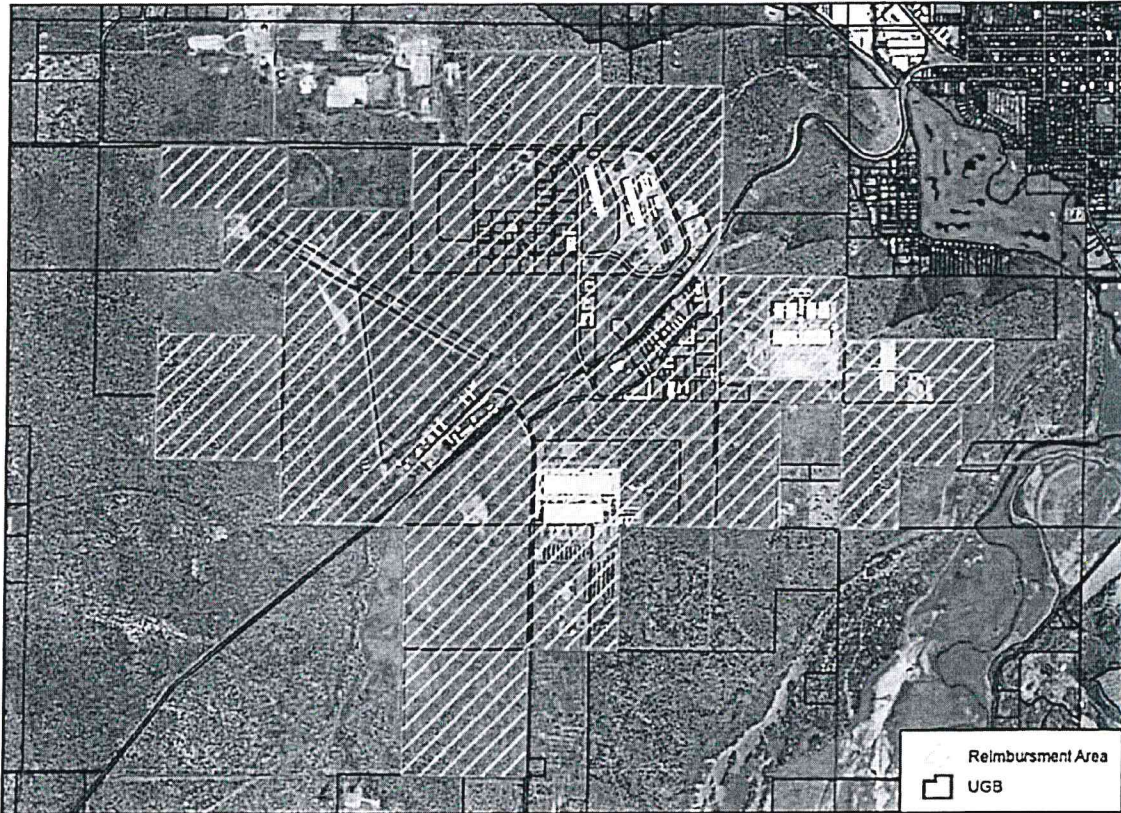


Exhibit 'D'
Eligible Area for SDC Reimbursement



STAFF REPORT

MEETING DATE:	12/10/2024	PREPARED BY:	Casey Kaiser
SECTION:	Resolutions	DEPARTMENT:	Public Works
CITY GOAL:	Quality Municipal Services & Programs		
SUBJECT:	Resolution No.1608 Authorizing an Intergovernmental Agreement with ODOT providing access to install ADA facilities		

REASON FOR CONSIDERATION:

The proposed Intergovernmental Agreement would provide ODOT with access to the City's right of way to construct ADA compliant sidewalk ramps on ODOT facilities within the City. The project includes ramps in the eastern area of Prineville on ODOT's Ochoco Highway (State Route 26) and Paulina Highway (State route 380) at intersections with City streets.

BACKGROUND:

ODOT is preparing to begin construction on the Redmond and Prineville Curb Ramps Project (Key No. 22442). The project consists of designing and constructing curb ramps at various locations on state highways within Redmond and Prineville that will comply with the current standards of the Americans with Disabilities Act (ADA). Locations in Prineville will include intersections on ODOT Hwy 26 and 380 at NE St. Charles Way, NE Hickey Farms Road, NE Buena Villa Drive, NE Stearns Drive, NE Mason Drive, SE Mountain View Drive, and SE Second Street. ODOT has been tasked with bringing their facilities up to current ADA standards across the state. As part of the recently completed OR26/3rd Street project, ODOT upgraded ramps through much of the western portion of the City. The project referenced in this agreement continues that effort by upgrading ramps in the eastern portion of the City.

FISCAL IMPACT:

The proposed IGA is not anticipated to result in any costs incurred by the City of Prineville.

RECOMMENDATION:

Staff recommends Council approve resolution 1608 authorizing the IGA with ODOT to provide access for constructing ADA Facilities

ADDITIONAL DOCUMENTS:

Resolution 1608, ODOT IGA

**RESOLUTION NO. 1608
CITY OF PRINEVILLE, OREGON**

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE STATE OF OREGON DEPARTMENT OF TRANSPORTATION

Whereas, the City of Prineville (“City”) and the State of Oregon, acting by and through its Department of Transportation (“ODOT”) have negotiated an agreement titled “Intergovernmental Agreement: Redmond and Prineville Curb Ramps, Key No. 22558” designated by ODOT as Miscellaneous Contracts and Agreements No. 73000-00040216 (“Agreement”).

Whereas, by authority granted by ORS 190.110, state agencies and city governments may enter into agreements for the performance of any or all functions and activities that a party to the agreement, its officers or agents have the authority to perform.

Whereas, the Ochoco Highway, State Route 26, State Highway No. 041 and the Paulina highway, State Route 380, State Highway No. 380, are under the jurisdiction and control of the Oregon Transportation Commission (“OTC”). State Route 26 within Prineville city limits is also known as NE 3rd Street.

Whereas, NE Saint Charles Way, NE Hickey Farms Road, NE Buena Villa Drive, NE Stearns Drive, NE Mason Drive, SE Mountain View Drive, and SE Second Street are part of a City street system under the City’s jurisdiction and control

Whereas, State’s Redmond and Prineville Curb Ramps Project (Key No. 22442) consists of designing and constructing curb ramps to meet compliance with the standards of the Americans with Disabilities Act (ADA) on state highways at various locations within the City of Redmond and City of Prineville

Whereas, State will require access to City’s property in order to construct the ADA upgrades to make them ADA compliant

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 attached Agreement is hereby approved and that the Mayor and City Manager are authorized to sign such Agreement on behalf of the City.

