CITY OF REDMOND

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CITY COUNCIL

July 14, 2021
Council Chambers • 411 SW 9th Street

COUNCIL MEMBERS

George Endicott
Mayor

Jay Patrick
Council President

Jon Bullock
Councilor

Krisanna Clark-Endicott
Councilor

Clifford Evelyn
Councilor

Ed Fitch
Councilor

Shannon Wedding
Councilor

JULY 14, 2021 — REGULAR MEETING AGENDA — 5:00 PM

I. CALL TO ORDER / ESTABLISH A QUORUM

II. BLESSING - Pastor Mike Ferry, Cornerstone Christian Fellowship

III. PLEDGE OF ALLEGIANCE

IV. COMMENTS FROM CITIZENS AT THE MEETING

A. Written Comments on 4th of July Parade

V. CONSENT AGENDA

A. Minutes of February 23, 2021, Council Meeting

B. Minutes of March 2, 2021, Council Workshop

C. Minutes of March 23, 2021, Council Meeting

D. Minutes of April 6, 2021, Council Meeting

E. Minutes of May 11, 2021, Joint Meeting with Deschutes County

F. Authorization to Enter into a Five-Year Lease with Synnex Financial Services for the purchase of Panasonic Laptops, and associated equipment, for the Redmond Police Department: $150,840.40.

VI. PRESENTATIONS

A. Portland General Electric: Pelton Dam Presentation

VII. ACTION ITEMS

A. Special Event Street Closure of 5th Street from Black Butte Boulevard to Forest Avenue for the Cascade Car Show: August 21, 2021

B. Redmond Wetlands Complex:

i. Redmond Wetlands Complex Action Item #1: Resolution #2021-19 - A resolution authorizing the City Manager of the City of Redmond, Oregon, to sign a Bureau of Land Management "Application for Land for Recreation or Public Purposes" allowing the City to lease, with the option to purchase, up to 935 acres for wastewater treatment/disposal facilities and recreational amenities.

ii. Redmond Wetlands Complex Action Item #2: Resolution #2021-17 - A resolution of the City of Redmond, Oregon, authorizing the execution and delivery of Clean Water State Revolving Fund Loan Agreement Number R76074; $6.4 million

C. Public Safety Facility Land Acquisition:

i. Public Safety Facility Action Item #1: Authorization of a Purchase and Sale Agreement for a new Public Safety Facility; $2,265,000

ii. Public Safety Facility Land Acquisition Action Item #2: Resolution #2021-14 - A resolution of the City Council of the City of Redmond, Oregon, declaring official intent to reimburse certain expenditures from proceeds of tax-exempt obligations, and related matters.

VIII. PUBLIC HEARINGS

A. Res. #2021-18 - A resolution of the City of Redmond to make Budget Adjustments in Fiscal Year 2021/22.

B. Resolution #2021-16 - A resolution adopting the Community Development Block Grant 2021 Annual Action Plan and authorizing the submission of the Annual Action Plan to the United States Department of Housing and Urban Development.

IX. MAYOR'S COMMENTS

X. COUNCIL COMMENTS

A. Councilor Evelyn's Comments

B. Councilor Fitch's Written Comments

XI. CITY MANAGER COMMENTS

XII. ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

XIII. ADJOURN

Regular Council meetings are broadcast live on COTV11 – BendBroadband Channel 11 beginning at 6:00 p.m. on the 2nd and 4th Tuesdays of each month. Rebroadcasts are scheduled for the non-meeting Tuesdays at 6:00 p.m.
The City of Redmond encourages all citizens to participate in its programs and activities. This meeting location is accessible to people with disabilities. Requests for accommodation may include sign language interpreter service, assistive listening devices, materials in an alternate format or any other accommodation. If any accommodations are needed, please contact the ADA Coordinator at 541-504-3036 or access@redmondoregon.gov. Requests should be made as soon as possible, but at least 3 business days prior to the scheduled meeting.
The City of Redmond does not discriminate on the basis of disability status in the admission or access to, or treatment, or employment in, its programs or activities

SUBMITTED PUBLIC TESTIMONY

July 6, 2021

Mr. Mayor and Redmond City Council Members,

I have lived in Redmond for more than 20 years. As a resident I have worked to make Redmond a town that I am proud to call home and a place where all feel welcome, seen and appreciated.

Sadly, the parade sponsored by Redmond Chamber of Commerce cast a serious cloud over Redmond's bright future. I was alarmed to see participants in the 4th of July parade waving and displaying the Confederate Battle flag, a recognized symbol of hate and aggression. By allowing them to participate in the parade was negligent and in clear violation of the established rules for parade participation.

The Chamber clearly outlines expectations for parade participants. Rule #5 states that the parade is a family friendly, a-political event and that violating a rule is grounds for dismissal and ban from participation in future events. Waving a Confederate battle flag is a particular kind of political statement, one that does harm to our friends and neighbors of color. I expect that the Chamber will address the situation and administer the proper remedy to those in violation of established rules. I also expect that the City will partner with the Chamber to ensure that the hotel tax money that is paid to the CVB will be used more in keeping with the values of a city that is inclusive and anti-racist.

The Confederate Battle flag has no place in a 4th of July parade. The flag is a recognized symbol of hate and a reminder of a time in our history when wealth was built on the enslavement and trafficking of human beings. There is much to celebrate on July 4, but treason and insurrection don't reflect the spirit of Independence Day and the founding of our country. Redmond is better that what was on display at the parade on Sunday. Please do your part to ensure that the Confederate Battle flag isn't allowed in future parades and that the beloved Redmond parade tradition remains family friendly and a-political.

Thank you,

Liz Goodrich
Redmond

EMAILS SENT TO COUNCIL

From: Cara Frank
Sent: Sunday, July 04, 2021 12:59 PM
To: eric <eric@visitredmondoregon.com>; Mayor-Council <Mayor-Council@redmondoregon.gov>; ecureton@opb.org
Subject: White Supremacy stamped on the Redmond 4th of July Parade

To: Chamber of Commerce, Redmond Mayor, and City Council

I'm dismayed.

A confederate flag? I cannot believe I witnessed this in FRONT of my very home. I'm angry and struggling to understand this. I'm stunned this wasn't immediately denounced. White supremacy had its stamp on the 4th of July parade today.

According to the 4th of July Parade Rules #5 of the Redmond Chamber of Commerce, "This is a family friendly a-political event and we request that no political flags be promoted….. violation of these rules are grounds for dismal and you will be banned from participating in future parades put on by the Redmond Chamber."

Please explain to me how the Confederate flag on display, how the banner with the "rights to bear arms" and the Peoples Right group waving at the audience, handing out pamphlets as they drive down the street in front of my home isn't political.

The confederate flag... You cannot filter out the racism in that flag and leave what's pure and historical in the flag because that purity doesn't exist. Please explain to me how the People Rights group became a parade winner.

White supremacy works off a 'trickle down' strategy, the trend flowing in the parade trickles down to the audience. Pamphlets were being handed out to children.

I have never been a person of color, a person of colors' experience is not universal. My lived experiences are valid – so is a person of colors' experience. Trying to run the person of colors' experience through my own lived experiences often won't compute which is why is so easy to dismiss claims of racial oppression. Trying to run their experience through our white lens is an unfair rationale.

The insults in front of my house today was heartbreaking. Shame on the City of Commerce for allowing hate. These symbols perpetrate so much hate against marginalized and oppressed communities. Its more than just annoyances, these things add up. It was a dozen bee stings that went pass my home today.

This is a real problem that needs to be addressed. I expect to see these groups banned from future participation.

Thank you,

Cara Frank

From: Susan Mitchell
Sent: Sunday, July 04, 2021 2:16 PM
To: eric@visitredmondoregon.com
Cc: mayor-council@redmondoregon.gov
Subject: Independence Day Parade

Dear Eric Sande,

As a resident of Redmond, I was ashamed to see that a confederate battle flag was allowed in the parade. This flag represents a traitorous rebellion against the United States, and strikes fear and anger into the hearts of those descended from slavery. Having spent most of my life in the South, I can tell you that it does not represent heritage or freedom. It represents a dangerous fantasy that antebellum life in the South was filled with genteel Whites and happy contented Blacks,

It would be appropriate for you to publicly apologize for this incident on behalf of our Chamber of Commerce. It would require courage on your part to do so, but no more than those who gave their lives centuries ago, and those who risked their not only lives, but their fortunes to found this nation. An act of selfless courage so that their descendants could live free of fear and oppression.

Susan Mitchell

On Tue, Jul 6, 2021 at 4:02 PM Eric Sande <eric@visitredmondoregon.com> wrote:

Dear Susan Mitchell,

We hear you and respect your concerns. The Fourth of July parade had a very large turnout, which included the Peoples Rights organization. The Peoples Rights group held a legal, but unpermitted, parade/event in 2020, when we were not able to hold our parade due to COVID. They were planning on doing the same this year, however, we were able to secure the permits and to implement the needed safety measures (parade marshals, street barricades, traffic control) to assure the safest parade possible for Redmond. In the interest of safety, the Peoples Rights group joined our parade, entry numbers 29 A-R.   The float with the confederate flag was part of a US Civil War depiction, with both Union and Confederate soldiers and the US and Confederate flags. We have talk with the float entry, who is a US Civil War historian and he confirmed that his intent was not to make a political statement with the flag. We will also look into the legal rights for restricting participation in the parade and do everything we can to provide a positive experience in the future.   Again, we hear and respect your concerns.

