



CITY COUNCIL & URBAN RENEWAL AGENCY

Regular Meeting Minutes
February 24, 2025

Mayor Primmer called the regular meeting to order at 7:00pm. Present were Councilors Hayward, Roberts, McCarthy, Duron, Myers, Kelso, and Barron. Councilor Linton was excused. City Staff in attendance included: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Rich Tovey, Finance Director Ignacio Palacios, Chief Jason Edmiston, Parks and Recreation Director Brandon Artz, Planning Director Clint Spencer, Court Administrator Jillian Viles, and City Recorder Lilly Alarcon-Strong. The pledge of allegiance was given.

Presentation- PATH/Stepping Stones Alliance

Executive Director Jesalyn Cole reviewed the Stepping Stones Alliance Annual Report (located in the agenda packet), encouraged all to attend the Enchanted Garden themed 2nd Annual Fundraising Gala scheduled for October 11th, as well as answered questions from the Council regarding posting personal success video stories on social media that have been played in other venues and considering sharing a video tour of the site. Executive Director Jesalyn Cole stated Stepping Stones gives frequent on-site tours and is open to creating a video tour and sharing that to social media as well. In regards to sharing personal success stories online, permission to share those videos were only given for specific events two of which were the 1st Annual Fundraising Gala and at a Rotary meeting.

Councilors Kelso, Roberts, and Mayor Primmer thanked Executive Director Jesalyn Cole for the work she and her team do as it's not just a job but is in the heart and soul of people and helps create hope to those who desperately need it.

City Manager Smith stated PATH Project/Stepping Stones Alliance are planning to bring individuals who are willing to share their success stories, at the next legislative session, to hopefully gain awareness of the success of this program and obtain needed funding.

Citizen Input on Non-Agenda Items

None given.

Consent Agenda Items

Councilor McCarthy moved and Councilor Duron seconded to approve Consent Agenda items A-E, to include:

- A. Committee Vacancy Announcements
- B. Parks and Recreation Committee Recommendation Appointments for Remaining 3- year terms ending October 31, 2027, Position 1, Jay Ego and term ending October 31, 2026, Position 7 Douglas Minton.
- C. Final Plat - Hermiston Christian Center 4N2816BA Tax Lot 100 - 1825 W Highland Ave
- D. Final Plat - Henry K's Addition Phase 1 4N2813 Tax Lots 200 & 500 - 1295 SE 10th St
- E. Minutes of the February 10th City Council Regular Meeting

Motion carried unanimously.



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Resolution No. 2355- Contract Award: Aquifer Storage & Recovery Improvements Phase 1 &

Resolution No. 2356- Water Service Agreement with Amazon Data Services, Inc.

Councilor Hayward declared a conflict of interest regarding Resolution No. 2355- Contract Award: Aquifer Storage & Recovery Improvements Phase 1 and Resolution No. 2356- Water Service Agreement with Amazon Data Services, Inc. as he works for AWS and left Council Chambers.

Assistant City Manager Morgan stated he would be presenting both resolutions at the same time as they pertain to the same water supply agreement topic (PowerPoint Presentation attached). If the agreement is approved, the company will pay for 100% of all construction costs, will allow for a net increase in City drinking water by 100 million gallons during the City's peak summer demand while leaving additional millions of gallons of treated water into the City's aquifer for future community use, all while paying the exact same water rates as all other customers in the community.

After further discussion and answering questions from the Council, Councilor Barron moved and Councilor McCarthy seconded to approve Resolution No. 2355 and lay upon the record. Motion carried unanimously. Councilor Myers moved and Councilor Kelso seconded to approve Resolution No. 2356 and lay upon the record. Motion carried unanimously.

Councilor Hayward returned to Council Chambers and his seat at the dais.

Resolution No. 2357- Initiates the Urban Growth Boundary Amendment

Planning Director Spencer stated this item was presented during the work session and if approved would allow staff to complete paperwork to begin this process.

Councilor Barron moved and Councilor Roberts seconded to approve Resolution No. 2357 and lay upon the record. Motion carried unanimously.

Discussion of Business License Ordinance and Non-profit Exemption

Mayor Primmer stated this item was voted on by the Council at the last meeting to be discussed.

City Manager Smith spoke regarding the staff report which addresses the concerns mentioned by Pastor Dean Hackett and communication with him regarding this topic. City Manager Smith reiterated that this ordinance is not unconstitutional, and fee exemptions were created that mimic all other cities with business licenses in the area. No fines are being imposed for failure to register; the City just wants to gain a clear picture of that businesses and organizations are operating within the City.