Approved by the City Council this ____ day of December, 2024.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder

INTERGOVERNMENTAL AGREEMENT
Redmond and Prineville Curb Ramps
Key No. 22558
City of Prineville

THIS AGREEMENT is made and entered into by and between the STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State;" and the CITY OF PRINEVILLE, acting by and through its appointed officials, hereinafter referred to as "Agency" both herein referred to individually or collectively as "Party" or "Parties."

RECITALS

1. By the authority granted in Oregon Revised Statute (ORS) 190.110, state agencies may enter into agreements with units of local government for the performance of any or all functions and activities that a party to the agreement, its officers, or agents have the authority to perform.
2. The Ochoco Highway, State Route 26, State Highway No. 041 and the Paulina highway, State Route 380, State Highway No. 380, are under the jurisdiction and control of the Oregon Transportation Commission (OTC). OR26 within Prineville city limits is also known as NE 3rd Street.
3. NE Saint Charles Way, NE Hickey Farms Road, NE Buena Villa Drive, NE Stearns Drive, NE Mason Drive, SE Mountain View Drive and SE second Street are a part of the Prineville city street system under the jurisdiction and control of Agency.
4. State's Redmond and Prineville Curb Ramps Project (Key No. 22442) consists of designing and constructing curb ramps to meet compliance with the standards of the Americans with Disabilities Act (ADA) on state highways at various locations within the city of Redmond and the city of Prineville.
5. State intends to upgrade the existing sidewalk ramps within the City of Prineville city limits to make them ADA compliant.
6. State will require access to the Agency's property in order to construct the ADA upgrades.
7. The work in the City of Redmond to be performed under Key No. 22442 will be under separate Agreement (No. 73000-00040213).

NOW THEREFORE, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

TERMS OF AGREEMENT

1. Under such authority, State and Agency agree to State accessing the Agency's property to the extent necessary for the purpose of upgrading existing sidewalks and ramps to ADA compliance on OR26 and OR380 within Prineville City limits, hereinafter referred to as "Project." The location of the Project is approximately as shown on the sketch map attached hereto, marked Exhibit A, and by this reference made a part hereof.
2. **Americans with Disabilities Act Compliance**
 - a. When the Project scope includes work on sidewalks, curb ramps, or pedestrian-activated signals or triggers an obligation to address curb ramps or pedestrian signals, the Parties shall:
 - i. Utilize ODOT standards to assess and ensure Project compliance with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 as amended (together, "ADA"), including ensuring that all sidewalks, curb ramps, and pedestrian-activated signals meet current ODOT Highway Design Manual standards;
 - ii. Follow ODOT's processes for design, construction, or alteration of sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current ODOT Curb Ramp Inspection form;
 - iii. At Project completion, send a completed ODOT Curb Ramp Inspection Form 734-5020 to the address on the form as well as to State's Project Manager for each curb ramp constructed or altered as part of the Project. The completed form is the documentation required to show that each curb ramp meets ODOT standards and is ADA compliant. ODOT's fillable Curb Ramp Inspection Form and instructions are available at the following address:
 - b. Agency shall ensure that any portions of the Project under Agency's maintenance jurisdiction are maintained in compliance with the ADA throughout the useful life of the Project. This includes, but is not limited to, Agency ensuring that:
 - i. Pedestrian access is maintained as required by the ADA,
 - ii. Any complaints received by Agency identifying sidewalk, curb ramp, or pedestrian-activated signal safety or access issues are promptly evaluated and addressed;

- iii. Agency, or abutting property owner, pursuant to local code provisions, performs any repair or removal of obstructions needed to maintain the facility in compliance with the ADA requirements that were in effect at the time the facility was constructed or altered,
 - iv. Any future alteration work on Project or Project features during the useful life of the Project complies with the ADA requirements in effect at the time the future alteration work is performed, and
 - v. Applicable permitting and regulatory actions are consistent with ADA requirements.
 - c. Maintenance obligations in this section shall survive termination of this Agreement.
3. This Agreement does not change any existing maintenance responsibilities.
4. This Agreement shall become effective on the date all required signatures are obtained and shall remain in effect for the purpose of ongoing maintenance (and power if applicable) responsibilities for the useful life of the facilities constructed as part of the Project. The useful life is defined as twenty (20) calendar years. The Project shall be completed within ten (10) calendar years following the date of final execution of this Agreement by both Parties.

AGENCY OBLIGATIONS

1. The Agency grants State the right to enter onto Agency property for the performance of State's duties as set forth in this Agreement.
2. Agency agrees State will perform all right of way functions and shall enter into a separate Right of Way Services Agreement between Agency and State Right of Way, referencing this Agreement number.
3. Upon completion of the Project, State shall transfer by deed, and Agency shall accept, any property acquired by the State and needed for the operation and maintenance of the Agency's transportation facilities within the Project limits. The conveyance from State to the Agency shall be free of costs or fees to the Agency. Any property being conveyed shall be vested in the Agency only so long as used for public transportation purposes. If said property is no longer used for public transportation purposes, it shall automatically revert to State.
4. Agency shall comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, the provisions of ORS 279B.220, 279B.225, 279B.230, 279B.235 and 279B.270 incorporated herein by reference and made a part hereof. Without limiting the generality of the foregoing, Agency expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations

and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

5. Agency certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of the Agency, under the direction or approval of its governing body, commission, board, officers, members or representatives, and to legally bind the Agency.
6. Agency's Project Manager for this Project is Casey Kaiser – Public Works Director, 387 NE 3rd Street, Prineville, OR 97754, (541) 447-8338, (541) 233-6641 (Mobile), ckaiser@cityofprineville.com or assigned designee upon individual's absence. Agency shall notify the other Party in writing of any contact information changes during the term of this Agreement

STATE OBLIGATIONS

1. State shall perform the work described in Terms of Agreement, Paragraph 1 above.
2. State shall be responsible for all costs associated with the Project.
3. State certifies, at the time this Agreement is executed, that sufficient funds are available and authorized for expenditure to finance costs of this Agreement within State's current appropriation or limitation of the current biennial budget.
4. State's Project Manager for this Project is Wade Luckman – Region 4 Transportation Project Manager, 63055 N. Hwy 97, Bldg M, Bend, OR 97703, (541) 388-6087, wade.luckman@odot.state.or.us, or assigned designee upon individual's absence. State shall notify the other Party in writing of any contact information changes during the term of this Agreement.

GENERAL PROVISIONS

1. This Agreement may be terminated by mutual written consent of the Parties.
2. State may terminate this Agreement effective upon delivery of written notice to Agency, or at such later date as may be established by State, under any of the following conditions:
 - a. If Agency fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
 - b. If Agency fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from State fails to correct such failures within ten (10) days or such longer period as State may authorize.