Sincerely,

Eric Sande

Eric Sande
Executive Director
Redmond Chamber of Commerce & CVB
446 SW 7th Street
Redmond, OR 97756
Phone: 541-923-5191
Fax: 541-923-6442

From: Susan Mitchell
Sent: Tuesday, July 06, 2021 5:32 PM
To: eric <eric@visitredmondoregon.com>
Cc: Mayor-Council <Mayor-Council@redmondoregon.gov>
Subject: Re: Independence Day Parade

Sadly it was an insufficient acknowledgement (and I suspect naive lack of understanding) of the pain such an exhibit can cause in people whose lives are still impacted by the legacy of the Confederacy and enslavement.

Americans also fought in WW II. Would it be appropriate to have a float with flag-waving American GIs and a Nazi soldier waving a swastika flag? Can you begin to understand how offensive that would be?

There is no historical equivalency between the Union and Confederacy. That war was fought by the CSA to retain the right to brutalize, murder and enslave human beings. And to rape women for "slave breeding" and sell their babies for profit. It was moral sickness and will always remain so to anyone with a moral core. The Confederacy deserves no credit for being simply a part of our heritage.

You, as a representative of our community, need to acknowledge the pain such a display has caused to many residents of Redmond. And offer an apology. We'll be waiting.

Susan Mitchell

From: Jordan Portier
Sent: Sunday, July 04, 2021 5:59 PM
To: Mayor-Council <Mayor-Council@redmondoregon.gov>
Subject: Fourth of July Parade

Dear Mayor Endicott,
My heart is broken for Redmond today. On a day when all families should be able to celebrate, we were instead greeted by a parade involving the display of a confederate flag. I understand that this was an event organized by the Chamber of Commerce, but I am writing you to request that the confederate flag be banned in our town.

The confederate flag is beyond inappropriate, it is outright racist. I am well aware of the argument over the flag's role in our nation's history, however, this does not excuse the fact that the flag is a symbol of a time when our nation was deeply divided, specifically divided over some people's belief that they had the right to own human beings as property. Most people are well aware of this flag's contentious nature, so why would Redmond choose to allow this on a day when we should be focused on unity and love for our country?

The display of hate symbols is frightening and divisive. If we are using them to understand history, lets teach what that flag actually stands for instead of celebrating it during a parade. Along with its original historical roots, the flag has been used by numerous hate groups who have committed acts of terrorism. The confederate flag is a reminder of the unspeakable horror this nation has perpetuated, not a "fun" decoration during a family parade. Because of today's events, I will no longer trust that Redmond events are a safe and welcoming place for my family.

The history you choose to preserve by celebrating the confederacy is one of hate and violent racism. It is a reminder of a time when people of color were not welcomed here and I am disgusted by it. Unless that is a message you would like the city to continue to send, it has no place in Redmond and it should be banned.

Happy Fourth,
Jordan Portier

From: Nicolas Yopp
Sent: Tuesday, July 06, 2021 9:06 PM
To: Mayor-Council <Mayor-Council@redmondoregon.gov>; ecureton@opb.org; eric <eric@visitredmondoregon.com>
Subject: Confederate Flag

I'm dismayed.

We got no notice that the parade would be going in front of OUR house, no letter, no email, nothing. It used to be from 6th then back around 7th correct? But why have it loop back on 9th st and not give out any notice?

A confederate flag? I cannot believe I witnessed this in FRONT of my very home. I'm angry and struggling to understand this. I'm stunned this wasn't immediately denounced. White supremacy had its stamp on the 4th of July parade today.

According to the 4th of July Parade Rules #5 of the Redmond Chamber of Commerce, "This is a family friendly a-political event and we request that no political flags be promoted….. violation of these rules are grounds for dismal and you will be banned from participating in future parades put on by the Redmond Chamber."

Please explain to me how the Confederate flag on display, how the banner with the "rights to bear arms" and the Peoples Right group waving at the audience, handing out pamphlets as they drive down the street in front of my home isn't political.

The confederate flag.. You cannot filter out the racism in that flag and leave what's pure and historical in the flag because that purity doesn't exist. Please explain to me how the People Rights group became a parade winner.

White supremacy works off a 'trickle down' strategy, the trend flowing in the parade trickles down to the audience. Pamphlets were being handed out to children.

I have never been a person of color, a person of colors' experience is not universal. My lived experiences are valid – so is a person of colors' experience. Trying to run the person of colors' experience through my own lived experiences often won't compute which is why is so easy to dismiss claims of racial oppression. Trying to run their experience through our white lens is an unfair rationale.

The insults in front of my house today was heartbreaking. Shame on the City of Commerce for allowing hate. These symbols perpetrate so much hate against marginalized and oppressed communities. Its more than just annoyances, these things add up. It was a dozen bee stings that went pass my home today. This is a real problem that needs to be addressed. I expect to see these groups banned from future participation.

Thanks,

Nicolas Y.

COMMENTS SUBMITTED VIA CITY WEBSITE

Date	Name (City)	Comment
7/4/21	Matt, (Redmond)	4th of July parade issues: we wanted to voice our concerns with the Fourth of July parade today in Redmond. the Fourth of July parade should be inclusive to all people and not used as a political tool. It should be a celebration for all people and ages, locals and tourists. But instead I saw a Christian priest, “know your rights” and “freedom OR DIE” flags. On top of that there was a confederate flag being waved, which is banned by the US Military and labeled as a “divisive symbol”. Why are we flying divisive symbols during our 4th of July parade. We need to do better and be inclusive to all groups and ages. Not fly symbols of hate and division.
7/4/21	Mike Ball (Redmond)	I thought the 4th of July parade was a non-political event? It seemed like half the parade was an out-of-town invasion and advertisement/fund raiser for the Bundy organization. I was very disappointed in the city.
7/5/21	Shaun Larson (Redmond)	As a Redmond residence I am greatly offended that you allowed a person to wave the confederate flag in the parade for the 4th of July. I can’t believe how backwards that is!!!! I am a member of the BPAC committee, I will consider resigning if this is allowed again.
7/6/21	Larry (Sisters)	What City officials were present at the 4th of July Parade where the confederate flag was so prominently displayed? We’re they supportive of this controversial action? I would like to hear from Mayor Endicott. I’ll seriously think twice about supporting businesses that are Redmond Chamber members, because their Executive Director found nothing offensive about its inclusion in the parade. Hopefully, he will soon be the ex- Executive Director!
7/6/21	Judd Wagner (Redmond)	Allowing a Confederate flag to be flown on a float during our local 4th of July parade is unacceptable. What are you going to do to make sure this NEVER happens again?
7/6/21	Hilda Beltran Wagner (Redmond)	Dear Mr. Sande, Seeing confederate flags in our city’s 4th of July holiday parade was offensive— a shock and embarrassment to our community. From the news article it sounds as if your office was perhaps blindsided; but upon seeing the actual float in the line up, were there really no “upstander” chamber representatives who had the common sense and common courage to intervene and prevent them from participating? And does our chamber now really have no stronger words of civic value beyond “it definitely caused an issue” and “it needs to be addressed”? I want to make sure my position is formally registered into a public record. I encourage you to begin to rectify this neglectful assault on our shared day of patriotic joy with some public accountability. This would entail a clear, unambiguous public statement against the display of the confederate flag during city/chamber sponsored events and explicit acknowledge of - and rejection of - the racism it represents, even when thinly disguised as “enactment.

Date	Name (City)	Comment
7/6/21	Brian Robertson (Portland)	I'm just learning of your permitted 4th of July parade that included some participates wearing and displaying the confederate flag. I find that completely offensive and out of character for any Oregon city. I am equally disappointed that there is not a statement from the city apologizing for the offensive behavior and signage. There is a divide at times from the west side of this state. But as a western Oregonian, I just returned from a vacation in the Bend area. As visitors we spent money in your restaurants and stores. It certainly makes me think twice about visiting or spending money in your community in the future. I hope Redmond comes out publicly against such hate speech. As Oregonians, we are all better than this.
7/6/21	Dillon Hall (Redmond)	I am appalled and upset that the city of Redmond allowed a confederate flag to be flown during the Fourth of July parade. I will not be taking my family to participate in the parade going forward. The city should be ashamed. As a Veteran, I am very upset with the poor choices to allow such a float to be allowed.
7/7/21	Carl & Saralyn Mesaros (LaPine)	To Redmond City Council: We are outraged and appalled that a confederate flag was included in the July 4th parade in Redmond. The claim that 'it's part of our history' is no excuse to display such a symbol that stands for slavery and white supremacy. Don't we have enough division, hatred, and racism in this country right now? Hitler is part of Germany's history but is not honored in any way. This dark history belongs in museums and history books, not in public celebrations of national holidays! We also find this embarrassing and disappointing. We moved to Oregon two years ago thinking we would be safe from this kind of racist rhetoric. Aren't people in Oregon better than this?
7/8/21	David Bernard	Why is the City of Redmond flying the confederate flag in a 4th of July parade? You’re celebrating an attempt to destroy The Union on the very day we use to Commemorate the founding of “ a more perfect union” . I don’t get it. Even if the city had nothing to do with it somebody should have a serous conversation with the idiot who did.

REGULAR CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD FEBRUARY 23, 2021, VIA GOTOMEETING.

COUNCIL MEMBERS PRESENT: **Jon Bullock – Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding**

MEDIA PRESENT: **None**

Mayor Endicott called the meeting to order at 6:00 p.m. A quorum was established.

BLESSING

Pastor Rick Russell from Mountain View Fellowship led the blessing.

PLEDGE OF ALLEGIANCE

Councilor Bullock led the Pledge of Allegiance.

COMMENTS FROM CITIZENS AT THE MEETING

There were no comments from citizens at the meeting.