Public Comment

Dean Hackett, 11th Place- Apologized for not being able to meet with City staff as originally intended and asked that the Council consider exempting churches and religious organizations from registering as regulations, no matter how innocent they appear, once in place, can change and become a problem although that may not have been the original intention. Mr. Hackett also mentioned that there are other regulations and codes handled by fire and building inspectors that are in place and therefore a business license is again not necessary.



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Councilors Roberts and Hayward expressed their respect for Pastor Hackett and spoke regarding their belief that the business license ordinance was not unconstitutional and should be left as-is as it is also a great resource for community members who are looking to be involved in non-profit organizations or trying to find a church to belong to.

Councilor Kelso stated he did not see the benefit of asking non-profit organizations to register if the City will not be enforcing the process and believes the City should exclude churches and non-profits from registering.

Councilor Roberts moved and Councilor Myers seconded to leave the ordinance as-is and take no action. Councilors Hayward, Roberts, Myers, McCarthy, and Barron voted in favor; Councilors Duron and Kelso voted against. Motion carried 5-2.

Monthly Financial Report for January 2025

City Manager Smith, Assistant City Manager Morgan, and Finance Director Palacios presented (PowerPoint Presentation attached) the January 2025 Monthly Financial Report. Finance Director Palacios apologized for the wrong year on the presentation stating it should read 2025, not 2024, and City Manager Smith stated apologized for not removing the last slide of the document which does not apply to this month's financial report.

After addressing questions from the Council, Councilor McCarthy moved and Councilor Hayward seconded to accept the January 2025 Monthly Financial Report as presented. Motion carried unanimously.

Committee Reports

Hispanic Advisory Committee- Councilor Barron stated he attended the Immigration Information Session hosted by HAC at the Community Center the previous Sunday, stating the information given was very informative, factual and hopes this great information can calm tensions and thanked HAC for putting on the event.

Mayor's Report

Mayor Primmer stated he and Councilor Linton attended Congressman's Cliff Bentz recent Town Hall meeting in Pendleton. The meeting was very contentious; however, a former Umatilla National Forest employee spoke regarding the recent federal employee layoffs and did a phenomenal job.

Council President's Report

Council President McCarthy spoke regarding:

- Announced that the Father-Daughter Dance is March 22nd. Tickets can be purchased at the Community Center
- Because many have asked- his bones have healed, and he is regaining his strength from his recent accident



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Council Reports

Councilor Kelso moved and Councilor Roberts seconded to ask staff to gather information and return to the council at a future meeting regarding possible implementation of restrictions or specific zoning or business license regulations of adult businesses inside of city limits. Motion carried unanimously.

Councilor Barron spoke regarding the successful Open House and Ribbon Cutting Celebration of the Harkenrider Center and commented on was a great space it is for the community to use.

Mayor Primmer agreed and thanked the Parks and Recreation Department for a job well done.

Youth Advisory Report

None present.

City Manager's Report

None given.

Adjourn City Council Meeting and Convene Urban Renewal Agency Meeting

There was no other business and Mayor Primmer adjourned the regular City Council meeting at 8:36pm and immediately convened the Urban Renewal Agency meeting.

HURA Façade Grant- Hermiston Masonic Lodge #138 4N2810DA TL 104000 – 200 W Orchard Ave

Planning Director Spencer spoke regarding a façade grant application for exterior and signage improvements to property located at 200 W Orchard Ave.

After further discussion and answering questions from the members, Member Roberts moved and Member Kelso seconded to approve the grant award of 50% instead of 40% stating that although they deeply respect the Planning Departments recommendation, they feel that the additional grant award will greatly improve the area and also give much needed lighting. Motion carried unanimously.

Adjourn Urban Renewal Agency Meeting

There was no other business and Chair Primmer adjourned the Urban Renewal Agency meeting at 8:40pm.

SIGNED:

Doug Primmer, Mayor

ATTEST:

Lilly Alarcon-Strong, City Recorder



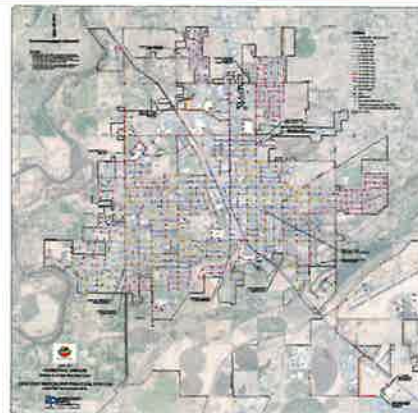
HERMISTON Amazon Water Supply Agreement

- Aquifer Storage & Recovery (ASR)
- Supports Multiple Hyper-Scale Data Center Campuses
- Net Increase of 100MG/yr for local drinking water
- Amazon paysall construction costs
- Amazon paysame water rates as all other customers



