



CITY COUNCIL

Regular Meeting Minutes January 8, 2024

Mayor Drotzmann called the regular meeting to order at 7:00pm. Present were Councilors McCarthy, Barron, Linton, Primmer, Hardin, and Peterson. Councilors Myers and Duron were excused. Municipal Court Judge Cameron Bendixsen (exited at 8:54pm) was in attendance, as well as City staff to include: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Chief Edmiston, Planning Director Clint Spencer, Parks and Recreation Director Brandon Artz, Court Administrator Jillian Villes, Hermiston Energy Services General Manager Nate Rivera, and City Recorder Lilly Alarcon-Strong. Youth Advisor Present was Jeannine Heredia (exited 9:15pm). The pledge of allegiance was given.

City Manager Smith stated there has been a change to the agenda to include a presentation by the Hermiston School District, which will be heard prior to the ODOT Presentation, as well as moving item 8A- Resolution No. 2303 after items 8F- Resolution No. 2302.

Presentation- Hermiston School District Updates

Hermiston School District (HSD) Assistant Superintendent Jake Bacon gave HSD updates and information to include: the continuation of the Mental Health series on 01/09/2024 at 6:30pm at Rocky Heights, 01/18 free vaccination clinic for K-12 with exclusion day beginning 02/21, 01/25 end of semester, School Board Listening Session 01/29, January School Board Appreciation Month, Hermiston Education Foundation Fundraising Auction Dinner, and 7 Brides for 7 Brothers play.

Presentation- Oregon Department of Transportation (ODOT) and Jacobs Engineering

Jacobs Transportation Project Manager, Blaise Exon and ODOT Region 5 Transportation Project Manager, Erin Winterton presented information (PowerPoint presentation attached) regarding Phase 2 of the Umatilla/Morrow County Curb Ramp Project Plan. Mr. Exon gave a brief summary of the areas within Hermiston with scheduled improvements planned and answered questions from the Council.

Citizen Input on Non-Agenda Items

Troy White (785 SE Opal Court)- Asked that the Council consider new Urban Growth Boundary changes similar to LaGrande to help properties annex into the City and grow businesses, housing, parks, and utilities while increasing the population. Mr. White asked that the City reach out to property owners to ask them to annex into City limits w possible City incentives stating Oregon Annexation Laws allow cities to do this while avoiding an election process.

Nick Ridling (1003 SW Olive Court)- Thanked City Manager Smith for meeting with him after the last City Council Meeting regarding the budget and stated he has applied for one of the open seats on the Budget Committee. Stated that the budget figures presented by City Manager Smith for the last few months are incorrect and it should not have been a random citizen who caught these mistakes. These mistakes should have been fixed and correct information should have been presented with proposed solutions prior. Asked why the City is proposing increasing water and other rates stating there isn't enough money in the budget yet also purchasing land at the same time. Asked that if the Public Safety Fee is adopted tonight to please make sure all funds from this are given to the Police Department for use at their discretion and if a Business License Fee is adopted that businesses are given some kind of tangible benefit or a 2-3 year sunset on fees so there isn't a long-term burden on residents.



CITY COUNCIL

Regular Meeting Minutes January 8, 2024

Virginia Rome Garcia (435 E Sunset Dr)- Invited all to attend the MLK Peace Walk and Event on Monday, January 15th at City Hall.

Consent Agenda Items

Councilor Primmer moved and Councilor Hardin seconded to approve Consent Agenda items A-B to include:

- A. Replat- CJ Evans Family Investments LLC 4N2824BB Tax Lots 800 & 900 16 & 18 SE Campbell Dr
- B. Minutes of the December 11, 2023 Regular City Council Meeting

Motion carried unanimously.

Budget Overview and Outreach Report

City Manager Smith presented information (PowerPoint presentation attached) regarding: the budget process, recognizing the budget issue at hand, Budget Committee Meetings and actions, in-depth General Fund operations review performed over the last seven months, public outreach and the feedback received from various efforts, as well as possible recommendations moving forward to include possible additional revenue options, and cuts to the budget.

The Council discussed many items to include: the taxation process on allowing Cannabis sales in the City, considering policy changes that would allow specific funds to be moved, consider increasing the proposed increase to the TRT to 10%, and thanked the community for participating in this process.