CONSENT AGENDA
A. Purchase Authorization for Vactor 2100i Combination Sewer Cleaner Truck; $502,675.59
B. Purchase Authorization for 2020 Kenworth Heavy-Duty Service Truck; $160,496
C. Purchase Authorization for Stertil-Koni Heavy-Duty Mobile Column Lifts; $66,216.90

Councilor Bullock moved, seconded by Councilor Patrick, to approve the Consent Agenda as presented, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

PROCLAMATIONS
A. Red Cross Month

American Red Cross of Central and Eastern Oregon Executive Director Nadine McCrindle addressed the Council regarding the services provided by the American Red Cross, adding that she has witnessed firsthand the community's outreach to the fire evacuees this summer. Mayor Endicott commented that he and Councilor Clark-Endicott visited the site at the Fairgrounds where those who were displaced by the natural disaster were being housed; he lauded the Red Cross for their work to alleviate the suffering of those who had been displaced. Councilor Clark-Endicott shared her recent experience in donating blood, describing the app that can be used to facilitate the donation process. She urged others to donate blood.

Councilor Clark-Endicott moved, seconded by Councilor Fitch, to approve the proclamation designating March 2021 as Red Cross Month, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

Mayor Endicott read the proclamation.

PRESENTATIONS
A. 2nd Quarter Financial Report

Chief Financial Officer Jason Neff provided the Council with the second quarter financial report. Dashboard highlights included:

- City's financial position (excluding the Airport) remains minimally impacted from COVID-19
- Airport is financially stable with CARES funding, but passenger activity is less than budget
- Development revenues from permits and system development charges have been strong this fiscal year (FY) and exceed FY 19/20 comparisons

- Property taxes continue to hold at 96 percent collection rate
- Lodging taxes are trending at 96 percent of prior year levels
- Year-to-date operating expenses are at 45 percent with year-end projections at 97 percent
- Public Works facility and the Timber Waterline bond were paid off in January, saving $500,000.00 in interest
- PERS rate increase in FY 21/22 are 14 percent versus the 29 percent in the 5-year forecast

Key statistics covered were property tax collections, franchise fees, General Operating fund balance and balance change, utility sales, passenger facility charges, planning permit revenue, debt service coverage ratio, and assessed value growth. Mr. Neff reviewed the current and projected financial situation for various funds.

Mr. Neff addressed questions regarding Airport's parking revenue, potential uses for excess fund balances, Public Employees Retirement System rates and health insurance rates.

B. Airport Terminal Area Plan Concept Update

Airport Director Zachary Bass introduced Consultant Kevin Stockton who provided a presentation on the Terminal Area Concept Plan (TACP). Highlights included master plan recommendations, traffic increases, development considerations, a basic concept, growth rate, enplanement data, a scenario for recovery, and timeline for completion.

The purpose of the TACP is to serve as the first step in the design process. It validates and/or updates the forecasting information contained within the Airport Master Plan and a baseline is established for consideration of accommodating future growth. The TACP, which is planned for completion in September 2021, is also used to solicit full design services and establish a budget. Mr. Bass explained how a project such as the terminal expansion is funded.

C. State of Air Service Update

Air Service consultant Trina Froehlich gave the Council an overview of the air service industry. Ms. Froelich provided various statistics on changes to the U. S. domestic seat capacity by year as well as by airline, and industry financial performance. Industry wide, flights are down 7 percent while seats are down 13 percent; however, reductions at Redmond's Airport have been far less but are inline statewide. While the number of onboard passengers has decreased, the decline has been less than the national and state average. She shared potential new service opportunities and is optimistic that bookings will return; although it could take until the fall to begin increasing.

D. State of the Airport Update

Mr. Bass provided a broad update on the Airport which now has small hub designation. He reviewed the aerial map, the various teams of staff that keep the Airport running, regional importance, the COVID-19 impact, Coronavirus Aid, Relief, and Economic Security Act (CARES) funding, COVID-19 upgrades for passenger protection, projects completed in 2020 and upcoming projects in 2021. Mr. Bass commented on the capital improvement projects slated through 2025.

Councilor Evelyn thanked Mr. Bass for the recent Airport tour. In response to Councilor Bullock, Mr. Bass stated that lessons learned from the shut-down include the utilization of technology to train the Transportation Security Administration staff to the extent that all training has been moved to a virtual format. Mayor Endicott stated that he noticed enhanced sanitation stations and cleaning procedures in progress due to pandemic requirements.

BID AWARDS/BID REJECTIONS

A. Maple Avenue Staircase Construction Award Contract to Cascade Civil Corp (PK2101): $327,372

Parks and Facilities Manager Annie McVay requested approval of a bid award for the Maple Avenue Staircase project. Four proposals were received in response to a formal bidding process. Cascade Civil Corp was deemed the lowest responsible bidder at $327,372.00. The staircase, which will be located on the east side of the Maple Avenue Bridge, will have approaches from the north and south thus eliminating the need to cross Maple Avenue. The project will commence in spring 2021 with completion by late summer 2021.

Ms. McVay addressed questions regarding expectations of usage and parking concerns.

Councilor Bullock moved, seconded by Councilor Patrick, to award the Maple Avenue Staircase project to Cascade Civil Corp in the amount of $327,372.00 and authorize the City Manager to execute the contract, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

ACTION ITEMS

A. Amendment 3 to the Murraysmith South Redmond Water Facility Design Services Contract (WA1902); $445,477

City Engineer Mike Caccavano requested approval of Amendment #3 to the Murraysmith contract for the South Redmond Water Facility. The amendment, in the amount of $445,477.00, is to the design contract for construction and oversight services during construction. Mr. Caccavano noted this amendment was planned and is part of the project totals that Council members have previously been given. A project update was also provided.

Councilor Clark-Endicott moved, seconded by Councilor Fitch, to authorize the City Manager to sign Amendment #3 to the Murraysmith, Inc. contract in the amount of $445,477.00 for construction oversight services during construction of the South Redmond Water Facility, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

B. Pacific Power Blue Sky Grant Acceptance - $100,000 for Solar Panels at the Senior Center (SC2101)

Ms. McVay requested acceptance of the Pacific Power Blue Sky Grant in the amount of $100,000.00. The grant funds will be used to install solar panels on the City-owned Redmond Senior Center. Any energy cost savings will be redirected to the Senior Center for programs that serve older adults such as essential home services, and activities and support groups aligned with national standards set for community based senior centers. Teresa Hogue thanked the City and stated they look forward to a continued relationship.

Councilor Fitch moved, seconded by Councilor Patrick, to authorize the City Manager to sign the Grant Agreement with Pacific Power in the amount of up to $100,000.00 for the installation of solar panels at the Senior Center, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

MAYOR'S COMMENTS

A. Redmond Airport Committee - Appointment of Deschutes County Commissioner Tony DeBone as the Deschutes County Representative, term expiring December 31, 2021, and Bend City Councilor Melanie Kebler as the Bend Representative, term expiring December 31, 2024.

Mayor Endicott recommended the appointment Deschutes County Commissioner Tony DeBone as the Deschutes County Representative, term expiring December 31, 2021, and Bend City Councilor Melanie Kebler as the Bend Representative, term expiring December 31, 2024, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

COUNCIL COMMENTS

A. Councilor Clark-Endicott's Written Comments
B. Councilor Fitch's Written Comments

Councilor Patrick shared his appreciation of the Public Works Department, noting he saw a truck out plowing snow off the roads. He also voiced appreciation to the cemetery staff. Councilor Patrick raised the issue of landlord/tenant restrictions that was addressed by the state during the pandemic, the possibility of the state order being removed in the near future, and what, if anything, the City of Redmond can do to assist in this issue. Mr. Witcosky explained the previous Council determined the issue would be difficult to address and thus chose not to pursue it. Mr. Witcosky added that this Council can address the issue if they wish, potentially encouraging landlords to create a payment plan for tenants but, he said, Council would not be able to require landlords to do so. Councilor Patrick encouraged the Council to find a way to meet in person as soon as possible. Mr. Witcosky explained how staff is working towards that direction. Councilor Patrick thanked Councilor Clark-Endicott for her letter in the Council packet acknowledging Councilor Evelyn's and Councilor Wedding's willingness to serve on the Council. He also thanked Councilor Fitch for his comments on transportation in Redmond's future. Councilor Patrick stated he looks forward to Council having the opportunity to discuss the COVID relief funds and have some influence how they should be spent.

Councilor Bullock reported that, as a member of the Council, he has been given the opportunity to serve on the Redmond School District Equity Taskforce. The Taskforce has set three priorities. One way they are considering is for Redmond to seek the designation of being a "Welcoming Community." As the Council liaison on the Juniper Golf Committee, Councilor Bullock reported that he gave the oath of office to the two new committee members. He reported that the golf business is doing well as people can socially distance while playing. The Committee is looking at a feasibility study regarding expansion with an eye to the wedding/event industry. Councilor Bullock stated he is anticipating the upcoming meeting in March during which Council members will discuss Council rules and responsibilities of the liaisons. He opined an ad hoc committee looking at those rules every two years after an election, plus adding some processes, could help provide structure for clear communication. Councilor Bullock addressed the reopening of schools, urging people to drive safely as children are out and about and to be patient with educators during this process.

Councilor Clark-Endicott provided updates from the Citycounty Insurance Services board meeting including tracking legislative bills and House Bill 3115's need for tort immunity regarding homeless people camping on public property. The Joint Committee for Public Safety is considering adding one circuit court judge for Deschutes County although according to the growth of the county since 2003, there is a need for three additional judges.

Councilor Evelyn also thanked Councilor Clark-Endicott for her letter and voiced his appreciation for what she wrote. He added that he is looking forward to serving as liaison on the committees to which he was appointed as well as working on issues that are of concern to the citizens of the City.