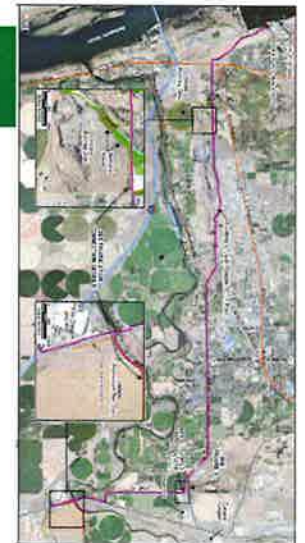
City Water System

- 80+ Miles of Main
- 5,868 Meters/Users
- Population: 20,000+



Regional Water System

- ~14 Miles of Main
- 6 Users
- Residential Population: 0



Regional Water System

- Intake Pumps
- Transmission Pipeline
- Treatment Plant



Regional Water System

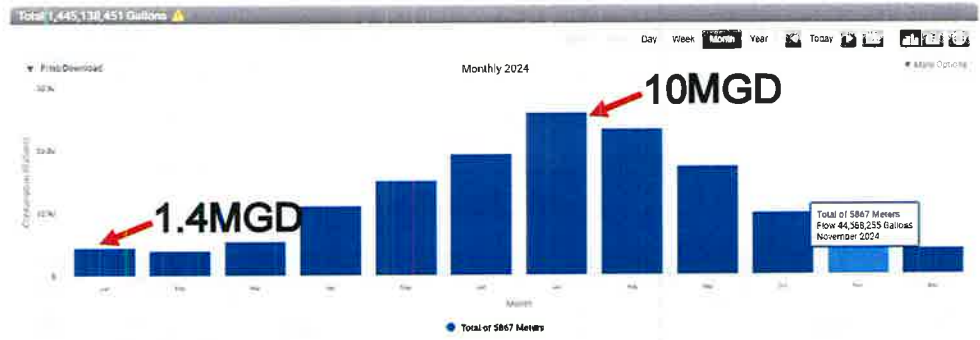
- Peak Built Capacity: 20,000GPM
- Actual Winter Demand: ~8,000GPM