- c. If State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.
 - d. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or State is prohibited from paying for such work from the planned funding source.
3. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
4. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or Agency with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.
5. With respect to a Third Party Claim for which State is jointly liable with Agency (or would be if joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Agency in such proportion as is appropriate to reflect the relative fault of State on the one hand and of Agency on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of Agency on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.
6. With respect to a Third Party Claim for which Agency is jointly liable with State (or would be if joined in the Third Party Claim), Agency shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of Agency on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations.

The relative fault of Agency on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Agency's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

7. The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
8. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
9. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind the Parties unless in writing and signed by all Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of State to enforce any provision of this Agreement shall not constitute a waiver by State of that or any other provision.

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

This Project is in the 2024-2027 Statewide Transportation Improvement Program (STIP), (Key #22558) that was adopted by the Oregon Transportation Commission on July 13, 2023 (or subsequently by amendment to the STIP).

SIGNATURE PAGE FOLLOWS

CITY OF PRINEVILLE, by and through its
elected officials

By _____
Mayor

Date _____

STATE OF OREGON, by and through
its Department of Transportation

By _____
Region 4 Manager

Date _____

**LEGAL REVIEW APPROVAL (If required
in Agency's process)**

By _____
Agency's Counsel

Date _____

City of Prineville Contact:

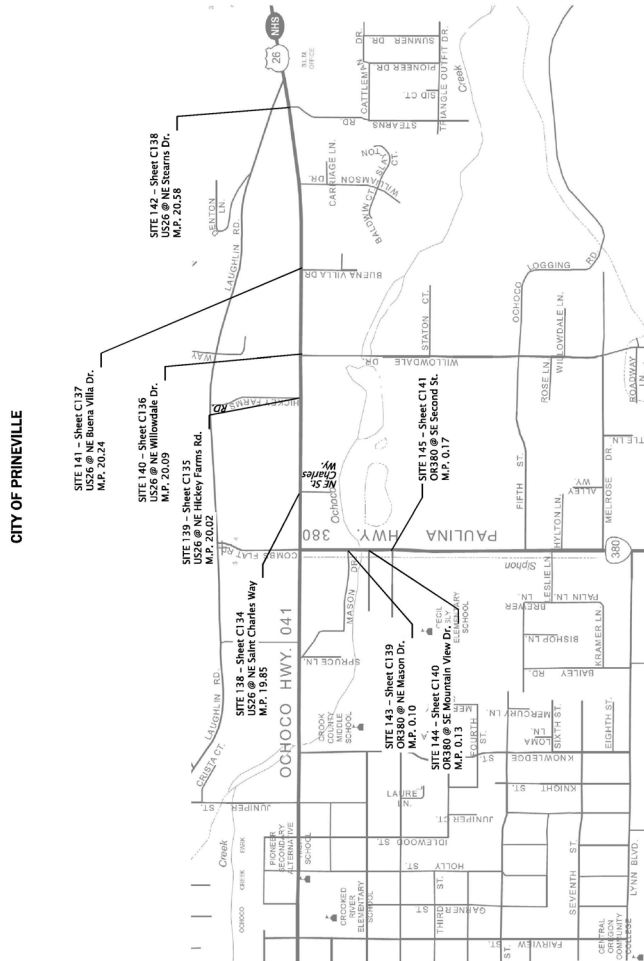
Casey Kaiser – Public Works Director
387 NE 3rd Street
Prineville, OR 97754
(541) 447-8338
(541) 233-6641 (Mobile)
ckaiser@cityofprineville.com

State Contact:

Wade Luckman – Region 4 Transportation
Project Manager
63055 N. Hwy 97, Bldg M
Bend, OR 97703
(541) 388-6087
wade.luckman@odot.state.or.us

EXHIBIT A
 Location of Work to be performed in the City of Prineville

??V-???



<p>HDR ENGINEERING, INC. 1000 NE BEND AVENUE, SUITE 240 BEND, OR 97702</p>	<p>REGISTERED PROFESSIONAL ENGINEER JAMES R. STEETER No. 89 STATE OF OREGON EXPIRES 12/31/2025 MANUAL SIGNATURE REQUIRED</p>	<p>OR126 AND US26 CURB RAMPS (REDMOND/PRINEVILLE) PROJECT DESCHUTES AND CROOK COUNTIES PROJECT NO. 73000-00040216</p>	<p>Prepared: Stephanie Heller Checked: Josh Burdick Reviewed: Tommie Kruger</p>	SHEET NO.
				<p>PLAN SHEET LAYOUT</p>

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RESOLUTION NO. 1609

A RESOLUTION UPDATING THE CITY OF PRINEVILLE’S EXECUTIVE SESSION POLICY

Whereas, Oregon’s Public Meetings Law provides that representatives of the news media shall be allowed to attend executive sessions of public bodies, but may be required to not disclose specified information. ORS 192.660(4).

Whereas, because at the time state law relating to media attendance at executive session was adopted, “news media” consisted of entities that were institutionalized and structured to support compliance with the requirements of ORS 192.660(4), the law includes no express mechanism for enforcing those requirements.

Whereas, technological advance since the time the public meetings law was initially adopted have resulted in development of communication mechanisms allowing virtually any individual or entity to disseminate information widely.

Whereas, the Prineville City Council (“Council”) finds that in that absence of statutory definition of “news media” as that term is used in ORS 192.66(4), the City Council wishes to adopt a policy that implements the intent of the Public Meetings Law relating to executive session attendance without precluding attendance by Internet-based or other non-traditional news media organizations.

Whereas, the Council recognizes that this policy is solely for the purpose of determining eligibility to attend executive sessions, and is not intended to otherwise define “news media,” nor to determine the eligibility to report on activities of the City of Prineville, nor to limit access to other City meetings by any person.

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

Section 1. Recognized News Media Organizations. The following entities are recognized as news media organizations eligible to attend executive sessions:

- a. Daily newspapers, non-daily, and small-market newspapers/publications, as well as those publications that are released as digital and multiplatform products; or
- b. A newspaper or publications that the city uses for publication of public notices and that meets the requirements of ORS 193.020; or
- c. An entity that is organized and operated to regularly and continuously publish, broadcast, transmit via television, radio or the internet or otherwise disseminate news to the public, and that regularly reports on activities or public concern.