Councilor Fitch commented on a recent Bend Bulletin editorial regarding a comprehensive solution on the north end of Bend near Cooley Road. Councilor Fitch opined the Council needs to ask itself if we need a reroute through the middle of Redmond. He explained the importance of protecting undeveloped land along a potential corridor on the east side adding that the Oregon Department of Transportation cannot protect undeveloped land due to their requirement to do extensive environmental studies. Councilor Fitch stated that the City can protect the corridor and there are funding sources that can be explored. He voiced his concern regarding how important and urgent this topic is and not taking action now will be short-changing Redmond in the future. Councilor Fitch raised the topic of having a grade separated crossing of the railroad tracks within Redmond and put forth his ideas and rationale about having one located at the re-route or at Odem Medo. Councilor Fitch opined he has no way of getting these concerns on the agenda for a Council workshop so that they can be discussed. He listed other ideas he would like to have discussed among Council members such as the Juniper Golf Course pavilion, marijuana dispensaries locating downtown, extending sidewalks in older neighborhoods, and concerns about St. Charles. Councilor Fitch spoke to his views on the role of Council liaisons and the need for periodic joint meetings with each of the committees and commissions.

Councilor Wedding concurred that communication still needs to be addressed further. She urged caution as the Council moves forward in discussing the role of liaisons on Committees and Commissions in order to not communicate to volunteers that they are not wanted or needed. Councilor Wedding echoed Councilor Patrick's appreciation to the Public Works Department for their tireless efforts to take care of the City. Councilor Wedding voiced appreciation to staff for the presentations made to Council on various topics and the tremendous amount of work that goes into preparing those presentations. She addressed the Airport and her appreciation to the staff there for all their work. Councilor Wedding joined Councilor Bullock in urging caution and safety when driving through school zones now that schools are reopening. She agreed with Councilor Evelyn that this has been a very positive meeting with a different tone than last week.

CITY MANAGER COMMENTS

City Manager Keith Witcosky Mr. Witcosky thanked Economic Development/Urban Renewal Project Program Coordinator Chuck Arnold and Ron Osmundson for distributing 23,000 pieces of Personal Protective Equipment to the community. He said that he has received a report, "Latinos in Central Oregon," which he will be forwarding to Council members to read in advance of a presentation the Latino Association wants to make in the future. Mr.Witcosky reminded Council members that the second Diversity, Equity, and Inclusion discussion will take place on March 16, 2021. Staff are working with legislators on a time-sensitive appropriations request for 19th Street and Quarry Road. Mr. Witcosky reported that the City of Bend has a process that gives City Councilors the opportunity, once every month or two, to pitch an idea. If enough Council members vote in favor, the topic gets scheduled for a future discussion. He echoed appreciation for staffs' efforts to clean up streets and plow snow.

In response to Mayor Endicott's questions regarding speeding in school zones, Police Chief Dave Tarbet stated the focus thus far has been reminding citizens but stated he does not have enforcement data at this time.

ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

There were no additional comments from citizens at the meeting.

There being no further business, the meeting was adjourned at 8:36 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 14th day of July 2021.

____
George Endicott, Mayor

ATTEST:

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Kelly Morse, City Recorder

DRAFT

SPECIAL CITY COUNCIL WORKSHOP OF THE CITY OF REDMOND WAS HELD MARCH 2, 2021, VIA GOTOMEETING.

COUNCIL MEMBERS PRESENT: Jon Bullock – Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding

MEDIA PRESENT: None

Mayor Endicott called the workshop to order at 6:00 p.m.

PRESENTATIONS

A. City Council Committee/Commission Follow Up Discussion from February 2, 2021

In terms of the Council rules, Mayor Endicott spoke to sections that addressed Council Liaisons. In response to comments from Councilor Evelyn regarding commission/committee appointments, Mayor Endicott explained this pertains to the Council serving as liaisons to these commissions/committees. Councilor Fitch opined that Councilor Evelyn was referring to a vote on the liaison positions. Councilor Wedding stated that in the past two weeks, she attended meetings of the committees to which she was appointed as liaison. She was welcomed and told they definitely want her involvement. Councilor Fitch stated that he is not opposed to liaisons serving on committees and commissions, but he thinks it is important to have joint meetings in order to fully collaborate.

Mayor Endicott reminded the Council he had committed to reaching out to the chairs of the City's commissions/committees regarding Council liaisons' attendance at their meetings, whether they would like to have joint meetings with the Council on occasion, or if they would like to continue with periodic presentations to the Council. He reported that he spoke with eight of the nine the committee/commission chairs and all but one said it would be valuable to have a liaison involved. He added they were all supportive of an annual report to Council by the chair and indicated that there have been instances of joint meetings in the past that were also helpful. Mayor Endicott added the chairs preferred ad-hoc meetings rather than scheduled meetings. Councilor Patrick concurred with ad-hoc joint workshops and voiced support for more interaction so that commissions/committees more readily understand the position of the Council. Councilor Bullock opined the issue is not the value of liaisons but what the rules say and whether those rules reflect the values and expectations of current Council members. He raised several concerns about the rules and how they are to be implemented. Councilor Clark-Endicott stated the conduct of the liaison is clear and there is no need to form a committee to further examine the liaison role. She spoke from her experience, stating that as a liaison, she is building relationships with volunteer citizens who are serving on the committees/commissions. Councilor Bullock suggested there be more specificity in the rules, citing for example, what would be the expectations around a Council member, who is not the liaison, attending a committee/commission meeting to make citizen comments. City Attorney Keith Leitz explained the difference between the Council and legislative body in terms of the Council rules, stating that each legislature is a new entity, but Council is an on-going body with new members. Councilor Fitch opined each Council should review the rules in place and ascertain whether they want to adopt them or modify them. He expressed concerned that Council members do not get to weigh in on what is important to them.

By a show of hands, Councilors Bullock, Evelyn, and Fitch were in support of creating a sub-committee to review the Council rules.

Mayor Endicott will work with City Manager Keith Witcosky to create a plan for identifying how Council members can address the Council with their ideas, on a periodic basis, in order to determine if there is sufficient support for further discussion on the topics raised.

B. Quartz Park Update

Parks Division Manager Annie McVay requested direction from the Council regarding the Quartz Park project, since design is nearing 60 percent and the estimated construction cost is higher than initially anticipated. Ms. McVay provided background on the public process, noting that the two most requested items were a parking lot and restroom.

Amenities in the current design include a parking lot, restroom, play structures, paved pathways, bike skills area, irrigation/landscaping, open lawn area, game area, and enhanced crosswalk. The park size is estimated at 7.9 acres. Ms. McVay stated that in April 2020 the low confidence budget estimate was $1.5 million and in January 2021 the moderate confidence estimate range is $2.7 to 4.0 million. She is requesting the Council's direction on whether to proceed with the current design and construct this summer or delay the bid until fall 2021 with construction in 2022. Two cost-saving options would be to remove the area south of Quartz Avenue and the restrooms.

Councilor Fitch asked if there is an upper limit to the amount that will be spent and wondered about what the trade-offs are or will be if this project proceeds. Councilor Bullock asked if there had been exploration of financing this project; Ms. McVay said they have not looked into financing. Councilor Patrick requested a list projects that will not be done if this project proceeds. Mayor Endicott asked about the involvement of the Parks Committee; Ms. McVay indicated the committee was supportive of the price increase and the design of the park. As liaison to the Parks Committee, Councilor Bullock reiterated Ms. McVay's statement that the committee supports this design and price increase, noting there is a desire that "we do this park right and we do this park well" and for it to be a key amenity in that area. He agreed that it is important to look at project trade-offs but advocated for this being a strongly supported project at its full capacity.

City Engineer Mike Caccavano stated that Quartz Avenue is a major collector but adding a park in the vicinity would not impact its function as a collector because the park is surrounded by neighborhoods. He said that there are several options to address pedestrian safety as well.

Mayor Endicott asked Ms. McVay to report back with other park projects that could be negatively impacted if this park is fully funded at the current estimated cost.

C. Housing Dashboard

Deputy City Manager John Roberts stated that affordable housing is the key issue in Redmond so that people can afford to live here and work here. He pointed out that one of the goals of Council in 2020 was to determine where the City is in terms of affordable housing and where the City needs to go. He said that hiring Housing Coordinator Rebecca Batzel has made it possible to address these issues more fully.

Ms. Batzel provided a presentation on affordable housing, inventory, and production goals. She stated that Affordable Housing has been designated as a Council goal for Fiscal Year 2021/2022 and then proceeded to define concepts and terms. Ms. Batzell reported that 33 percent of households in the City fall into the category of Severe Rent Burden which means that 50 percent or more of their income goes for housing. She calculated that, to keep up with current population predictions for the next twenty years, there will need to be 8,466 new units built or 423 per year. With the possibility of accelerated growth, Ms. Batzel stated that an additional 4,800 units will be needed. She identified low wages and increasing rents as two factors and described the following staff recommended strategies for the next one to three years:

- Policy development
- Land banking
- Increased waivers for System Development Charges (SDC)
- Affordable Housing Fund

Staff addressed questions regarding how to keep housing affordable after it is built and whether programs are available that combine affordable housing with daycare components.

Councilor Bullock commented on the cost of land and hopes the City will pursue a strategy of land banking or acquisition of land that can be developed with deed restrictions.

OTHER BUSINESS

There being no further business, the workshop was adjourned at 7:22 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 14th day of July 2021.

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George Endicott, Mayor

ATTEST:

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Kelly Morse, City Recorder

DRAFT

REGULAR CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD MARCH 23, 2021, VIA GOTOMEETING.