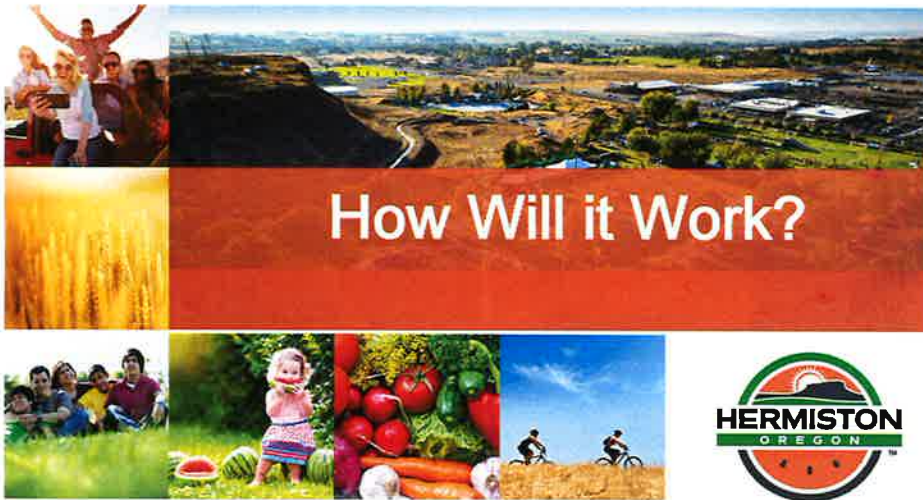


City Water System



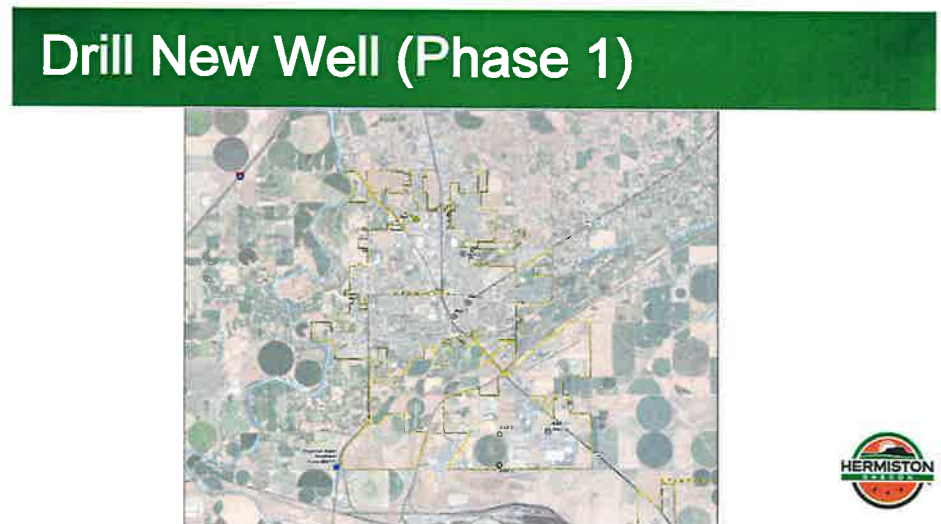
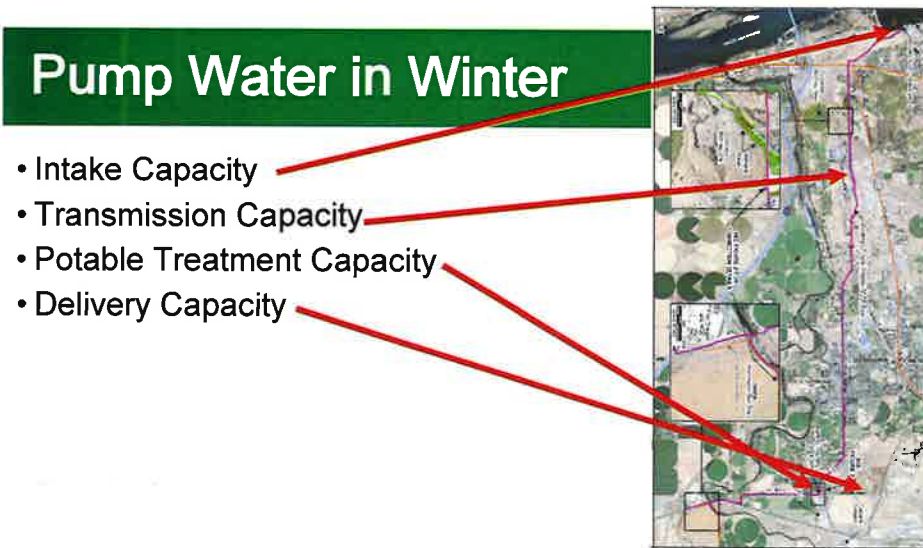
City Water System (Peak Day)



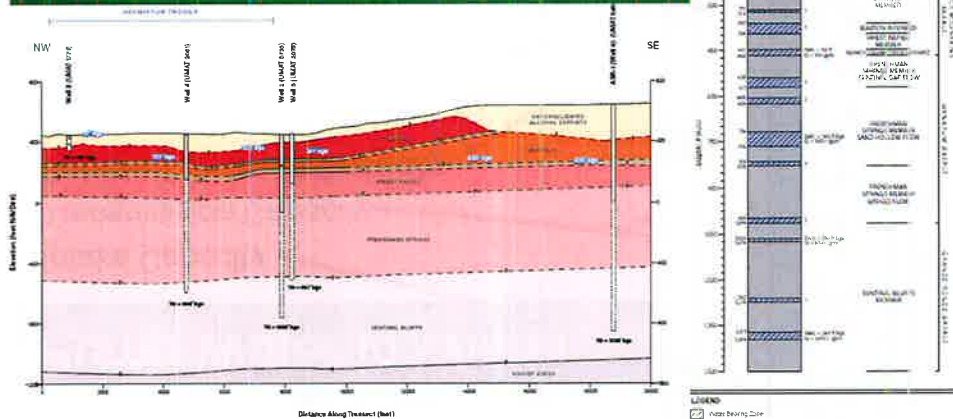


Concept

- Pump Up to 400MG from Columbia River (Oct. – March)
- Store in deep underground Aquifer
- Future Data Centers will pull from stored water in Summer
- No additional water from Columbia River in Summer



Drill New Well (Phase 1)



Add Water (Build the Bubble)



Concept

- Pump Up to 400MG from Columbia River (Oct. – March)
- Store in Aquifer
- Future Data Centers will pull from stored water in Summer
- No additional water from Columbia River in Summer



Agreement

- Amazon pays same water rates as all city customers
- “Water Positive” 100MG Per Year
 - **Example: If ADS Uses 50MG in one year**
 - **ADS will pay for 150MG**
 - ADS Gets 50MG for cooling
 - Leaves 100MG in aquifer for future community use.