Mayor Drotzmann spoke regarding the Oregon taxation system being very cumbersome and difficult to understand. Many other cities are in the same situation Hermiston is in with budget challenges. With that being said, it is clear from community outreach efforts that Public Safety is a high priority and while our community has grown significantly, our police force has not. We need to try to find ways to support our law enforcement members as they risk their lives for our safety each day.

Public Comment

Joshue Roberts (1709 NE 6th Pl)- Stated he is in support of the Public Safety Fee and reminded the community that this fee is the equivalent of purchasing one coffee a month at a coffee shop. As a community, we want cops to be there when we dial 911, so we must enact laws to be able to fund the police. The amount of the proposed Public Safety Fee is minimal for what we get in return. Mr. Roberts cautioned the City not to withhold other funding from the Police Department if the proposed fee passes as this department is in need of equipment, training, and other items that continue to increase in price.

Nick Ridling (1003 SW Olive Court)- Stated he agrees that there is a community need for Police Officers but there are things that haven't been discussed that need to be before a decision is made and budget numbers should be corrected first as what has been presented previously is not what has been presented tonight.

Mayor Drotzmann stated Mr. Ridling is 100% right. The last seven months of this budget process has been extremely challenging due to these serious budget issues. This is the first time the City has ever done anything like this process before but perhaps this is something the City should be doing more frequently. The City hires professionals to manage resources and advise the Council on recommendations but the Council should also be taking accountability and ask tough questions when things don't make sense. There have been tough budget



CITY COUNCIL

Regular Meeting Minutes January 8, 2024

questions and decisions made this spring, but going forward the Council needs to ask tougher questions and keep ourselves accountable just like what we are asking staff to do as these are community resources.

Mayor Drotzmann stated many conversations have been held, outside of City Council meetings, regarding these budget matters over the last 9 months and the recommendations being presented are a way to move forward now and into the 24-25 budget. Mayor Drotzmann thanked all members of the public who have taken time to participate in these very important matters.

Resolution No. 2304 – Changing the Dedication of Certain Funds from Franchise Fees to the Street Reserve Fund. City Manager Smith gave information (PowerPoint Presentation Attached) regarding changing the street maintenance fund from 33% to 10% as addressed during the Budget Overview and Outreach Report given earlier in the meeting.

After some discussion, Councilor McCarthy moved and Councilor Barron seconded to approve Resolution No. 2304 and lay upon the record. Motion carried unanimously.

Ordinance No. 2351 - Increasing the Transient Room Tax (TRT) and Modifying Exemptions

City Manager Smith gave information (PowerPoint Presentation attached) and spoke regarding increasing the TRT from 8% to 9% and modifying exemptions as addressed during the Budget Overview and Outreach Report given earlier in the meeting.

After some discussion, Mayor Drotzmann requested that the first reading be by title only. Hearing no opposition, City Attorney Tovey read the ordinance by title only. Mayor Drotzmann requested the ordinance be put on for final adoption at this meeting and that the second reading be by title only. After City Attorney Tovey read the ordinance by title only, Councilor Primmer moved, and Councilor McCarthy seconded that Ordinance No. 2351 be adopted and become effective 30 days after adoption by the City Council. Motion carried unanimously.

Ordinance No. 2352 – Adopting a Business License Fee

City Manager Smith gave information (PowerPoint Presentation attached) and spoke regarding instituting a Business License Fee as addressed during the Budget Overview and Outreach Report given earlier in the meeting.

After some discussion, Councilor Primmer moved and Councilor McCarthy seconded to table this decision until the City Council meeting of January 22nd in order for staff to research if business owners and co-owners count as employees for the purpose of this fee. Councilors McCarthy, Linton, Primmer, Hardin, and Peterson voted in favor; Councilor Barron voted against. Motion passed 5-1.

Resolution No. 2302 – Updating the Master Fee Schedule for various fees

City Manager Smith and Assistant City Manager Mark Morgan gave information (PowerPoint Presentations attached) and spoke regarding updating the Master Fee schedule to address many fees throughout the City as addressed during the Budget Overview and Outreach Report given earlier in the meeting.



CITY COUNCIL

Regular Meeting Minutes January 8, 2024

(Municipal Court Judge Bendixsen exited the meeting at 8:54pm and Youth Advisor Jeannine Heredia exited the meeting at 9:15pm)

There was Council discussion regarding: not approving the annual sewer calculation increase, considering an additional tear of rate payers for water and sewer services as well as an explanation from Assistant City Manager Morgan and Mayor Drotzmann as to why the rates were established in this manner, and explanations from Mayor Drotzmann and Councilor Barron as to why these annual increases are needed- to help address long-term infrastructure needs of the City, and waiting to act on the proposed Business License fee until the next meeting.