Section 2. Attendance at Executive Sessions. Representatives of news media organizations recognized pursuant to Section 1 of this policy shall be allowed to attend executive sessions,

except as described below in paragraphs (C) and (D) of this section, pursuant to the following process:

Section 2. The Council hereby adopts the following policy regarding attendance at executive sessions by representatives of the news media:

a. The representative must provide substantial evidence persuading the city that he or she is a news reporter for the recognized media organization. In making its determination whether to recognize the person as a representative of the news media organization, the city may require:

1. A press badge or identification issued by the recognized news media organization, plus proof of identity (such as a driver's license); or
2. A recently published news article in the recognized news media organization publication or broadcast, with the person's byline, or a masthead showing the person's name as a member of the news gathering staff of the news media organization, plus proof of identity; or
3. A letter on letterhead from an editor of the recognized news media organization in which the editor states that the reporter is covering the meeting for the news media organization, plus proof of identity.
4. Any other credentials or evidence sufficient to demonstrate that the individual is a representative of the news media.

The city requires that requests to be recognized as a representative of a news media organization be made in writing on a form provided by the city. The form shall require disclosure of the person's name, and the entity for which he or she is a representative and shall require submission of evidence described in subsection 2(a) of this policy. The form shall also include a certification that the person is a representative of a recognized news media organization, that the information given is true, and that the person agrees to comply with ORS 192.660(4). The form will be made available on the city's webpage and upon request by any individual.

b. The City council is prohibited from making final decisions on any matter in executive session. Therefore, representatives are requested to provide the above evidence to persuade the city that they are a representative of the recognized news media organization in advance of the scheduled executive session. In the event that a person claiming to be a representative of the news media fails to provide advance evidence of their credentials, the representative should either be allowed to attend the executive session, or the executive session shall be postponed until a later time.

c. Representatives of the news media are not permitted to attend executive sessions involving deliberations with persons designated to carry on labor negotiations. ORS 192.660(4).

d. If the executive session is being held to confer with counsel about current litigation or litigation likely to be filed, the city shall exclude any member of the news media from attending

if the member is a party to the litigation to be discussed or is an employee, agent or contractor of a news media organization that is a party to the litigation. ORS 192.660(5).

Section 3. Recording Devices Prohibited. Cameras, tape recorders and other recording devices shall not be used in executive sessions, except for the official executive session tapes made by city staff.

Section 4. Application to Boards and Commissions. These policies and procedures shall apply to the city council and all of its board and commissions.

Section 5. This Resolution will supersede Resolution No. 1114.

Passed by the City Council this ____ day of December, 2024.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder

Pursuant to the City of Prineville’s Media Policy, those claiming to be representatives of the news media are requested to complete this form. Please provide the requested information below, complete and sign the certification section, and submit the complete form to City Recorder, Lisa Morgan, in advance by: (1) by US mail to the following address: City of Prineville, ATTN: Lisa Morgan, 387 NE Third Street, Prineville, Oregon 97754; (2) Sending the completed form via email to lmorgan@cityofprinevil.com; or (3) delivering a completed copy to city hall located at 387 NE Third Street, Prineville, Oregon 97754

NOTE: If the City is unable to verify this information prior to the start of an executive session, your attendance at the executive session may be denied or the executive session may be postponed.

CERTIFICATION OF REPRESENTATION

I, _____, certify the following to be true and accurate:

I represent the following:

- _____ A daily newspaper, non-daily, or small-market newspaper/publication, or publication that is released as a digital or multiplatform product.
- _____ A newspaper or publication that the city uses for publication of public notices and meets the requirements of ORS 193.020.
- _____ A news media organization that is organized and operated to regularly and continuously publish, broadcast, transmit via the internet or otherwise disseminate news to the public, and that regularly reports on activities of the city or matters of the nature under consideration by the city council.

The news media organization that I represent is committed to complying with the requirements that confidential executive session information be undisclosed.

I have provided the following credentials sufficient to allow the city to determine that I am a representative of the above identified news media organization (section all that apply):

- _____ A press badge or identification issued by the news media organization, plus proof of my identity.
- _____ A copy of a recently published news article showing my name as a member of the news gathering staff of the news media organization, plus proof of my identity.

_____ A letter on letterhead from an editor of the news media organization that states that I am covering the meeting for the news media organization, plus proof of my identity.

_____ The following evidence sufficient to show that I am a representative of the above identified news media organization: _____

As a representative of the news media, I agree to comply with ORS 192.660(4).

Signature

Date

Print Name



STAFF REPORT

MEETING DATE:	12/10/2024	PREPARED BY:	Lori Hooper Antram
SECTION:	Resolutions	DEPARTMENT:	Finance Department
CITY GOAL:	Fiscal Responsibility and Position City for the Future		
SUBJECT:	Resolution 1610 - A Resolution Amending the City of Prineville's Fiscal Policies		

REASON FOR CONSIDERATION: The City of Prineville's fiscal policies were last updated in December of 2018. In accordance with GFOA's best practices, financial policies should be monitored, reviewed and updated as needed. Updates are necessary to ensure that they are in line with strategic planning and GFOA best practices.

BACKGROUND: In FY 23 and FY 24, the City recruited consultants to help with long-range strategic fiscal planning. The Council was able to identify big picture goals in those strategic planning meetings to help guide priorities for the future. The fiscal policy update incorporates what came out of those meetings, which was adding new reserve requirements specific to strategic planning priorities in the General Fund.

Also, in the last review from the GFOA of our fiscal policies, suggestions were made to improve them. Many of the suggestions were things that the City were already doing, but did not have them specifically written in policy.

The new fiscal policy document up for consideration and the old policy document with the tracked changes version between the two can be found on our website at:

<https://www.cityofprineville.com/finance/page/fiscal-policy-update>.

FISCAL IMPACT: No direct fiscal impact, but updating the fiscal policies promotes fiscal responsibility into the future and is essential to long-term financial management.

RECOMMENDATION: City staff recommends approving Resolution 1610 - A Resolution Amending the City of Prineville's Fiscal Policies.

RESOLUTION NO. 1610
A RESOLUTION AMENDING THE CITY OF PRINEVILLE’S FISCAL POLICIES

RECITALS:

- A. The City of Prineville (“City”) owes its citizens the responsibility to carefully account for public funds, manage municipal finances wisely, and plan adequate funding of services and facilities desired and needed by its citizens.
- B. To meet its fiscal responsibilities the City has established fiscal policies and updates those fiscal policies when needed.
- C. Changes in the City’s fiscal policies are to be approved by City’s Council and adopted by resolution after a public hearing.
- D. A public notice was published in the November 27, 2024 and December 3, 2024 editions of the Central Oregonian setting the December 10, 2024 Prineville City Council meeting as the time and place to comment on the City’s proposed fiscal policies.
- E. A public hearing was held on December 10, 2024, at the Prineville City Council meeting to allow an opportunity for any interested person to appear and present comment.