Specific Water Guarantee

- Instantaneous flows up to 4,500GPM
 - **Peak Demand**
 - **105MG/Y = 200GPM**
- 105 million gallons per year



Aquifer Storage & Recovery (ASR)

- Proven Method: Massive Storage Volumes
- Regional/Comparable Users of ASR
 - **City of Kennewick**
 - **City of Pendleton**
 - **City of The Dalles**
 - **City of Prineville**

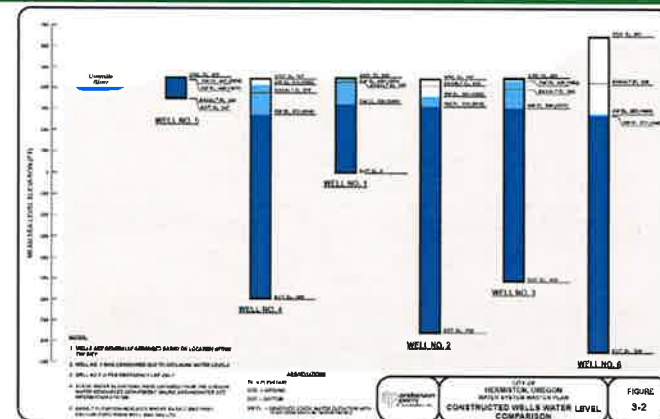


How “Massive” is Massive?

- ASR Storage: Billions of Gallons
- “North Tank”: 1 Million Gallons
 - **\$4.5M**

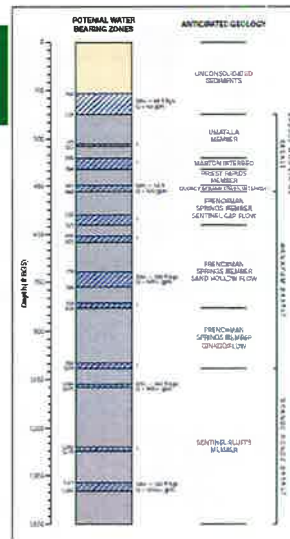


Existing City Groundwater Wells



Proposed ASR Well

- Application to OWRD July, 2024
- 1,500' Deep Hole
- "Inject" Potable Drinking Water
- Create "Bubble" within Aquifer
- Confined to Specific Layers
- 95%+ of water Recoverable



Source Water?

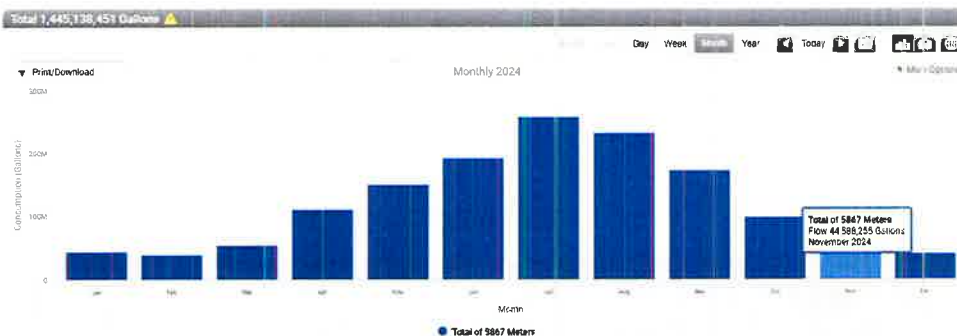
TABLE 3-2

CITY OF HERMISTON, OREGON, WATER RIGHT INFORMATION

Point of Diversion	Application/ Permit No.	Certificate No.	Priority Date	Allocation		
				Flow (cfs)	Flow (gpm)	Volume (ac-ft)
Water Rights Certificates						
Wells No. 1 and 6 ¹	U-179/U-195 Municipal	87263	5/28/1945	1.0	449	723.57
Well No. 2	U-310/U-282 Municipal	15619	5/9/1949	2.23	1,001	1,614.45
Wells No. 3 and 6 ¹	G-853/G-763 Municipal	87264	2/5/1958	2.23	1,001	1,614.45
Well No. 4	G-3927/G-3467 Municipal	36852	5/11/1967	4.46	2,002	3,228.89
Well No. 6 ²	G-11299/G-10418 Municipal	87262	8/25/1984	0.74	332	177.60
Total Certificated Allocation				10.66	4,785	7,159.36
Water Rights Permits						
Well No. 5 ³	G-7380/G-6831 Municipal	-	5/24/1976	11.14	5,000	8,064.99
Minnehaha Springs No. 1, 2, and 3	S-53827/S-40601 Municipal	-	1/2/1976	7.0	3,142	5,067.77
Port of Lmatilla Columbia River ⁴	S-58245/S-49497 Municipal	93557, 93585, 93670	1/29/1979	3.4 3.3	1,537 ⁵ 1,481	2,461.49 2,389.09
Total Permitted Allocation				24.84	11,150	17,981.34
Total Certificated and Permitted Allocation				35.50	15,935	25,342.70