Public Comment

Nick Ridling (1003 SW Olive Court)- Stated the water and sewer percentages presented are incorrect and carry much larger impacts on residents.

After further discussion, Councilor Primmer moved and Councilor Linton seconded to approve Resolution No. 2302 with the exception of approval of the proposed increase of sewer fees and establishing Business License fees, which would come before the Council for further explanation at the following meeting, and lay upon the record. Councilors McCarthy, Linton, Primmer, Hardin, and Peterson voted in favor; Councilor Barron voted against. Motion passed 5-1. Councilor Barron clarified that he supports all of these recommendations with the exception of two.

Resolution No. 2303 - Approving Territory Allocation Agreement

Hermiston Energy Services (HES) General Manager Nate Rivera presented information (PowerPoint Presentation attached) regarding approving a territory allocation agreement to Umatilla Electric Cooperative (UEC) in order for UEC to provide service to an HES member as HES is unable to provide the level of service needs that the customer requires.

After some discussion, Councilor Barron moved and Councilor Hardin seconded to approve Resolution No. 2303 and lay upon the record. Motion carried unanimously.

Committee Reports

Public Infrastructure Committee- Mayor Drotzmann stated the Committee met earlier this evening and received information on many future projects.

Stepping Stones Alliance (not a City Committee)- Mayor Drotzmann stated improvements at the permanent site continue to move along.

Eastern Oregon Trade and Event Center Advisory Committee- Councilor Barron stated the Committee Meeting has been postponed.

Parks and Recreation Advisory Committee- Councilor McCarthy and Parks and Recreation Director Brandon Artz gave updates on the Skate Park stating the park opening should be next month after ADA issues have been resolved with the Ribbon Cutting scheduled sometime in May.



CITY COUNCIL

Regular Meeting Minutes
January 8, 2024

Mayor's Report

Mayor Drotzmann spoke regarding:

- Attending Senator Wyden's Town Hall Meeting and the Westend Mayor/Managers Meeting
- Asked City Manager Smith to present information on the future of the Harkenrider Senior Center now that the City is able to use the facility

Council Reports

None given.

Youth Advisory Report

None present.

City Manager's Report

City Manager Smith stated he was notified that the Umatilla County Housing Authority was recently awarded a \$7.5 million grant to develop veteran housing. The Umatilla County Housing Authority has property in the Newport Park area where they plan to build the veteran housing project.

Mayor Drotzmann asked City Manager Smith to invite the Umatilla County Housing Authority to a City Council Meeting to hear information and updates about their projects.

City Manager Smith reminded the Council the Goal Setting Session is January 25th and 26th.

Adjournment

Mayor Drotzmann adjourned the City Council meeting at 9:44pm as there was no other City business.

SIGNED:

Dr. David Drotzmann, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC, City Recorder



Oregon Department of Transportation

Umatilla/Morrow County Curb Ramps Phase 2A

City of Hermiston, City Council Presentation
January 8, 2024

Agenda

- Project Overview
- Schedule
- Proposed Improvements
- Questions

2

© Jacobs 2024

Project Overview



4

© Jacobs 2024

Schedule

- Currently in final design.
- Advertisement spring of 2024
- Start construction late summer 2024
- Finish construction late summer 2025




5

Page 6 of 23

© Jacobs 2024

Improvements

- Ramp improvements at:
 - Sunland Ave
 - Highland Ave
 - Metro Mart Entrance (on OR207 north of Highland Ave)
 - Poplar Ave
 - Hermiston Ave
 - Madrona Ave
 - Ridgeway Ave
 - Juanita Ave
- NW 7th St
- NW Stockton St
- NW 2nd St
- NW Spruce St
- NE McNary St
- NE 4th St
- NE 10th St
- Diagonal Blvd
- N Townsend Rd

© Jacobs 2018

Improvements

- Sunland Ave



© Jacobs 2018

Improvements

- Highland Ave



© Jacobs 2018

Improvements

- Metro Mart Entrance (Note: Design at NW corner is currently under revision)



Page 7 of 23

© Jacobs 2018

Improvements

- Poplar Ave



©2020 HDR

Improvements

- Hermiston Ave



10

©2020 HDR

Improvements

- Madrona Ave (Design of west side currently under relations to conform to overall development)