NOW, THEREFORE, the City of Prineville resolves as follows:

- 1. The fiscal policies attached hereto as Exhibit A are hereby adopted.
- 2. The attached fiscal policies shall remain in full force and effect until modified by further resolution of the City.

Approved by the City Council this 10th day of December, 2024.

Rodney J. Beebe, Mayor

ATTEST:

Lisa Morgan, City Recorder



Financial Policies

City of Prineville
387 NE Third Street,
Prineville, Oregon
97754
541.447.5627
www.cityofprineville.com

Updated December 2024

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Purpose

The City of Prineville is committed to responsible fiscal management through financial integrity, prudent stewardship of public assets, planning, accountability, and full disclosure. The broad purpose of the fiscal policies is to enable the City to achieve and maintain a long-term stable and positive financial condition. These policies are adopted by the City Council as the basic framework for the overall financial management of the City, to guide day-to-day and long-range fiscal planning and decision making and to achieve the following general financial goals:

- Provide an adequate financial base to sustain the desired level of municipal services to maintain the social well-being and physical conditions of the City.
- Deliver cost effective and efficient services to citizens.
- Provide and maintain essential public facilities, utilities, and capital equipment.
- Protect and enhance the City's credit rating so as to obtain the lowest cost of borrowing, and assure taxpayers and the financial community that the City is well-managed and financially sound.
- Provide the financial stability needed to navigate through economic downturns, adjust to changes in the service requirements of the community, and respond to other changes as they affect the City's residents and businesses.
- Adhere to the highest standards of financial management and reporting practices as set by the Government Finance Officers Association (GFOA), the Governmental Accounting Standards Board (GASB), and other professional standards.
- Fully comply with finance related legal mandates, laws, and regulations.
- Promote intergenerational equity for the City's taxpayers and ratepayers by spreading the cost of new or upgraded City infrastructure over time so that generations benefitting from such infrastructure contribute to the cost.

To achieve these goals, fiscal policies generally cover areas of revenue management, operating and capital budgeting, financial planning and forecasting, investment and asset management, debt management, pension funding, accounting and financial reporting, reserves and internal controls. These policies are reviewed bi-annually by management, the City of Prineville Budget Committee and the City Council and are amended as necessary.

Policies are addressed in 11 areas:

- **Revenue**, which deals with taxes, user fees, and other revenues by which the City generates income to fund programs and services.
- **Operating expenditures**, which relates to budgeting guidelines.
- **Expenditure control**, which addresses the City's efforts to ensure spending is consistent with the City's fiscal plans.
- **Capital equipment and improvements**, which relates to establishing five-year capital equipment and improvement plans for all major equipment and infrastructure systems provided and maintained by the City.
- **Asset management**, guides all asset investment decisions and is a comprehensive approach to making the best decisions in managing assets.
- **Accounting and financial reporting**, which relates to accounting and reporting financial transactions and preparing financial reports.
- **Financial planning**, which addresses long-term financial forecasting to help inform decisions.

- **Debt**, which addresses long-term financing of the City’s capital needs and maintaining its bond rating.
- **Pension funding**, which addresses the short and long-term funding policies of the City’s pension obligations.
- **Reserves**, which establish minimum working capital balances, required reserves, and operating contingency as needed for routine cash flow, emergency reserves to allow the City to respond to an economic downturn or unanticipated event, and planned or scheduled one-time capital expenditures.
- **Management of fiscal policy**, which sets forth the administration of fiscal policies on a continuing basis.

Revenue Policies

- The City will strive for and maintain diversified and stable revenue sources to prevent undue or unbalanced reliance on any one source of funds. Revenue diversity will also reduce risk to the City from short-term fluctuations in any one revenue source.
- Significant one-time and/or temporary revenues will not be used to fund continuing programs and services, but rather to fund one-time expenditures or fund reserves.
- Revenue from sources that increase substantially over time relative to population changes, inflation, and current service levels costs, such as electrical franchise fees or property taxes, will be evaluated and considered on a periodic basis for the following purpose, as allowed:
 - Funding services traditionally not funded with the revenue source
 - Funding increased service levels
 - Funding reserves
 - Funding capital projects and or debt associated with capital projects that may otherwise require general obligation debt
 - Funding pension obligations
 - Allocations may be on a percentage of revenue basis or fixed dollar amount. Any such allocations made should not infringe on the sustainability of existing service delivery and any new services provided.
- The maximum allowable system development charges (SDC), for each of the public infrastructure systems the City operates and is allowed by state law to impose, shall be determined on a periodic basis (approximately each five years).
- The City Council will determine what amount of SDCs to impose.
- The City will maximize the use of users’ charges in lieu of ad valorem taxes and subsidies from other City funds, for services that can be identified and where costs are directly related to the level of service provided.
- Charges for providing utility services shall be sufficient to finance all operating, capital outlay, and debt service expenses of the City’s enterprise funds, including operating contingency, reserve requirements, and capital replacement. Consideration will be given to return on investment and existing and or anticipated debt to ensure a debt coverage ratio of no less than 1.25 for debt issued in public markets and 1.1 for debt issued to federal and state agencies.
- User charges shall be sufficient to finance all city costs to perform development review and building activities. User charges include, but are not limited to, land use, engineering inspection, building permit, and building inspection fees.
- Other reimbursable work performed by the City (labor, meals, contracted services, equipment, and other indirect expenses) shall be billed at total actual or estimated total cost.

- Charges for services shall accurately reflect the total actual or estimated total cost of providing a specific service. The cost of providing specific services shall be recalculated periodically, and the fee adjusted accordingly. The City shall maintain a current schedule of fees, indicating when the fees were last reviewed and/or recalculated.
- The City shall pursue an aggressive policy of collecting delinquent accounts. When necessary, the City may discontinue service, present a case at small claims court, send accounts to collection agencies, foreclose on property, assign liens, and use other methods of collection, such as imposing penalties, collection fees, and late charges.
- The City Manager shall approve all grant applications before their submission. Additionally, all potential grants that require matching funds, on-going resource requirements, or include new or additional continuing compliance requirements shall be evaluated and considered before submittal of the application.
- Revenues will be estimated realistically and prudently. Revenues of a volatile nature will be estimated conservatively. The City will estimate its revenues by an objective, analytical process using best practices as defined by the GFOA.