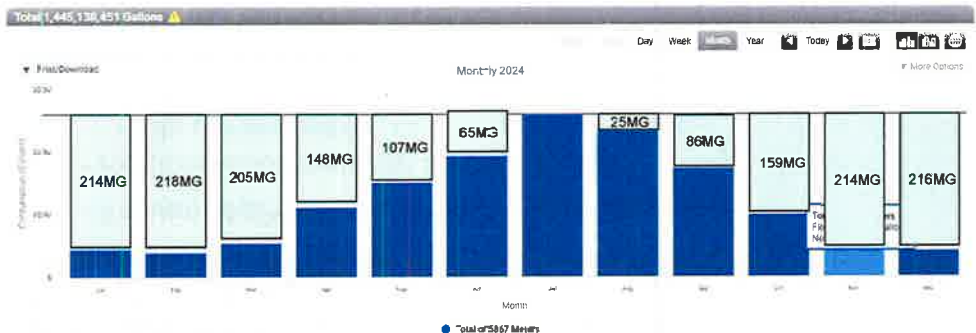


Actual City Water Demand (1.44BGY)

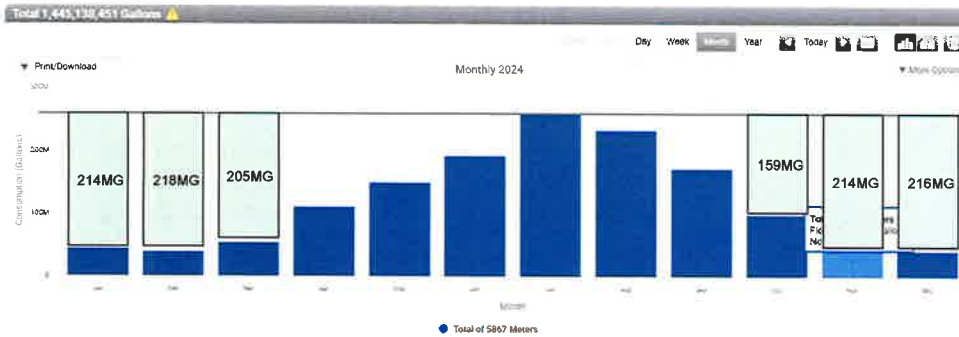


Un-Used Normal Operating Capacity

Un-Used: 1.66BGY

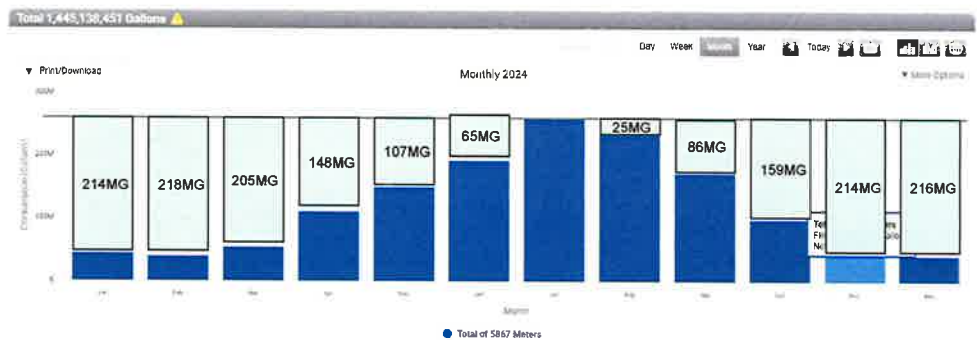


Available for ASR

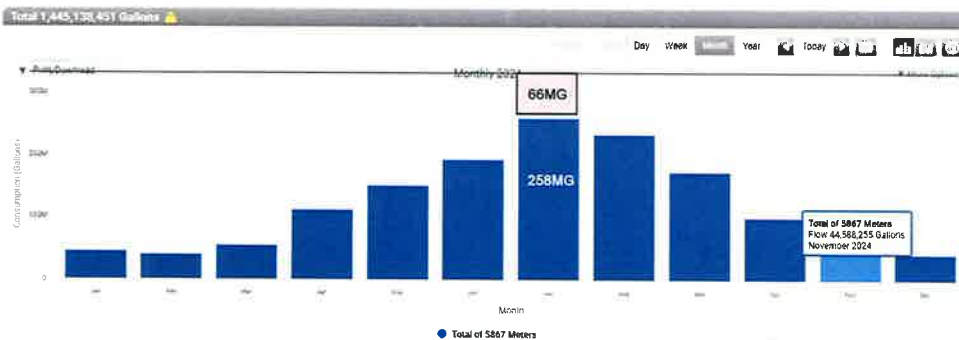


Un-Used Normal Operating Capacity

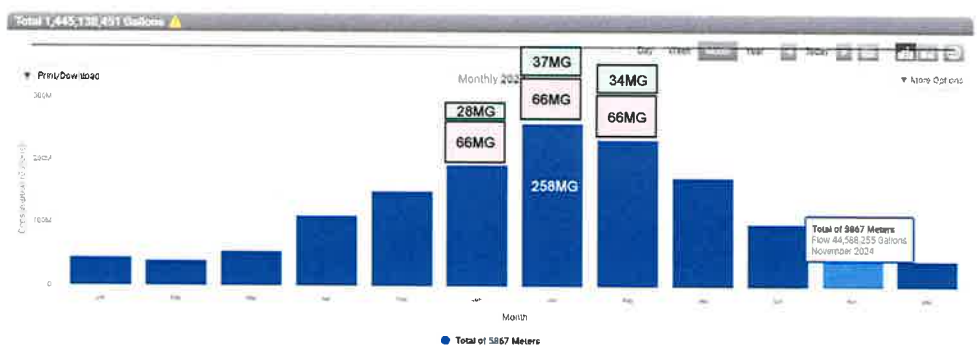
Un-Used: 1.66BGY



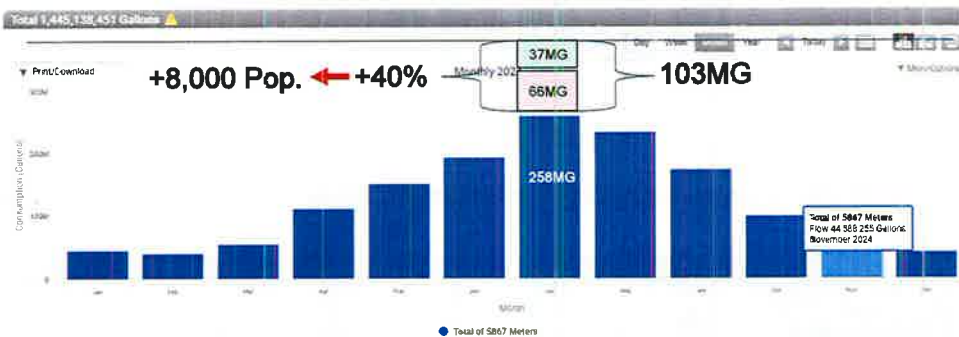
Capacity with Regional Water 1,500GPM



100MGY In Practice



100MGY In Practice

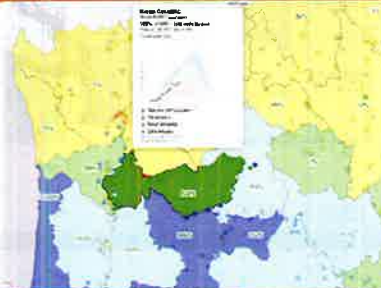


Community Impacts

Benefitting Fish, Farmers, Finances, & Futurists

Fish/Environmental Benefits

- No additional water used from Columbia River in Summer



Farmer Benefits

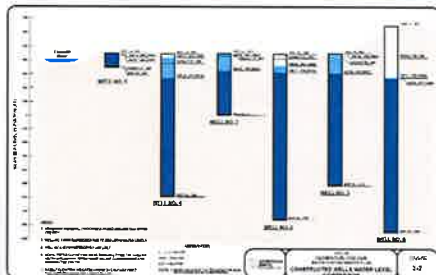
- ~50MG+ available for HID
 - No Charge
 - Small Farmers
- AWS "Paid the Freight"
- = 60 Acres Potatoes/Onions
 - Or fully irrigate constrained land





