

ORDINANCE NO. 2377

AN ORDINANCE REPEALING ORDINANCE NO. 2111 AND ORDINANCE NO. 2248 AND GRANTING TO UMATILLA ELECTRIC COOPERATIVE, A COOPERATIVE CORPORATION, AND TO ITS SUCCESSORS AND ASSIGNS, A NON-EXCLUSIVE LICENSE AND FRANCHISE FOR A PERIOD OF TWENTY (20) YEARS TO CONSTRUCT, MAINTAIN AND OPERATE IN AND ON THE PRESENT AND FUTURE STREETS, ALLEYS, BRIDGES AND PUBLIC PLACES OF THE CITY OF HERMISTON, ELECTRIC POWER LINES AND APPURTENANCES FOR THE PURPOSE OF SUPPLYING ELECTRICITY AND ELECTRIC SERVICE TO THE CITY OF HERMISTON, THE INHABITANTS THEREOF AND OTHERS, SUBJECT TO THE TERMS AND CONDITIONS AND TO THE MAKING OF THE PAYMENTS SPECIFIED IN THE ORDINANCE.

THE CITY OF HERMISTON ORDAINS AS FOLLOWS:

SECTION 1. The City of Hermiston, hereinafter called the City, does hereby grant to Umatilla Electric Cooperative, a Cooperative Corporation, and to its successors and assigns, hereinafter called the Grantee, a license and franchise for the period of twenty (20) years from and after the effective date of this ordinance to construct, maintain and operate in and on the present and future streets, alleys, bridges and public places of the City, electric power lines, with all the necessary or desirable appurtenances, for the purpose of supplying electricity and electric service to the City and the inhabitants thereof, and to persons and corporations beyond the limits of the City, subject to the terms and conditions and to the making of the payments hereinafter specified.

SECTION 2. The license and franchise hereby granted shall not be exclusive; and the City expressly reserves the right, at any time during the term of the license or franchise hereby granted, to grant licenses or franchises for such purpose to other persons or corporations, as well as the right in its own name as a municipality to use said streets and public places for such purposes, in the event that the City shall hereafter decide to engage in the business of supplying electricity and electric service for municipal or other uses.

SECTION 3. The locations and methods of installation and maintenance of all poles, wires, fixtures, underground conduits and appurtenances shall be subject at all times to reasonable regulation by the Council of the City, or by such committee of the Council or such official of the City as may be designated by the Council; and all such poles, wires, fixtures, underground conduits and appurtenances shall be so constructed and maintained as to interfere as little as practicable with street or other traffic. All such poles, wires, fixtures, underground conduits and appurtenances shall be installed and at all times maintained by the Grantee in safe order and condition and in accordance with good electrical practice; and the Grantee, at its own cost and expense, shall promptly repair all streets, alleys, bridges and public places in any way disturbed by the Grantee, and shall restore the same to as good

condition as the same were in prior to the doing of any work thereon or therein by the Grantee. The Grantee shall comply with all lawful present and future charter provisions, ordinances, rules and regulations of the City relating to the use or improvement of the streets, alleys, bridges and public places in the City.

SECTION 4. The Grantee shall use due diligence to maintain continuous service adequate for the requirements of the City and its inhabitants. However, the Grantee does not guarantee continuous and uninterrupted service, and such service shall be subject to accidents, interferences or interruptions beyond the reasonable control of the Grantee, and shall be furnished under such reasonable rules and regulations as the Grantee may make from time to time for the proper conduct of its business. Such service and all rates and charges therefore, and all rules and regulations pertaining thereto or to the making of necessary and proper extensions of service, shall be subject at all times to any rules, regulations and orders lawfully prescribed by any authority having jurisdiction in the premises.

SECTION 5. When necessary, in order to permit any duly authorized person to move any building or other structure across or along any street, alley, bridge or public place within the City, the Grantee shall temporarily raise or remove its wires, fixtures and appurtenances upon such streets, alleys, bridges or public places, upon reasonable notice in advance from the Recorder of the City, and at such time and in such manner as may be necessary reasonably to accommodate such moving, consistently with the maintenance of proper service to the Grantee's customers; provided, however, that the cost to the Grantee of such temporary raising or removal, and of any interruption of the Grantee's service to its customers caused thereby, shall first be paid or satisfactorily secured to the Grantee by the owner or mover of such building or other structure.

SECTION 6. Subject to the use for which Grantee's poles are erected and successful execution of a joint pole use agreement between the City and Grantee, the City shall have the right to add to any of the poles maintained by the Grantee City alarm systems, monitoring systems, and communication systems.

SECTION 7. The Grantee hereby agrees and covenants to indemnify and save harmless the City of Hermiston and the officers thereof against and from any and all claims, and all damages, cost and expense to which it or they may be subjected by reason of any neglect, default or misconduct of the Grantee, its agents or servants, in any manner arising out of the construction, maintenance or operation of any property of the Grantee in or on any street, alley or highway within the City of Hermiston.

SECTION 8. The Grantee shall pay to the City on or before the 20th day of the month following the close of each calendar quarterly period during the term hereof a franchise fee or charge equivalent to four percent (4%) of the Grantee's gross operating revenue accruing during such period from the sale of electric power within the corporate limits of the City of Hermiston, other than such revenue derived from transactions in

interstate or foreign commerce, or from business done with the government of the United States or any agency thereof, and after deducting therefrom any amounts paid by the Grantee to the United States or State of Oregon, as excise or business taxes upon the sale or distribution of electric service in said City of Hermiston. The first of such calendar quarterly periods shall begin on the first day of the month next following the effective date of this ordinance. The amounts so payable by the Grantee shall be in lieu of, and not in addition to, all other licenses, occupation, franchise or excise taxes or charges which might otherwise be levied or collected by the City in respect of the use or exercise of the license or franchise granted hereby.

SECTION 9. Ordinance No. 2111 and Ordinance No. 2248 are repealed.

SECTION 10. This ordinance shall take effect on the 30th day after its adoption but shall become null and void unless within sixty (60) days after such effective date the Grantee shall file with the City Recorder the Grantee's written acceptance of the terms, conditions and obligations to be complied with or performed by it hereunder.

ADOPTED by the Common Council this 8th day of December 2025.

SIGNED by the Mayor this 8th day of December 2025.

Doug Primmer, Mayor

ATTEST:

Lilly Alarcon-Strong, CMC City Recorder