Operating Budget Policies

- The City will prepare a biennial budget with the participation of all departments that incorporates GFOA recommendations relative to budgeting for results and outcomes. The budgeting process will:
 - Determine how much money is available. The budget should be built on expected revenues. This includes base revenues, any new revenue sources, and the potential use of fund balance.
 - Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.
 - Budget available dollars to the most significant programs and activities. The objective is to maximize the benefit of the available resources.
 - The City shall maintain a budget system to monitor expenditures and revenues on a monthly basis, with a thorough analysis and adjustment (if required) at least at mid-year.
- All budgetary procedures will conform to existing state regulations. Oregon budget law requires each local government to prepare a balanced budget, and Oregon Administrative Rules state: (1) the budget must be constructed in such a manner that the total resources in a fund equal the total of expenditures and requirements for that fund, and (2) the total of all resources of the entity must equal the total of all expenditures and all requirements for the entity.
- The budget process will be coordinated so that major policy issues and department goals and objectives are identified and incorporated into the budget.
- Cost allocation will be reviewed biennially and serve as the basis for distributing general government and internal service costs to other funds and capital projects.
- The City Council shall adopt the budget at the fund, departmental, or program level as a total dollar amount for all appropriations except contingency, unappropriated ending fund balance and reserves, which shall be stated separately.
- Long-term debt or bond financing shall only be used for the acquisition of capital improvements or specialized equipment with a cost greater than \$100,000. Long-term debt or bond financing shall not be used to finance current operating expenditures.
- Every City fund, department, program or activity shall start each budget cycle with no predetermined appropriation amount. Budget appropriation decisions and the allocation of resources shall be based on direction provided by the City Council and implementation of that direction by the City Manager.

- The City will submit the adopted budget document to the GFOA biennially for review.
- A budget calendar will be prepared detailing the key elements in the development of the budget.

Expenditure Control Policies

- Expenditures will be controlled through appropriate internal controls and procedures. Management must ensure expenditures comply with the legally adopted budget. Each department, division manager or director will be responsible for the administration of his/her department/division budget. This includes accomplishing the goals and objectives incorporated into the budget and monitoring each department/division budget for compliance with spending limitations.
- The City Manager will administer expenditure control at the category level and program or divisional level. Additionally, the City Manager may give authorization to mandate this level of control down to any line item level. Expenditures anticipated to be in excess of these levels require approval of the City Manager, or Finance Director. Any increase in a budget appropriation will require council approval.
- All purchases of goods and services must comply with the City's purchasing policies, guidelines, and procedures, as well as with state laws and regulations.
- All compensation planning and collective bargaining will include analyses of total cost of compensation, which includes analysis of salary increases, health benefits, pension contributions, and other fringe benefits. The City will only propose operating personnel costs that can be supported by continuing operating revenues.
- City staff are to make every effort to control expenditures to ensure city services and programs provided to its citizens and taxpayers are cost effective and efficient. Expenditures that will reduce future costs will be encouraged.

Capital Improvement Policies

- Biennially, the City will approve a five-year capital improvement plan (CIP), congruent with the adoption of its biennial budget. The CIP shall provide details on each capital project: its estimated costs, sources of financing and a description, including a statement identifying: (a) the needs, conditions, and circumstances that have caused the project's creation, and (b) the expected results if the project is approved and implemented, or (c) if no action is taken.
- Biennially, the City will plan its infrastructure investments to meet current and future levels of service given the expected lives of its assets, and request adequate resources in the budget process for rehabilitating existing assets and constructing new assets with an understanding and commitment to the operations and maintenance, modernization, capital repair and replacement funding necessary to cover assets' intended lifecycles.

Asset Management

- The City shall employ comprehensive asset management practices based on a life-cycle approach to managing City assets and that support a balanced approach to decision-making, considering level of service, cost of service, risk mitigation, and community expectations. The asset management framework includes these components:
 - **Asset Inventory** - Each department maintains an accurate computerized register developed around a hierarchy that supports timely and comprehensive asset management functions. Assets are to be recorded in the City's Fixed Asset financial module and reported in the City's Annual Comprehensive Financial Report.
 - **Condition Assessment** - Department Heads, or their designee, conduct condition assessments of their department's assets on a periodic basis. These assessments help ensure city-wide consideration of service-gaps.

- **Maintenance** - Each Department Head is responsible for maintaining the City’s assets they are responsible for to ensure they meet the intended service level and achieve their full expected service life and promote a more equitable intergenerational investment and consumption of infrastructure.
- **Levels of Service** - Levels of service define what assets are required. Each Department Head defines equitable service levels and requests commensurate budget resources to achieve sustainable service delivery. Departments coordinate to ensure defined levels of service are stated within the City’s Transportation System Plan, Comprehensive, Water and Wastewater Master Plans, as required by state comprehensive planning statutes and administrative rules.
- **Financial Planning** - Each department understands the value and costs of its assets and the financial resources needed to sustain them over the short- and long-term. Each department considers total life cycle costs and has appropriate funding strategies that match its business needs for current and future levels of service.
- **Risk Management** - Each department monitors, understands, and manages risks to service delivery stemming from its asset portfolio and makes appropriate trade-off decisions to ensure continued service delivery. Business risk assessment is exercised on several levels: strategic, operational, and tactical. Each department ensures that its policies, processes and practices reflect the City’s commitment to asset risk management. Departments shall employ a conservative approach to public and employee safety, erring on the side of caution.

Financial Planning Policies

- The Finance Department, collaborating with other departments, will prepare a long-term financial plan for each fund, phased in so that all funds are planned by June 30 of each budget year, to promote responsible planning for the use of resources. The long-term financial plans will include projected revenues, expenditures, and reserve balances for the next five years for all funds, except the Golf Course Fund, which shall include a 10-year financial plan, and the Water and Wastewater Funds, which shall include 20-year financial plans.
- The City’s financial plan should be strategic, reflecting the City Council and community priorities for service while providing resources that fund desired service levels.
- Long-term projections of revenues and expenditures will be based upon disclosed assumptions, and prepared consistent with best practices established by the GFOA.
- The long-term financial plans will be integral to the development of the biennial budget.

Accounting and Financial Reporting Policies

- The City shall establish and maintain its accounting systems according to generally accepted accounting practices and shall adhere to generally accepted accounting principles and standards promulgated by the GFOA and GASB.
- Consistent with GASB Statement 54, the City will report fund balances in the following categories:
 - **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by the City Charter, external resource providers, or through enabling legislation.
 - **Committed** fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council.
 - **Assigned** fund balance classification is intended to be used by the City for specific purposes, but does not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed.
 - **Unassigned** fund balance is the residual classification for the City’s General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned

classification will be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

- The City will disclose information about the processes through which constraints are imposed on amounts in the committed and assigned classifications.
 - Authority to classify portions of ending fund balance as assigned is hereby granted to the City Manager and the Finance Director.
 - The City Council considers the spending of restricted fund balances on purposes for which such funds can be used to occur first when funds are spent for restricted and unrestricted purposes. When unrestricted classifications of fund balance are spent, the council will consider what committed amounts will be reduced first, followed by assigned amounts and then unassigned amounts.
- An annual audit shall be performed by an independent public accounting firm, which will issue an opinion on the annual financial statements, along with a management letter identifying areas needing improvement, if necessary.
 - Full disclosure shall be provided in the financial statements and bond representations.
 - Upon request, all departments will provide notice of all significant events and financial and related matters to the Finance Director for the City's annual disclosures to the municipal markets as required by United States Securities and Exchange Commission Rule 15c2-12. Full disclosure will be provided in the financial statements and bond representations. Significant events include delinquencies and defaults related to the City's bonds, adverse tax opinions or events affecting the tax-exempt status of bonds, the release, substitutions or sale of property securing repayment of bonds, and other events having a significant impact on the City's finances and outstanding bonds. The Finance Director will notify all nationally recognized municipal securities information repositories of these significant events.
 - The City's asset capitalization policy is to capitalize and depreciate assets greater than \$10,000 with a useful life beyond one year. Capital assets costing less than \$10,000 or having a useful life of one year or less will be treated as operating expenditures.
 - Up-to-date accounting and budgeting information is available online to all management and authorized support staff. Quarterly actual-to-budget reports showing the current status of revenues and expenditures shall be prepared and distributed to appropriate legislative, staff, and management personnel in a timely manner and made available for public inspection.

Debt Management Policies

- The City may use debt proceeds to finance costs associated with capital infrastructure, equipment, vehicles and other purposes that provide long-term benefits to the community, i.e., benefits that extend more than one year.
- Capital projects financed through the issuance of bonds shall not be financed for a period which (a) exceeds the expected useful life of the project, and (b) is less than 30 percent of the expected useful life of the improvements.
- Financing for non-capital purposes shall not extend beyond the amortization period available for the respective type of obligation, e.g., retirement unfunded liabilities include an amortization period of 25 years.
- The Finance Director will structure all debt issuances and oversee the on-going management of all city debt. Debt includes general obligation bonds, lease purchase obligations, revenue bonds, special assessment obligations, promissory notes, equipment financing agreements, and any other contractual arrangements that obligate the City to make future principal and interest payments.
- No debt shall be issued for which the City has not identified specific revenue sources sufficient for repayment. Such revenue sources can include internal sources, such as charges to personnel costs

that are transferred to a debt service fund for debt repayment. The Finance Director shall prepare an analysis of the source of repayment prior to issuance of any debt.

- The City will not use long-term debt to fund current operations, to balance the budget or to fund projects that can be funded from current resources, unless the use of debt is otherwise determined to be in the best interest of the City.
- The City may utilize short-term debt or interfund loans as permitted; to cover temporary cash flow deficiencies due to timing of cash flows, such as may result from delay in receipting grant proceeds or other revenues or delay in issuance of long-term debt.
- When issuing long-term debt, the City will ensure that the debt is soundly financed by:
 - Incurring debt only when necessary for capital improvements too large to be financed from current available resources,
 - Ensuring that capital projects financed through long-term debt shall be financed for a period not to exceed the useful life of the project,
 - Determining that the benefits of the project financed exceed the cost of financing including interest costs,
 - Analyzing the source of repayment, debt coverage ratios, and the impact of debt service on annual fixed costs prior to issuance of long-term debt.
- All bond issuances, promissory notes, and capital leases will be authorized by resolution of the City Council.
- The City shall maintain its bond rating at the highest level fiscally prudent, so that future borrowing costs are minimized and access to the credit market is preserved.
- The City will commit funds and maintain a debt reserve that equals the annual debt service payments in all funds that include debt.

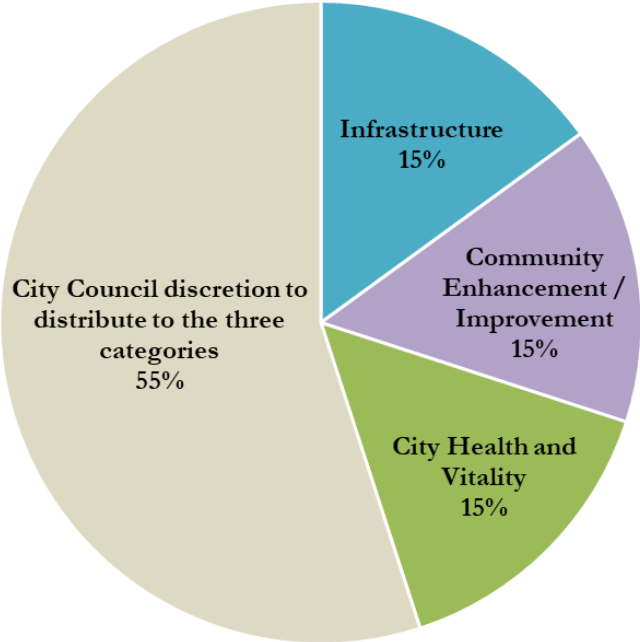
Pension Funding Policies

- The City participates as an Independent Employer in the Oregon Public Employees Retirement System (PERS). The City will use its best efforts to fund its pension obligations in an equitable and sustainable manner. The following principles and objectives shall guide the City:
 - PERS provides no less than biennially an actuarially determined contribution rate (ADC) to serve as the basis for minimum contributions;
 - Although the PERS ADC is calculated in a manner that fully funds the long-term costs of promised benefits, while balancing the goals of keeping contributions relatively stable, and equitably allocating the costs over the employees period of active service; financial impacts due to significant compensation above historical earnings in the last three years may negatively impact the ADC.
 - The City implemented a PERS rate stabilization plan in 2014 to more equitably fund PERS costs on a sustainable basis, with a goal of ensuring its funding status is between 90 percent and 110 percent of its actuarially determined liability.
 - The City commits to fund the full amount of the ADC each period, together with contributions to the Pension Obligation Bond (POB) Fund to cover debt service, debt service reserve, stabilize PERS rates, and fund other accrued liabilities the City may incur related to payroll.
 - The City commits to evaluate biennially and utilizing electrical franchise fees collected to fund additional PERS contributions, as needed, to retain funded status between 90 and 110 percent.

Fund Balance and Reserve Policies

- Fund balance and reserve policies are an important indicator of the City’s financial position. The policies establish the amounts the City will strive to reach and maintain, these amounts are expressed as goals, recognizing that fund balance levels can fluctuate from year to year in the normal course of operations for any local government.
- The General Fund shall maintain nine (9) months working capital to allow the City to adequately fund operations until property taxes are received in November of each year without borrowing. Maintain a goal of twenty (20) percent reserve of its revenue budget. It is the intent of the City to limit the use of the General Fund reserves to non-recurring needs, to ensure the City has the flexibility to respond and mitigate short-term economic downturns, short-term volatility in revenues, and unforeseen emergency situations or circumstances, fund other capital needs or other such non-recurring needs. The City will maintain a debt service reserve equal to the annual debt service payment for all debt paid by the General Fund.