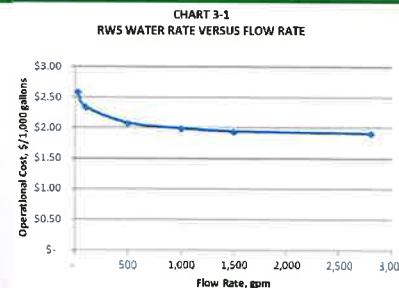
Future Generation Benefits

- Slow/Stop/Reverse Aquifer Level Drop
- 3.3 Billion Gallons To Be Stored Over Term of Agreement



Financial Benefits

- Paying Customer in Off-Peak Season
- Economies of Scale Drive Down cost to purchase RWS Water



Financials

Upfront & Ongoing



Phase 1 Construction

- Drill Well & Equipment to "Build Bubble"
- AWS Paid 100%

ASR Phase 1 Construction	\$ 6,120,280
Construction Contingency @ 20%	\$ 1,224,056
Total Estimated Construction Cost	\$ 7,344,336
Permitting/Environmental/GSI/ Agency Review/Etc.	\$ 40,000
Land Use Compensation to Utility Fund	\$ 260,000
Design Engineering (Actual)	\$ 260,000
Construction Engineering (WO)	\$ 210,000
Total Estimated Project Cost	\$ 8,114,336





Phase 2 Construction

- Booster Pump, Above Ground Storage, Etc.
- \$12M TBD
- 100% AWS Paid
- Requires:
 - OWRD Approval
 - 1KGPM+ Well