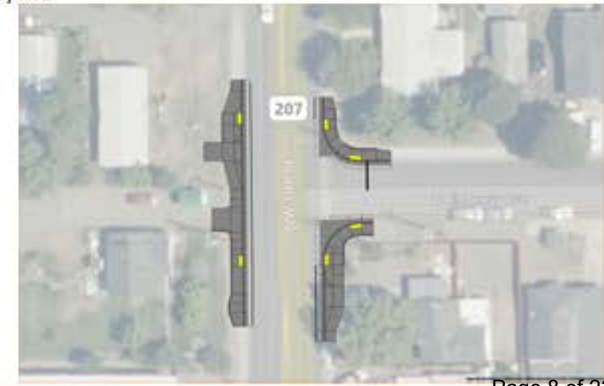


11

©2020 HDR

Improvements

- Ridgeway Ave



12

©2020 HDR

Improvements

- Juanita Ave



14

© Jacobs 2023

Improvements

- NW 7th St and NW Stockton St



14

© Jacobs 2023

Improvements

- NW 2nd St

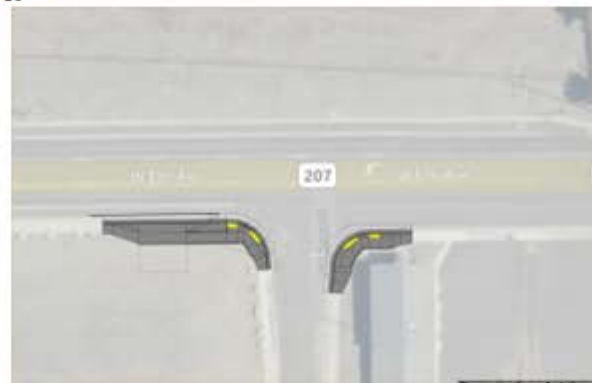


14

© Jacobs 2023

Improvements

- NW Spruce St



14

© Jacobs 2023

Improvements

- NE McNary St



17

© Jacobs 2023

Improvements

- NE 4th St



18

© Jacobs 2023

Improvements

- NE 10th St



19

© Jacobs 2023

Improvements

- Diagonal Blvd



20

© Jacobs 2023

Improvements

- N Townsend Rd



21

©Mapbox 2019

Questions



Outreach Report Next Steps

January 8, 2024



Process

- Budget Adopted – June 2023
- Dept. Budget Review Started – June 2023
- Review Completed – November 2023
- Town Hall Meeting – November 27, 2023
- Online survey – November 17 to December 15, 2023
 - Sent out QR code to all utility bill accounts that pay electronically.



Feedback Report

- Town Hall Summary
 - Approximately 35 in person attendees
 - Approximately 2 online attendees
 - 17 survey responses that night
- Online Survey Response Summary
 - 425 responses



Feedback Report

- Themes
 - Accountability
 - Make cuts
 - Like some recommendations don't like others
 - Don't like it but want a good community.
 - If adding officers, make sure their hands are not tied
 - Reexamine decision on cannabis sales/taxation



Feedback Report

- Accountability
 - City Council Recognized Issue
 - Established a Cooperative/Public Process
 - Two Budget Committee Meetings
 - In depth Review of General Fund Operations (7+ months) (Recordings Accessible)
 - August Performance Evaluation - Personnel



Feedback Report

- Make Cuts (If Only Cuts)
 - \$924,000 gap to status quo
 - Leave PD Budget alone (No +3 Officers)
 - Reduce pool to 3 days/week
 - Reduce 1 full-time and ~50 seasonal jobs
 - \$250,000 from Pool
 - Remove 1/2 Youth Recreation programs; Reduce Community Events by 3/4
 - Reduce 1 full-time and ~50 part-time jobs
 - \$300,000 from Recreation
 - Reduce Library Service to 3 days/week
 - Reduce 1 or 2 full-time plus ~2 part-time jobs
 - \$300,000 from Library



Feedback Report

- Recommended Cuts
 - \$924,000 gap to status quo
 - Proposing ~\$200,000 in non-staffing cuts
 - Cutting \$340,000 from street maintenance budget



Feedback Report

- Like Some Recommendations Not Others
 - As expected, not many want to pay more fees/taxes
 - 47.7% said additional law enforcement officers should be paid by a combination of businesses, visitors and residents
 - 75.2% in favor of increase to Transient Room Tax (TRT)
 - Removing neutral responses: Planning Dept Fee Increases (42% to 32%) and Business License Fee (42% to 33%) were net positive



Feedback Report

- Like Some Recommendations Not Others
 - As expected, not many want to pay more fees/taxes
 - Only 24% were in favor of a public safety fee with 66% being opposed
 - Only ~20% were in favor of cutting street maintenance funds with ~60% being opposed
 - A couple people testified being in support of the public safety fee and maybe even going high now.