COUNCIL MEMBERS PRESENT: **Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding**

COUNCIL MEMBERS EXCUSED: **Jon Bullock**

MEDIA PRESENT: **None**

Mayor Endicott called the meeting to order at 6:00 p.m. A quorum was established.

BLESSING

There was no blessing given.

PLEDGE OF ALLEGIANCE

Councilor Evelyn led the Pledge of Allegiance.

COMMENTS FROM CITIZENS AT THE MEETING

Richard Clough and Scott Stuart spoke in support of Councilor Clark-Endicott's comments regarding transgender girls in sports.

Jon Riggs spoke regarding houselessness and the need for garbage service then requested a fee waiver. Mr. Riggs also spoke in opposition of Councilor Clark-Endicott’s comments on transgender girls in sports.

CONSENT AGENDA
A. Minutes of January 26, 2021
B. 2021 Surface Transportation Block Grant, Master Grant Fund Exchange Agreement No 34781 (TR2103)
C. Art Donation Acceptance: “Nest” by artist Skye Kimel

Councilor Clark-Endicott moved, seconded by Councilor Patrick, to approve the Consent Agenda, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-no, Fitch-no, Patrick-yes, Wedding-yes)

PROCLAMATIONS
A. Arbor Week

Councilor Patrick moved, seconded by Councilor Clark-Endicott, to approve the proclamation designating Arbor Week, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

City Manager Keith Witcosky read the proclamation.

PRESENTATIONS
A. Quartz Park Update

Parks and Facilities Division Manager Annie McVay and Parks Committee members Richard Lance and Bill Braly explained the history behind the proposed Quartz Park project and provided the Council with updated cost information and design configuration. Design elements of the 7.9-acre park include a parking lot, restroom, play structures, paved pathways, bike skills area, irrigation and landscaping, open lawn area, and game area. Additional discussion centered around an enhanced crosswalk. The Council expressed their support with having the Parks Committee consider the safety aspects of the crosswalk and work with staff to design reasonable protections for people crossing.

BID AWARDS/BID REJECTIONS

A. 2021 Overlay Project Bid Award to Tri-County Paving, LLC: $342,390.00

Streets Operations Manager Brad Haynes requested approval of a bid award with Tri-County Paving, LLC in the amount of $342,390.00 for the 2021 Street Overlay project. The City received three proposals in response to a formal Invitation to Bid. Tri-County Paving, LLC was deemed the lowest responsible bidder, with a bid near the City's estimate of $320,000.00.

Councilor Fitch moved, seconded by Councilor Wedding, to award the 2021 Overlay Project to Tri-County Paving, LLC in the amount of $342,390.00 and authorize the City Manager to execute the contract, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

B 2021 Type III Slurry Seal Project Bid Award to Doolittle Construction (TR2103): $400,000

Mr. Haynes requested approval of a bid award with Doolittle Construction in a not to exceed amount of $400,000.00 for the 2021 Type III Slurry Seal project. The City received two proposals in response to a formal Invitation to Bid. Doolittle Construction was the lowest responsible bidder at $323,170.00; the City's estimate was $400,000.00. Staff requested an award of not to exceed $400,000.00 to allow for the addition of scope based on the unit prices included in the bid.

Councilor Clark-Endicott moved, seconded by Councilor Evelyn, to award the 2021 Type III Slurry Seal Project to Doolittle Construction in the not to exceed amount of $400,000.00 and authorize the City Manager to execute the contract, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

C. 2021 Liquid Roads Project Bid Award to TopLoc Asphalt Maintenance, LLC, DBA: Central Oregon Asphalt Sealing: $99,890.00

Mr. Haynes requested approval of a bid award with TopLoc Asphalt Maintenance, LLC dba Central Oregon Asphalt Sealing in the amount of $99,890.00 for the 2021 Liquid Roads project. The City received three proposals with Central Oregon Asphalt Sealing being the lowest responsible bidder; the City's estimate was $119,300.00.

Councilor Fitch moved, seconded by Councilor Clark-Endicott, to award the 2021 Liquid Roads project to TopLoc Asphalt Maintenance, LLC dba Central Oregon Asphalt Sealing in the amount of $99,890.00 and authorize the City Manager to execute the contract, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

PUBLIC HEARING

A. Ord. #2021-01 - An ordinance concerning the vacation of SW Salmon Avenue from SW 6th Street to SW 1st Street.

Mayor Endicott opened the public hearing.

City Engineer Mike Caccavano requested a continuance of the public hearing for Ord. #2021-01 which vacates a portion of right-of-way (ROW) on SW Salmon Avenue between SW 6th Street and SW 1st Street. The vacation, which Council initiated on February 16, 2021, would return 30 feet of ROW on the north side of Salmon Avenue to the properties that originally dedicated it to the City. Because the adopted Transportation System Plan identifies a new connection between SW Salmon Avenue and Highway 97 at Quartz Avenue, the ROW is no longer needed. The City obtained consents from all property owners immediately adjacent to the ROW. Utility providers were also contacted with no objections received. The City received a letter on Saturday from NeighborImpact Executive Director Scott Cooper concerning access for their food bank from the east portion of the ROW. Mr. Caccavano has not been able to communicate further with Mr. Cooper and thus is recommending a continuance of the public hearing. Councilor Fitch commented there is no existing policy on vacations and that requests for vacations need to come to Council first. He pointed out that since there is undeveloped land in that area, there is no way to know at this time whether that right of way will be needed for future development. Councilor Fitch said that having this right of way could potentially take some pressure off future collector streets. Mr. Caccavano responded that Oregon Revised Statutes clearly spell out the vacation process and that includes City Council's consideration as the first step in the process.

Mr. Caccavano further clarified the Council's role in the vacation process at the request of Councilor Evelyn. Councilor Fitch reiterated his concern about where in the process Council is asked for feedback adding that the process would be better if the request was brought to Council for consideration before staff performs any work. Councilor Patrick concurred with the process proposed by Councilor Fitch. Councilor Wedding also concurred with Councilor Fitch, noting that a careful study needs to be done before a preliminary commitment is made to a vacation request. Mayor Endicott agreed that Council be engaged early in the consideration of vacation requests. He requested Mr. Witcosky and Mr. Caccavano to work on a procedure/process toward that end.

Mayor Endicott continued the public hearing, stating that it is open for written or oral input.

B. Ord. #2021-02 - An ordinance approving a Master Development Plan, Tentative Subdivision, and an amendment to the 2040 Greater Redmond Area Comprehensive Plan and Zone Map. (Kinton Estates)

Mayor Endicott opened the public hearing.

Senior Planner Kyle Roberts requested approval of Ord. #2021-02 which approves a Master Development plan, 64-lot tentative subdivision, and Comprehensive Plan and Zone Map amendment to rezone property from R-2 (Limited Residential) to R-3 (Limited Residential), and R-4 (General Residential). The 16.25-acre parcel, located at 4860 SW Badger Avenue, is northwest of Ridgeview High School and part of the Southwest Area Plan. The proposed neighborhood would consist of 44 lots zoned R-3, 20 lots zoned R-4, a 1.22-acre park, and a multi-use trail. Lot sizes range from 7,500-8,445 square feet in the R-3 zone and 6,000-8,138 square feet in the R-4 zone. Mr. Roberts explained the review criteria for the Master Development Plan, the applicable Great Neighborhood Principles, and the notable conditions of approval. The Urban Area Planning Commission (UAPC) received public testimony at its public hearing that centered around types of housing and physical access to the development. Staff and the applicant addressed the comments. Mr. Roberts indicated that additional public comments were received prior to the Council meeting. The comments expressed concern with how transportation impacts were reviewed for the development. As part of the application process, a traffic impact analysis (TIA) was required. Mr. Caccavano reviewed the TIA and deemed it adequate. Comments received regarding water runoff will be addressed when engineering plans are reviewed.

Mr. Roberts reviewed notable conditions of approval and addressed questions regarding the topography of that tract and the alignment of SW 47th Street. Staff recommends that the Council accept the UAPC's recommendations with the language modification for Condition of Approval #6 to read: SW Badger Avenue will need to be a minor collector street with limited access; any access points will need to be approved by the City Engineer.

Applicant's representative Steve Miller addressed the public comments received regarding the TIA noting that because of the reconfiguration of the neighborhood due to Badger Avenue, the proposal is for a 64-lot subdivision versus 65 lots so the TIA is accurate. Mr. Miller addressed questions on the canal trail noting that while it was originally approved for the east of the canal, it will actually need to cross the canal at Badger Avenue and from there, continue northward on the west side of the canal. The planned linear park will also have walking trails and will be on the west side of the canal.

Mr. Miller spoke to the barricading of Badger Avenue which has been proposed, requesting that they be allowed to use that access point for heavy construction equipment before it is barricaded. This will prevent damage to other newly constructed streets located nearby. He requested an amendment to that condition, and it was determined that this is not a condition. Mr. Caccavano voiced support for the use of that portion of Badger Avenue for heavy construction traffic.

Mr. Miller reported that Pahlisch Homes will be purchasing the project and they plan to only have one phase, despite the original proposal of five phases. He explained the rationale for the zoning requests and noted that the larger lots are in the northern part of the proposed development with increasing housing density moving southward. The three canal crossings that are needed for this development are costly and that having lower density housing helps to offset that expense.

Pahlisch Homes' Land Use Attorney Mike Robinson spoke in favor of the proposal, including the amendment to Condition #6, and requested that it be approved.

There being no further testimony, Mayor Endicott closed the public hearing.

Councilor Clark-Endicott moved, seconded by Councilor Fitch, to have a first and second reading of Ord. #2021-02 by title only with modification to Condition #6 as proposed and agreed by staff, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

City Attorney Keith Leitz read the first and second reading of Ord. #2021-02 by title only.