Operation Initial Contribution

Table 1 ADS Contributions to ASR

Year	ADS Contribution to ASR (1,000 gallons)	Rate (\$/1,000 gallons)
Initial Contribution		
2025-26	155,200	\$1.17
2026-27	244,000	\$0.85
2027-28	400,000	\$0.61
2028-29	400,000	\$0.63
On-going Replenishment		
2029-Beyond	200,000, or ADS IW consumption from previous year plus 100,000, whichever is greater	City of Hermiston then-current Water Rates



Operational Ongoing

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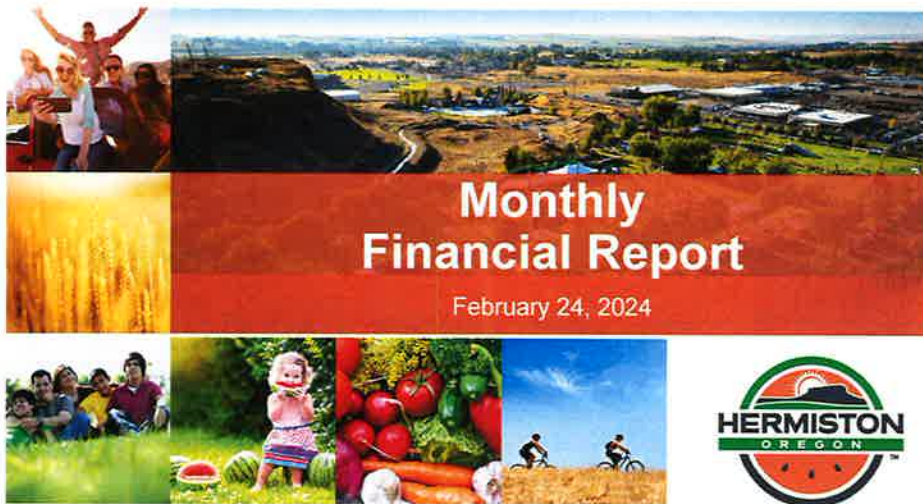


Amazon Water Supply Agreement

- Aquifer Storage & Recovery (ASR)
- Supports Multiple Hyper-Scale Data Center Campuses
- Net Increase of 100MG/yr for local drinking water (6.8%)
- Amazon pays all construction costs
- Amazon pays same water rates as all other customers







Hermiston Urban Renewal Agency (HURA)

- Property Taxes are being received (~116%)
- North Hermiston Urban Renewal Area – Project on schedule and crossing design for Hermiston Drain underway



General Fund

- Seventh month of 24-2025 fiscal year
- Monthly Revenues are under projections by ~\$445k
 - **When compared to budget, revenues are meeting expectation at 65.4% (property taxes annualized)**
 - **Received 100% of budgeted property taxes**
 - Consistent with past three fiscal years at 95%, 99% and 95% (96% average), respectively



General Fund

- Monthly Expenses under projections by ~\$828k
 - **Five departments are over budget when compared to Projected**
 - **City Council, Transportation, Parks, Court, and Public Safety Center**
 - **City Council 2.9% over budget due to annual training**
 - **Parks 3.7% over budget due to seasonal activity and equipment repair**



Special Revenue Funds

- Observations:
 - **EOTEC expenditures ~\$110k over budget due to Barn Project City match for project.**
 - Match will occur prior to fiscal year end (sources from interest earnings on bond proceeds and savings on other related projects).



Utility and Street Funds

- Observations:
 - **Utility fund ~\$1.30 million over projected revenues**
 - Increase services (~100) and usage when compared to same period for FY 2022, 2023 and 2024
 - Annual CPI adjustment
 - Other charges (Septic Tank Service)
 - When compared to budget ~3.8% over expectation



Utility and Street Funds, cont'd

- Observations:
 - **HES ~\$131k over projected expenditures**
 - When compared to budget meeting expectation at 49%
 - **Regional Water fund ~\$54k under projected revenue**
 - Current revenues are exceeding current expenses by \$35k



Capital Projects

- A number of projects in design
 - **Geer/Harper Realignment- submitted to UP**
 - **N. 1st Sidewalk (eastern sidewalk)**
 - **Aquifer Storage/Recovery**
 - **Well #6 Chlorination Structure**
 - **Well #4 Controls**
- Gladys/Main/Newport – Complete



Capital Projects

- Hangar Replacement
- Library – Framing started, Most concrete repoured over rough plumbing, April Tour
- The Arc – Waiting for weather to do final painting
- Public Safety Center
 - **Demolition Completed**
 - **Footings to be poured on Sally Port**



Capital Projects

- EOTEC Barns - Completed
- The Arc – Concrete Completed
- Public Safety Center
 - **Phase I – Completion Near**
 - **Phase II – Starting mid-December**



Discussion

Questions?

Where Life is Sweet