Feedback Report

- If adding Police Officers, make sure their hands are not tied
 - In priorities for updating the city budget
 - Adding public safety officers received a little over 50%
 - 59% said they wanted additional services from the Police Department (no other department over 30%)
 - Many concerns expressed about safety in parks and around the library



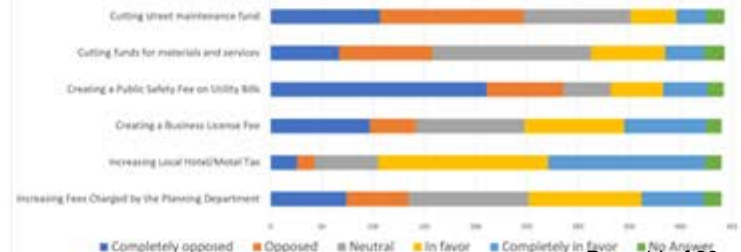
Feedback Report

- Reexamine Decision on Cannabis Sales/Taxation
 - Several speakers mentioned this as a suggestion
 - Several possible local option taxes were mentioned and almost 75% said Cannabis should be considered with none being the only other option more than 25%



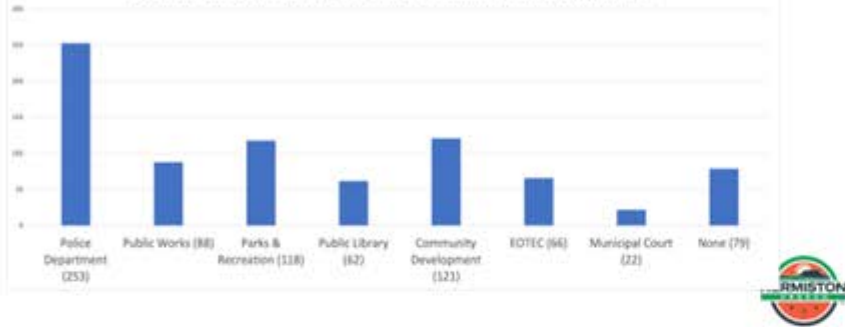
Recommendation Summary

Please rate each of the following options to increase revenue or make cuts on a scale from "Completely Opposed" to "Completely In Favor"



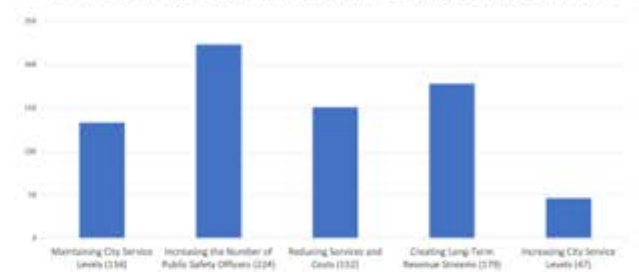
Recommendation Summary

Which city services would you like to see increased for the public?



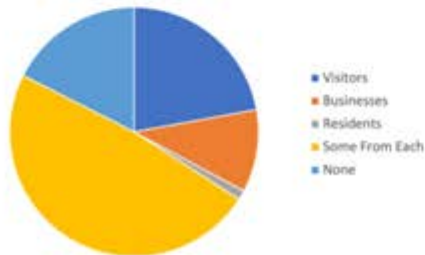
Recommendation Summary

What should the city prioritize when updating its budget for 2024?



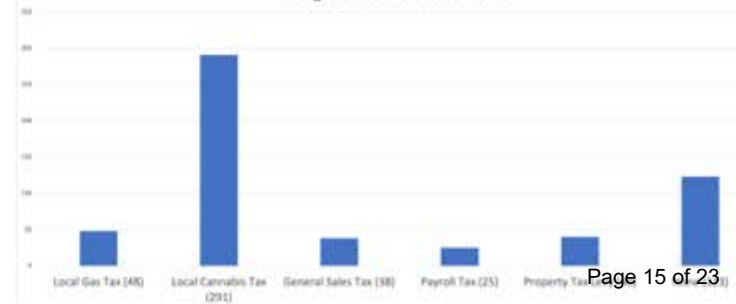
Recommendation Summary

If the city seeks additional revenue to fund public safety officers, where should it come from?