Unassigned General Fund reserves will be distributed into three reserves categories, committing them for future use. The three categories are Community Enhancement / Improvement, Infrastructure, and City Health and Vitality. As the reserves build, the City Council will determine what projects will be funded using these reserves during strategic planning and the budgeting process. Each category will have a minimum funding of 15% of the unassigned funds identified.



- The City’s business-like funds, excluding the rail road, shall maintain a minimum working capital balance sufficient for sixty (60) days of operating expenses, together with a five (5) percent of budgeted revenue for an emergency repair reserve. Additionally, the City will seek to stabilize utility rates by setting aside funds (capital projects reserve), as funding is available from existing resources, for scheduled capital maintenance programs to reduce future borrowing. Where resources from rates and other sources are insufficient to fund scheduled capital projects, long-term debt may be utilized. Evaluation of future debt service requirements will be incorporated into the financial analysis noted earlier, including funding and maintaining debt service reserves equal to the annual debt service payment for all debt within the funds.
- The City’s Transportation fund shall maintain at a minimum working capital balance sufficient for sixty (60) days of operating expenses, together with an emergency reserve of five percent (5.0%) of current year revenue. Additionally, the City will set aside funds (capital projects reserve), as funding

is available from existing resources, for scheduled capital maintenance programs, and one-time capital improvements that are identified in the master plan.

- The City commits to evaluate biennially and utilize electrical franchise fees collected to fund additional capital contributions as needed for projects, and to retain and maintain the pavement condition index (PCI) at the level approved by the City Council.
- The City's internal service funds shall maintain, at minimum, a working capital balance of fifteen (15) percent of operating expenses and the City will commit funds and maintain a debt service reserve equal to the annual debt service payment for all debt within the funds.
- The City's debt service funds shall maintain adequate working capital to pay required debt service without borrowing and fund debt service reserves in an amount equal to the annual debt service payment.
- Due to the variability in revenues resulting from business cycles for the City's rail road operation, the City's rail road fund shall maintain one year's operating expense and twenty (20) percent of total budget for capital reserve. The City will strive to maintain combined total reserves of not less than \$1 million with a target of \$2 million, increased annually by the percent change in the CPI.
- The City's other operating funds shall maintain a minimum working capital balance sufficient for 45 days of operating expenses. For non-recurring capital projects, the City will review annually the five year CIP and estimate the impact to the budgets and target an appropriate reserve amount to fund the projects or maintain a debt service payment should the project be too large to fund with current resources. The City will also commit funds and maintain a debt service reserve equal to the annual debt service payment for all debt within the funds.
- The policies establish the amounts the City will strive to maintain. They set forth the guidelines for both current activities and long-range planning. The policies are reviewed biennially to assure the highest standards of fiscal management. The City may use the unassigned fund balances on a one-time or temporary basis for purposes described above, committed funds may be spent with approval of the City Council on a one-time basis. The City will develop a plan to restore unassigned and committed reserves to the desired levels.

Management of Financial Policies

- Fiscal policies and changes in policies shall be approved by the City Council and adopted by resolution after a public hearing is held (the approval may be inclusive of the biennial budget adoption process and the associated resolutions to that process).
 - The City Manager or designee shall prepare a report explaining the substantive impact of all recommendations and their impact on the City's operations, service levels, and/or finances.
 - The budget committee shall review the City's fiscal policies biennially.
- The City Manager shall implement fiscal policies and monitor compliance.
 - If the City Manager discovers a material deviation from policy, he/she shall report it in writing to the City Council in a timely manner.
 - As a part of the City's biennial budget document, the City Manager's budget message shall identify: (a) all major changes in policy since the previous budget cycle, and (b) any material variations from policy in the ensuing budget, and (c) fund's that do not meet reserve requirements and provide the developed plan to restore the reserves to the desired levels.

Basis of Budgeting

The City maintains accounting records on a generally accepted accounting principles (GAAP) basis and for budgeting purposes also recognizes capital outlay and debt service as expenditure requirements. Prior to FY 06, the City utilized the cash method of accounting for budgeting purposes. For financial reporting purposes, governmental funds use the modified accrual basis of accounting and proprietary funds use full accrual. Under the modified accrual basis, revenues are recognized when they are both measurable and available, and expenditures are recognized when incurred. Under the full accrual method, revenues are recorded when earned and expenses are recorded when the liability is incurred.

Budgets for all City funds are prepared on a modified accrual basis consistent with GAAP. For transactions, which were initially recorded in compliance with Oregon’s Local Budget Law, adjustments may be required for GAAP-basis financial reporting. Examples of these adjustments include the acquisition of proprietary fund fixed assets which are considered expenditures under Oregon Local Budget Law, but are not reported as current year expenditures under GAAP. Receipt of proceeds of proprietary fund debt financing and principal payments received on interfund loans are considered budgetary resources, but are not reported as revenues under GAAP. Depreciation, amortization, and non-cash contributions are also examples of transactions not reported under the budget basis, but are reported in GAAP-basis financial reporting.

Review

Policies will be reviewed, at a minimum, biennially as part of the budget process. The most current update is scheduled to go before council in December 2024.

Definition of Terms

Budget committee – is a committee consisting of the mayor and six city councilors and an equal number of citizen members appointed by the City Council.

Government Finance Officers Association (GFOA) – is the national finance officers’ organization whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices, while promoting their use through education, training, facilitation of member networking, and leadership.

Category level – for budget control purposes, categories include personnel services, materials and services, capital outlay, debt service, transfers, contingency, reserves, and unappropriated.

Program level – for budget control purposes, programs may include library services, community services, administration, finance, human resources, etc.

Divisional level – for budget control purposes, divisional level would include water, street, storm water, and wastewater divisions within the Public Works Department. Other divisions may include the police field services, police administration, and police support services within the Police Department.

Capital improvement plan (CIP) – the CIP is a schedule of capital projects including estimated cost and timing. There is a separate CIP for each major infrastructure system in the City, e.g., water, streets, sidewalks, stormwater, wastewater, information technology, city facilities, and vehicles.

Debt coverage ratio (DCR) – represents the ratio of net revenues available to pay scheduled debt service. A ratio of 1.0 reflects “net revenues” equal to scheduled debt service. A ratio greater than 1.0 reflects net revenues in excess of scheduled debt services and a ratio less than 1.0 indicates net revenue is less than scheduled debt service.

Oregon Revised Statutes (ORS) – Oregon’s compilation of state laws including rules of civil procedure.