Councilor Clark-Endicott moved, seconded by Councilor, to approve Ord. #2021-02 with modification to Condition #6 as proposed and agreed by staff, motion passed. (ROLL CALL: Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

ACTION ITEMS

A. Res. #2021-04 - A resolution declaring certain territory as being annexed to and incorporated within the City of Redmond.

Planning Manager Deborah McMahon requested approval of Res. #2021-04 which annexes property into the City. The Annexation Agreement was approved by Council in June 2020. The property, owned by Ed Bartholemy and located at 4860 SW Badger Avenue, was considered tonight for land use action through Ord. #2021-02.

Councilor Fitch moved, seconded by Councilor Patrick, to adopt Res. #2021-04 a resolution declaring certain territory as being annexed to and incorporated within the City of Redmond, motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

B. Annexation Agreements with Nicko Properties, LLC (Tax Lot 141333C000300), Arron Curtis (Tax Lot 151330BC00900), Arch Holding Company, LLC (Tax Lot 151330BC00700), and Michael Malone (Tax Lot 1513290001200)

Planning Manager Deborah McMahon requested approval of annexation agreements for the following properties located outside of the city limits:

1. Tax Lot 141333C000300 - This 19.23-acre parcel is owned by Nicko Properties and is located near Pershall Way and NW 19th Street. It is proposed for residential development pursuant to the Northwest Area Plan and the R-4 Medium Density Zone.

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2. Tax Lot 151330BC00900 - This 9.81-acre parcel is owned by Arron Curtis and is located east of Helmholtz Way new SW Badger Avenue. It is proposed for residential development pursuant to the R-1 Low Density Zone.
3. Tax Lot 151330BC00700 - This 9.47-acre parcel is owned by Arch Holding Company and is located east of Helmholtz Way near SW Badger Avenue. It is proposed for residential development pursuant to the R-1 Low Density Zone.
4. Tax Lot 1513290001200 - This 4.11-acre parcel is owned by Michael Malone and is located east of Highway 97 and west of Juniper Golf Course. It is proposed for industrial development pursuant to the M-1 Light Industrial Zone.

Ms. McMahon addressed a question about the zoning for request #4 and water rights for all of the requests, explaining it is a mixed zone at this time. Councilor Patrick stated that he is pleased to see the property annexations as he believes that making more property available is the only way the City will be able to achieve its goal to provide affordable housing for residents.

Councilor Clark-Endicott moved, seconded by Councilor Patrick, to authorize the City Manager to sign the annexation agreements with Nicko Properties, LLC (Tax Lot 141333C000300), Arron Curtis (Tax Lot 151330BC00900), Arch Holding Company, LLC (Tax Lot 151330BC00700), and Michael Malone (Tax Lot 1513290001200), motion passed. (Bullock-absent, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

MAYOR'S COMMENTS

Mayor Endicott will testify before the Joint Ways and Means Committee on behalf of the Oregon National Guard for support for emergency preparedness. He said he will also speak on the Oregon Military Department's acquisition of property to build a new armory in Redmond.

The League of Oregon Cities (LOC) will be contacting each Councilor this week leading up to the training on March 30, 2021.

Mayor Endicott stated that the House of Representatives is considering the decriminalization of marijuana. He said that he has asked staff to research the time, place, and manner for the placement and operation of marijuana outlets in Redmond and that staff will prepare a proposal or ordinance for Council consideration.

Mayor Endicott said that we are following the guidance of Professor Erika McCalpine regarding a way forward in addressing Diversity, Equity, and Inclusion (DEI).

Mayor Endicott expressed his concern about introducing actionable items to staff outside of process whereby staff can review and determine applicability and workload required for any proposals. He alluded to the staff and Parks Committee addressing Councilor Fitch's item on the Quartz Park project.

He reported Oregon Department of Transportation (ODOT) staff will be attending a meeting in May or June to discuss South Highway 97, the Quarry interchange, and the feasibility of re-route Phase 2. The Mayor requested tabling discussion of these topics until the joint meeting can be held with ODOT.

Mayor Endicott said that the Golf Committee is still considering proposed enhancements to the golf course, and he proposed waiting until that committee has a plan on how to move forward before Council interjects.

He reminded Councilors that they should contact him to add something to the agenda and that a Council vote is only needed if he refuses to add something to the agenda. Mayor Endicott addressed Councilor Fitch's statement that Council had reached consensus on agreeing to vote on actual items. He (the Mayor) had reviewed the videos of previous meetings, and he could not find any such agreement.

Mayor Endicott reminded Council members of the budget process and the work of staff in late December and early January to develop a preliminary budget which is then followed by Council's approval of goals and objectives. The next step in the process is for staff work to integrate those goals and objectives into the budget in preparation for Budget Committee meetings in April. He cautioned that adding goals at this time could very much affect the budget process.

COUNCIL COMMENTS
A. Council Evelyn's Written Comments
B. Councilor Fitch's Written Comments

Councilor Clark-Endicott stated that she also wants to thank Ms. McCalpine for the recent DEI workshop she conducted, adding that it was excellent, and she appreciates her input, insight, and expertise. Councilor Clark-Endicott referred to Ms. McCalpine's comments about inclusive climates and the desire to create an inclusive climate in Council, elaborating on principles that are indicative of inclusivity. Councilor Clark-Endicott reported on the Oregon economic forecast provided at the recent Economic Development for Central Oregon meeting. Oregon has a strong economic future and the expectation is that recovery from the pandemic will occur by September 2021. Councilor Clark-Endicott shared that businesses reported on how they survived the pandemic and gave an example of one candle business that switching to producing hand sanitizer, more in demand than candles over the past year. She reported on discussion about businesses having difficulty finding employees and the fact that people no longer are required to actively look for work to receive unemployment benefits. Councilor Clark-Endicott attended the recent Central Oregon Area Commission on Transportation meeting and that ODOT has released their strategic action plan.

Councilor Evelyn addressed feedback received from citizens regarding the use of acronyms during meetings and not knowing what they mean. He elaborated that staff presentations need to be presented in language that is easy to understand so citizens can follow what is being said and know what is being done with their tax money. Councilor Evelyn referred to the letter he submitted that encouraged Council to work together.

Councilor Fitch addressed his prior motions and feels the issues are being addressed. Councilor Fitch provided an update on Phase 2 of the Highway 97 reroute and believes there is a viable alternative to focus on with ODOT. He addressed Council goals and stated that his recollection is that goals were never finalized in January. He said that, based on the goals approved on the Consent Agenda, homelessness, marijuana dispensaries, and DEI are not on the list. Councilor Fitch said he hopes the Council can discuss these and other issues openly in order to build trust for working together.

Councilor Wedding stated that she is glad Council and ODOT are having a joint meeting to discuss Highway 97 South in anticipation of future needs. She spoke to the issue of street vacations and the need for Council to be involved early in the process. Councilor Wedding voiced support for being proactive regarding the issue of marijuana dispensaries. She addressed the tenor of recent Council meetings, including the dissension and attacks, and encouraged the "upbeat attitude" she experienced tonight from Council to continue.

Councilor Patrick concurred with Mayor Endicott's direction to contact the Mayor regarding the addition of agenda items, and voiced support of using this procedure rather than creating a new one. Councilor Patrick concurred that he wants Council to be proactive rather than reactive regarding the issue of marijuana dispensaries. Councilor Patrick advocated Council members to stop the attacks on other Council members and urged a respectful, positive approach. He addressed differences of opinion from a broader cultural perspective.

CITY MANAGER COMMENTS
City Manager Keith Witcosky reported that there are numerous openings for volunteers on Committees and Commissions and urged Council members to have people they know apply if interested. LOC General Counsel Patty Mulvihill has talked with several Council members to gather information and that

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next week the items the Council wants to focus on will be "put on the table" for everyone to see and discuss how they can move toward being the Council they want to be. Mr. Witcosky announced that Ms. McCalpine will return on June 15 to further the discussion on DEI. She also will be contacting each Councilor. Mr. Witcosky discussed the managing of ideas, policy work sessions, and projects with the goal of identifying the issue, the purpose, and the success criteria. Mr. Witcosky said that staff will work on an issue, present to Council, and take feedback from Councilors on how to proceed.

ADDITIONAL COMMENTS FROM CITIZENS AT THE MEETING

Sidney Anderson spoke to the Constitution and voiced support for Councilor Clark-Endicott's right to state her opinion on transgender girls in sports.

There being no further business, the meeting was adjourned at 8:51 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 14th day of July 2021.

____
George Endicott, Mayor

ATTEST:

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Kelly Morse, City Recorder

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SPECIAL CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD APRIL 6, 2021, VIA GOTOMEETING.

COUNCIL MEMBERS PRESENT: Jon Bullock – Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch (left at 7:24 p.m.) – Jay Patrick – Shannon Wedding

MEDIA PRESENT: Jackson Hogan, The Bulletin

Mayor Endicott called the workshop to order at 6:00 p.m.

PRESENTATIONS
A. Redmond Convention Visitor's Bureau Strategic Plan FY 2021-2022

Redmond Chamber of Commerce and Convention Visitor's Bureau (CVB) Executive Director Eric Sande shared information on their organization, current staff, and Board of Directors. Consultant Lynnette Braillard provided the Council with an overview of the CVB's strategic plan. She highlighted tourism and website statistics, their marketing year in review as well as upcoming events, their Fiscal Year (FY) 2021-2022 goals and objectives, upcoming strategies, the timeline for marketing initiatives, and a review of the CVB budget.