Recommendation Summary

Are you in favor of Hermiston voters considering any of the following through a local ballot measure?



Recommendation Summary

Based on Feedback and Items Discussed

- **Cuts**
 - **Street Maintenance (+\$340,000)-Immediately**
 - **Materials/Services (+\$200,000)-Upon Budget Adoption**
- **Revenues**
 - **Planning Department Fees (+\$80,000)-Immediately**
 - **Transient Room Tax 1% Increase (+\$100,000)-April 1, 2024**
 - **Business License Fee (+\$100,000)-January 1, 2025**
 - **Law Enforcement Staffing Fee (\$5/month) (+\$360,000)-Mar 1, 2024**
 - **COPS Grant (+125,000)-Upon Budget Adoption**
- **More Information on Cannabis at a February Work Session**



Recommendation Impact

| REVENUES | Adopted | Recommended | |
|---------------------|---------------|---------------|--|
| | FY24-B | Budget* | |
| Property Taxes | \$ 7,425,990 | \$ 7,425,990 | |
| From Other Agencies | 1,122,301 | 1,247,501 | |
| Service Charges | 2,181,400 | 2,721,400 | |
| Total From | 2,498,035 | 2,598,035 | |
| Lic & Franchises | 1,468,310 | 1,468,310 | |
| Cash Pwd | 251,885 | 251,885 | |
| Fines/Penalties | 400,000 | 400,000 | |
| Misc Revenue | 85,000 | 85,000 | |
| Interest | 70,000 | 70,000 | |
| Non-Rev Receipts | 723,000 | 30,000 | |
| | \$ 18,993,911 | \$ 18,997,911 | |
| EXPENSES | | | |
| Personnel Costs | \$ 11,293,882 | \$ 11,520,882 | |
| Matt & Svc | 3,520,428 | 3,994,834 | |
| Transfers | 1,479,520 | 1,139,520 | |
| Debt Svc | 480,825 | 480,825 | |
| Capital Outlay | 92,000 | 90,000 | |
| Contingency | 53,278 | 55,000 | |
| | \$ 18,993,911 | \$ 18,990,861 | |
| | 0 | 7,050 | |

***Recommended Changes from Adopted Budget (Status Quo)**

- Remove the Loan Proceeds (\$673,000)
- Reduce Funding for PJ Library Positions (\$100,000)
- Reduce Funding for Recreation Coord. Position (\$98,000)
- Reduce Council Budget (\$55,000)

***Additional Recommended Changes**

- Add Funding for Three New Patrol Officer Positions (\$370,000)
- Staff Recommended Cuts in Maintenance and Capital Outlay (\$108,000)
- Leave 90% of Franchise Fees in General Fund (\$140,000)
- Planning Dept. Fee Update (\$80,000)
- Transient Room Tax (1%) 1% Increase (\$100,000)
- Business License Fee (\$250) - (\$100,000)
- Law Enforcement Staffing Fee (36month) - (\$360,000)
- COPS Grant Funding (\$125,000)



Next Steps

- Consideration/Adoption of Items Proposed Tonight
- Possible Direction to Staff on Items Not Proposed Tonight
- Adoption of a Budget Amendment to Integrate Adopted Changes



Comments/
Questions?

Where Life is Sweet™

Franchise Fee/Street Fund

- Reduce Transfer of Franchise Fees to Street Fund to 10%
- Annually - \$340,000



Transient Room Tax (TRT)

- Increase TRT rate from 8% to 9%
- Effective April 1, 2024
- Annually - \$100,000



Transient Room Tax (TRT)

- Increase TRT rate from 8% to 9%
- Effective April 1, 2024
- Annually - \$100,000
- Clarified Language related to Vacation Rentals