B. Time Place Manner Restrictions: Marijuana Dispensaries

City Manager Keith Witcosky introduced the topic by sharing it appears the federal government will decriminalize marijuana so the presentation is designed to enable the Council to take proactive action regarding marijuana dispensaries within the City. He stated that time/place/manner (TPM) restrictions need to be reasonable. Mr. Witcosky said the Council will have ample time for questions as they consider where and how they want this industry to operate. He stated the intention of this presentation is to have discussion and then for the Council to provide staff with input regarding the ordinance. Once compiled, the ordinance will be presented formally at a future Council meeting.

City Attorney Keith Leitz provided background on the TPM of marijuana dispensaries noting there is a fair amount of latitude in the requirements a City can impose. The City currently manages marijuana through its business license process. Mr. Leitz said that business licenses are contingent upon compliance with state and federal law, so if marijuana is decriminalized at the federal level, there will be no restrictions on selling marijuana according to current processes. He stated that drafting TPM restrictions will allow the City to regulate the marijuana industry once federal decriminalization occurs.

Deputy City Manager John Roberts explained the purpose of TPMs adding that many cities use them and tailor them to fit their needs. The biggest consideration for TPMs is zoning location. The current M-1 zone does not allow for retail, but a code amendment would be brought to Council allowing for some modifications.

Concerns were expressed with allowing dispensaries near places where children would congregate such as a strip mall. Mr. Leitz indicated a dispensary would be grandfathered in the event a business that caters to children moves in next door, such as an entertainment center, toy store, or ice cream shop.

Much discussion was held regarding whether to allow dispensaries in both M-1 and commercial zones. One factor mentioned was that in commercial areas, businesses rotate in and out frequently such that there might be an instance at some point with a dispensary nearby/next to a business that caters to children and/or teens. Mr. Roberts reiterated that the Redmond Development Code would need to be adjusted to allow dispensaries within the M-1 zoning areas as they would be considered retail establishments.

Councilor Fitch questioned whether limiting dispensaries to M-1 zoning would be considered “reasonable” or would create pushback from those seeking to open dispensaries in Redmond. Councilor Clark-

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Endicott suggested removing commercial from consideration. Councilor Patrick stated he would be supportive of staff vetting out appropriate locations within the City, reiterating the desire to protect children and teens from potential exposure to dispensaries. Councilor Wedding concurred with suggestions to limit dispensaries to M-1 zoning, but also wondered about pushback regarding how restrictive those limitations would be. Councilor Evelyn recommended taking time to research the areas but would be supportive of the M-1 zone. Councilor Bullock asked for more information regarding what other jurisdictions have done regarding limiting dispensaries to M-1 zoning areas and what the TPM restrictions are for alcohol sales.

The consensus of the Council was to look at M-1 with 500 feet separation.

EXECUTIVE SESSION

Mayor Endicott convened the Council into Executive Session at 7:24 p.m.in accordance with ORS 192.660(2)(e) authorizes executive session "to conduct deliberations with persons designated by the governing body to negotiate real property transactions."

Mayor Endicott closed the Executive Session portion of the meeting at 7:41 p.m.

The regular portion of the meeting was called to order at 7:41 p.m.

MOTIONS AS A RESULT OF EXECUTIVE SESSION

There were no motions as a result of Executive Session

There being no further business, the meeting was adjourned at 7:42 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 14th day of July 2021.

____
George Endicott, Mayor

ATTEST:

____
Kelly Morse, City Recorder

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SPECIAL CITY COUNCIL JOINT MEETING OF THE CITY OF REDMOND AND DESCHUTES COUNTY BOARD OF COMMISSIONERS WAS HELD MAY 11, 2021, VIA GOTOMEETING.

COUNCIL MEMBERS PRESENT: **Jon Bullock – Krisanna Clark-Endicott – George Endicott – Clifford Evelyn – Ed Fitch – Jay Patrick – Shannon Wedding**

COMMISSIONERS PRESENT: **Patty Adair – Phil Chang – Tony DeBone**

Mayor Endicott and Chair DeBone called the meeting to order at 6:00 p.m. A quorum was established.

UPDATE ON COUNTY TRANSPORTATION SYSTEM PLAN

Deschutes County Public Works Director Chris Doty provided the Council and Board with an update on the County's Transportation System Plan (TSP). He described multiple aspects of the TSP, including roads maintained by other agencies and accommodations for biking and walking. Mr. Doty addressed the Quarry Interchange noting that since the interchange is within the County's jurisdiction it is included in the their TSP. He spoke of the benefits of having that interchange, including having a grade separated rail crossing.

Councilor Fitch discussed the potential for South Highway 97 to be a significant issue by 2040 and thus, the importance of the Quarry Interchange. He suggested the Old Bend/Redmond Highway is likely to increased traffic as people seek alternate routes to/from Redmond and Bend. Councilor Fitch recommended including a northern connection from Maple Avenue to the O'Neil Junction for the future. Councilor Fitch addressed Highway 97 in Terrebonne.

Mayor Endicott expressed appreciation to the County for making the Quarry Interchange a priority in their TSP. In response to questions on traffic congestion in Alfalfa, Terrebonne, and Tumalo, Mr. Doty describing projects proposed for Tumalo and Terrebonne, but noted Alfalfa has not yet become an area of concern.

RESOLUTION AUTHORIZING A LONG-TERM RURAL OREGON ENTERPRISE ZONE EXEMPTION ON TAXABLE PROPERTY FOR S.A. PIAZZA & ASSOCIATES LLC AND GRAND DESIGN, LLC.

City Attorney Keith Leitz explained the City and County approved a Long-Term Rural Oregon Enterprise Zone Exemption Agreement with S.A. Piazza & Associates in March which would have provided up to 15 years of property tax exemption. He said the state of Oregon requested a formal resolution specifically acknowledging the property tax exemption of up to 15 years. Mr. Leitz said that the request is for Council to approve Resolution #2021-06.

Councilor Fitch moved, seconded by Councilor Clark-Endicott, to approve Resolution #2021-06, motion passed. (Bullock-yes, Clark-Endicott-yes, Endicott-yes, Evelyn-yes, Fitch-yes, Patrick-yes, Wedding-yes)

HOMELESSNESS: INFOMRATIONAL SESSION ON SCOPE OF THE SITUATION; PORTFOLIO OF SERVCIES AND ACTIONS TAKEN BY DESCHUTES COUNTY; ROLE PLAYES BY NON-PROFITS; AND NEXT STEPS.

Chair DeBone introduced the panel discussion on homelessness. Deschutes County Behavioral Health Director Janice Garceau provided the Council and Board with various statistics on the Point in Time Count which indicated contact was made with approximately 150 homeless individuals living on Bureau of Land Management property in Redmond. The Redmond Behavioral Health Clinic identified 123 clients (12 percent of all served) as homeless. Deschutes County Community Health Specialist Katie De Vito described the services she provides to the homeless community through the Homeless Outreach Program. Ms. Garceau emphasized there are many reasons people may be homeless so a "one size fits all" approach does not work. Challenges include no year-round shelter in Redmond, transportation,

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remote location, limited detox/treatment beds for the region, and COVID-19. Ms. De Vito shared the success story of a couple that had been homeless for nearly 30 years.

Central Oregon Intergovernmental Council (COIC) Executive Director Tammy Baney, Homeless Leadership Coalition vice Chair Lindsey Stailing, Bethlehem Inn Executive Director Gwenn Wysling, NeighborImpact Executive Director Scott Cooper, and Shepherd's House Representatives Dr. Randy Jacobs, Mike Yunker, and John Lodise provided the Council and Board with information on the services they offer to the homelessness and rent burdened community, their efforts toward ending homelessness, and advocacy. Mr. Witcosky suggested that COIC could take the panel's ideas and recommend ways to address them. Efforts will be made to convene in June with COIC facilitating the meeting.

OTHER BUSINESS

There being no further business the meeting was adjourned at 8:06 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 14th day of July 2021.

____
George Endicott, Mayor

ATTEST:

____
Kelly Morse, City Recorder

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STAFF REPORT

DATE:	July 14, 2021
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager Dave Tarbet, Police Chief
FROM:	Jesse Petersen, Lieutenant
SUBJECT:	Authorization to Enter into a Five-Year Lease with Synnex Financial Services for the purchase of Panasonic Laptops, and associated equipment, for the Redmond Police Department: $150,840.40.

Addresses Council Goal:
1. SUSTAIN OPERATIONS: Provide or enhance current levels of operations in all facets of municipal service delivery.
B. Increase the efficiency and/or effectiveness with which the City provides public services.
iv. Seek and achieve efficiencies through the acquisition and implementation of new technologies.

Report in Brief:
This item requests City Council authorization to enter into a five-year lease with Synnex Financial Services for the purchase of 36 Panasonic Laptops and associated equipment for the Redmond Police Department (RPD) at a total cost of $150,840.40.

Background:
Given the increased use of technology within RPD vehicles, the department is transitioning for use of tablets to laptops, as well as replacing outdated laptops.

RPD will purchase 36 laptops through this contract. This effectively replaces their existing inventory of 31, adds four more for new vehicles, and includes one extra as backup (31+4+1=36).

The lifespan of this technology is typically five to seven years. Therefore, replacements will occur again in future years.

Discussion:
RPD uses laptop technology in the vehicles for a variety of reasons and functions. This includes, improving workflow efficiency due to portability and report writing; meeting criminal justice reporting/database requirements; accessing City network/911 networks and other key databases necessary to do their jobs; increases network security by using VPN protocols; provides more reliable technology than tablets which reduces downtime for officers.

Fiscal Impact:
The total lease cost of $150,840.40, includes the lease finance cost of $17,565.60, and results in an annual lease payment of $30,168.08. Approximately $4,800 will be used to purchase hardware for 12 vehicles needing hardware updating for laptop up-fitting. For Fiscal Year 2021/22 the total cost is approximately $34,968.08.