Business License Fee

- Institute a Business License Fee

| | | |
|--|----|------------------------------|
| Businesses WITH a Permitted Location WITHIN City Limits | | |
| 1. Gross Fee - Includes 0-5 Full-Time Equivalent (FTE) Employees | 1. | \$25.00 |
| 2. 6-49 FTE Employees | 2. | Gross + \$15.00 per Employee |
| 3. 50+ FTE Employees | 3. | \$1,000.00 |
| Businesses WITHOUT a Permitted Location WITHIN City Limits | | |
| 1. Gross Fee - Includes 0-5 Hermiston Full-Time Equivalent (FTE) Employees | 1. | \$100.00 |
| 2. 6-49 FTE Hermiston Employees | 2. | Gross + \$20.00 per Employee |
| 3. 50+ FTE Hermiston Employees | 3. | \$1,200.00 |

- **Construction Projects - \$400**
- **Trade Show/Carnival - \$300**

- Effective January 1, 2025
- Annually - \$100,000



Master Fee Schedule

- Misc. Fee Updates
 - Update Airport Hangar Rental Fee Schedule (Page 4)
 - Various Parks and Rec Fees
 - Update various Aquatic Center Fees (Page 6)
 - Update various Community Center Fees (Page 18)
 - Update various Festival Street Fees (Page 22)
 - Add Harkenrider Center Fees (Page 27)
 - Update various Parks Fees (Page 31)
 - Update various EOTEC Fees (Page 20)
 - Update various Garbage & Recycling Services Fees based on Franchise
 - Update Public Transit-Taxicab & Bus Services Fees (Page 36)
 - Update Street Department Fees for Swale Alteration Permits (Page 39)



Master Fee Schedule

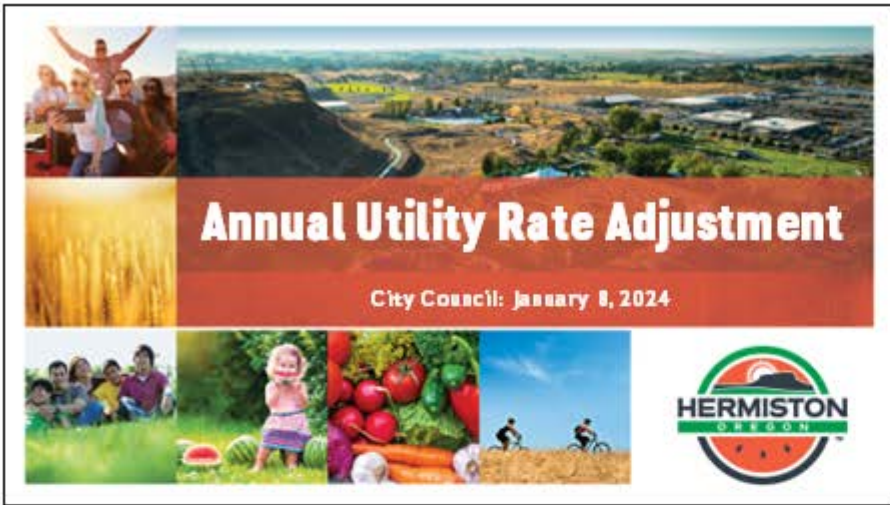
- Establish Business License Fee rates (Page 16)
- Update various Planning and Zoning Fees including Notary Fees (Page 3, 32)
- Add Law Enforcement Staffing Fee (\$5 per month per account) (Page 34)
- Include Transient Room Tax (TRT) increase (Page 42)



Master Fee Schedule


- Update Sewer Rates by 2.58% (Page 37)
- Update Water Rates by 2.58% (Page 43)





Annual Utility Rate Adjustment

City Council: January 8, 2024




Water & Sewer Rates Annual Adjustment

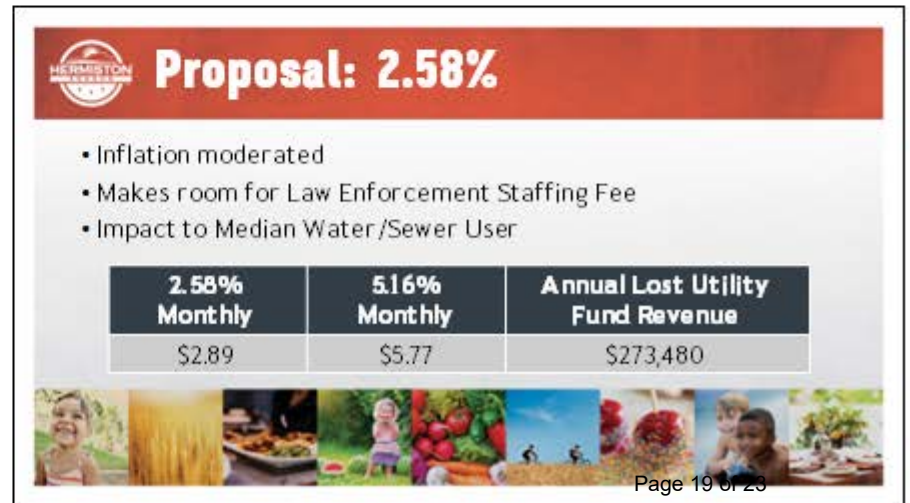
- Annual Adjustment
- Keep up with inflation
- Provide Customers stable/predictable rates
- *Engineering News Record: Construction Cost Index*




Water & Sewer Rates Annual Adjustment

- 2022: 3-Year Average
- Smooth-Out Spikes in Inflation


| 2021 | 2022 | 2023 | 3-Yr Avg. |
|-------|-------|-------|-----------|
| 7.35% | 5.56% | 2.58% | 5.16% |

Proposal: 2.58%

- Inflation moderated
- Makes room for Law Enforcement Staffing Fee
- Impact to Median Water/Sewer User

| 2.58% Monthly | 5.16% Monthly | Annual Lost Utility Fund Revenue |
|---------------|---------------|----------------------------------|
| \$2.89 | \$5.77 | \$273,480 |





Median Impacts

- *Cost* of Law Enforcement Staffing Fee
 - \$2.88/mo for Median Residential Utility User

| | 2.50% | 3.16% |
|------------------------------|--------|---------|
| Median User Monthly | \$2.89 | \$5.77 |
| Law Enforcement Staffing Fee | \$5.00 | \$5.00 |
| Total | \$7.89 | \$10.77 |



Questions?

Where Life is Sweet



HERMISTON ENERGY SERVICES

Resolution 2303 – January 8, 2024



Hermiston Energy Services

Resolution 2303

– Approve a Territory Allocation Agreement between the City of Hermiston dba Hermiston Energy Services (HES) and Umatilla Electric Cooperative (UEC).

- Supersede City Council Resolution 2208 (February 2022).
- Authorize HES General Manager to sign on behalf of the City.



Resolution 2303



Defined Service Territories



Resolution 2208

- In early 2022, The City and UEC agreed to a Customer Allocation Agreement (CAA) of HES's defined service territory on Umatilla County Tax Lot No. 4N2824-00-00600 to allow UEC to provide service to its Member via Resolution 2208.
- The tax lot straddled both UEC and HES service territories, with the vast majority of the lot residing in UEC's territory. After verifying options, HES proposed and UEC supported a Customer Allocation Agreement (CAA) to serve its Member.



Resolution 2208



Resolution 2303

- In late 2022, the Industrial customer requested service from HES in excess of 50 average megawatts on the adjacent property.
 - The requested service is entirely within HES's defined service territory.
 - Due to the size of the request and the timeline, HES determined it would not have the ability to serve the load.
- HES contacted UEC about providing service to the Customer.
 - UEC desired to serve its Member
 - Due to facilities needed to serve the proposed load, they requested, and HES agreed for the entire property to be permanently transferred into UEC's service territory.
- HES contracted with Stole Rives LLP.
 - determined that ORS 758.410 allows utilities to enter into agreements to allocate territory and customers and to designate which territories and customers are to be served by each utility.



Resolution 2303



Resolution 2303

- UEC and HES supported replacing the existing Customer Allocation Agreement (CAA) on Tax Lot No. 600, Map No. 4N2824-00-00600, with an STT. This updated Agreement would include Tax Lot No. 200 Map No. 4N2823-00-00200.
 - Requires approval by the OPUC pursuant to ORS 758.415.
 - Includes a Sunset Clause – 36 months from effective date.
 - Effects only one HES Customer (customer is supportive of agreement).



Resolution 2303



Resolution 2303

- UEC and HES supported replacing the existing Customer Allocation Agreement (CAA) on Tax Lot No. 600, Map No. 4N2824-00-00600, with an STT. This updated Agreement would include Tax Lot No. 200 Map No. 4N2823-00-00200.
 - Requires approval by the OPUC pursuant to ORS 758.415.
 - Includes a Sunset Clause – 36 months from effective date.
 - Effects only one HES Customer (customer is supportive of agreement).
- **Council Goal 1: Workforce Development:**
 - Attract Industry and Jobs.



Questions

Where Life is Sweet