Alternative Courses of Action:
1. Approve entering into a contract with Synnex.
2. Do not approve the contract.
3. Take no Action and Request more information.

Recommendation / Suggested Motion:
"I move to authorize the City Manager to enter into a five-year lease with Synnex Financial Services for the purchase of Panasonic Laptops, and associated equipment, for Redmond Police Department in an amount not to exceed $150,840.40."

June 25, 2021

SYNNEX **Financial Services**

Finance Options for

Customer Name:	**City of Redmond PD**
Equipment Description:	Panasonic
Transaction Amount:	$133,274.80
Vendor Name:	LEHR

To apply for credit, please circle the subscription option(s) of most interest to you. Then, complete and submit the application below. Note: payment figures do not include applicable taxes.

Payment Proposal Summary:

No advance payment is required

Standard Term	$1 Out Annual Payment
60	**$30,168.08**

Your End-Of_Lease Options Are:

FMV (Fair Market Value)
1) **Purchase the equipment for its Fair Market Value, or**
2) **Continue to lease the equipment for your regular monthly payment, or**
3) **Renew the lease for a specified time, or**
4) **Return the equipment to the Lessor**

$1 Out
1) **Purchase the equipment for $1.00.**

When you choose to lease, there may be no greater advantage than the ability to purchase more equipment and services through a financed structure compared to a cash purchase. This added buying power allows you to get more of the solution you need to meet the goals of your organization. Other benefits include:

Finance the Entire Solution:	**We can finance hardware, software, services, installation, training and more.**
Technology Obsolescence:	**Avoid the full cost of ownership of equipment that becomes obsolete due to technology advances.**
Predictable, Monthly Payments:	**Leasing enables you to pay over time, rather than invest a lump sum up front.**
Tax & Accounting Benefits:	**Payments may be tax deductible. See your tax and accounting advisor to confirm the benefits.**
Easier Budget Forecasting:	**Fixed monthly payments allow to you accurately forecast budgets now and in the future.**

Terms: I) Quote is valid for, and must fund within, 30 days from issuance, II) Quote is good for new equipment only, III) Quote does not include applicable taxes, which may be billed in addition to the monthly payment, IV) All quotes and transactions are subject to Synnex Financial Services credit, documentation and equipment configuration review and approval, V) Rates subject to change without notice, VI) Monthly payments may reflect monthly pass through payments for vendor supplied maintenance / service, VII) All transactions are subject to a $75.00 Documentation Fee.

Please contact me should you have any questions about your finance options.

I look forward to working with you and designing a finance solution to fit your needs.

Thank You,

Ryan Kuss

610-202-2548

RyanKuss@synnexfs.com

Pelton Round Butte and the Deschutes River

Collaborating to restore salmon and steelhead to a reconnected Deschutes River Basin while generating emissions-free hydropower

About the Pelton Round Butte project

For more than four decades, Portland General Electric and the Confederated Tribes of the Warm Springs Reservation of Oregon have co-managed the Pelton Round Butte hydroelectric project in Central Oregon, providing enough emissions-free hydropower to power more than 150,000 homes. The project was completed in 1964 and includes three dams situated along a 20-mile stretch in the Deschutes River Canyon.

QUICK FACTS

- **Power generated**: 500 Megawatts
- **People employed**: 46
- **Parks and recreation sites operated in Central Oregon:** 6
    - *Overnight visitors in 2020*: 35,800
    - *Estimated day use visitors in 2020*: 10,516
- **Property taxes paid annually**
    - *Jefferson County*: $3,931,711
    - *Deschutes County*: $55,848

Restoring sustainable fish runs

Dam construction in the 1960s caused two serious problems: anadromous salmon and steelhead were unable to complete their migration to and from the ocean when the original fish passage system wasn't successful, and seasonal river temperatures were artificially disrupted. Since our new hydropower license was issued in 2005, we have worked alongside 20+ partner agencies and nonprofit organizations to correct these problems and improve conditions for fish and wildlife.

EARLY SUCCESSES IN A LONG-TERM EFFORT

- **1.5 million juvenile fish** collected at our Selective Water Withdrawal facility in Lake Billy Chinook and passed downstream to continue their journey to the ocean
- **250 miles** of historic upper basin habitat now available to migrating adult fish
- **$26.5 million** granted to partner organizations for fish passage, water quality and habitat improvement projects in the Deschutes Basin

Collaborative and science-based decision making

The Pelton Round Butte project is managed collaboratively by PGE, the Tribes and an active group of regional partners who make up the project Fish Committee. To help all of us move forward in the reintroduction process, the Fish Committee developed a roadmap of current and future strategies. As we continuously gather data, review the latest science and consult with the Fish Committee, we make thoughtful adjustments – a process known as *adaptive management*.

ADAPTIVE MANAGEMENT IN ACTION

- **Nighttime generation:** Data showed that juvenile fish travel at night, so in 2017, we began generating power in the evenings during peak migration season. This attracts more salmon and steelhead to our collection facility, allowing them to migrate. Our collection efficiency in 2017 and 2019 were the highest on record – a direct result of nighttime generation. Low flows in 2020 led to lower than average collection efficiencies, but we still broke our record for steelhead collection.
- **Night releases and stress relief:** In 2017 we started releasing juvenile fish into the lower river at night to reduce the likelihood of predation by birds or other animals. In 2021, we are installing a stress relief pond at the release site to allow fish more recovery time after being handled and transported.
- **Smolt acclimation:** The Oregon Department of Fish and Wildlife, in partnership with PGE and the Tribes, has expanded the practice of smolt acclimation. Ocean-going fish are held in place within the stream for 10-30 days prior to release to help them imprint on the water's unique scent and improve their chances of returning to the same stream. In 2021, we aim to acclimate 100% of fish prior to release.

Managing water quality in a complex ecosystem

PGE and the Tribes are dedicated to monitoring, studying and improving water quality in the Deschutes Basin. Our dedicated team of biologists monitor temperature, pH, dissolved oxygen and other parameters year-round and communicate the results with our regulators.

WATER QUALITY INITIATIVES

- **Restoring natural temperatures:** The Selective Water Withdrawal facility has helped restore a more natural seasonal temperature pattern in the Lower Deschutes, with warmer water released in the spring and summer and cooler water released in the fall and winter. These seasonal changes support healthy salmon, steelhead and redband trout populations.
- **Multi-year study:** In February 2015, we kicked off a multi-year study to learn more about water quality in the Lower Deschutes River, its reservoirs and major tributaries. The study, which utilizes extensive data and sophisticated models, was completed and released in 2019. After the discovery of a laboratory error, which affected the report's discussion of algae dynamics in the Lower Deschutes River, the study was revised and rereleased in 2021. It is an important new component in our dataset and will help us continue making science-based decisions that benefit the entire river.
- **Water Quality Management & Monitoring Plan (WQMMP) revisions:** The project's Section 401 Water Quality Certification from the Oregon Department of Environmental Quality (DEQ) requires a WQMMP to guide how the project is adaptively managed to meet water quality and fish passage objectives. Recently, we asked DEQ to approve revisions to the WQMMP (which has not been revised since 2004) to reflect current water quality standards and collaborative management practices. You may have an opportunity in the near future to provide input to DEQ on the proposed revisions. Your support for our continued focus on science-based management of the project as we optimize this complex system will be important.

For more information, visit our website at portlandgeneral.com/healthydeschutes, or register for an upcoming presentation at portlandgeneral.com/deschutesupdates.

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STAFF REPORT

DATE:	July 14, 2021
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager John Roberts, Deputy City Manager
FROM:	Jackie Abslag, CDD Programs Coordinator
SUBJECT:	Special Event Street Closure of 5th Street from Black Butte Boulevard to Forest Avenue for the Cascade Car Show: August 21, 2021

Addresses Council Goal:

6. Community Enhancement: Create an image and identity that generates a sense of community pride, ensures a high quality of life and safety for our citizens, and attracts new residents and businesses and facilitates opportunities for success.

Report in Brief:

This item requests City Council approve a Public Assembly Permit for the Cascade Car Show, scheduled for August 21, 2021, of 5th Street from Black Butte Boulevard to Forest Avenue.

Background:

Specific special events that apply to the City for permits, which involve closure of any portion of 5th and 6th Streets, require approval from Council. These streets serve as the spine of Redmond's primary commercial and downtown corridor and closure could have unanticipated impacts. Therefore, any request for closure is viewed as meriting a public hearing as it provides an opportunity for greater public awareness and for the general public and stakeholders to provide input.

The event organizer is responsible for notifying impacted properties about any closures. To date, the organizer has gone door to door and there has been no opposition to this request.

Public assembly permit applications are reviewed for compliance with City Code to ensure public safety, transportation, parking, sanitation, trash removal, marketing, fire protection, medical services and public notice concerns are addressed. Each application is routed to impacted City departments and partner agencies for comments. Fees are established per the City of Redmond Fee Schedule to recover City costs for supporting the event.

Discussion:

The Cascade Car Show is organized and sponsored by Mooney Marketing. This is the 2nd year for the event. The event was held in 2019 and cancelled in 2020. In 2019, the event drew 300 classic cars.

If COVID restrictions are reinstated prior to the event, the organizer has a detailed plan for operating under that environment.

The street closures, parking plan and detour routes were vetted by the City's Public Works, Transportation, Police Department, and Redmond Fire and Rescue.

The permit requests closure of SW 5th Street from Black Butte Boulevard to Forest Avenue. The duration of the closure will be from 7:00 a.m. through 4:00 p.m. on Saturday, August 21, 2021.

<u>There will be two detour options around the street closure:</u>

1) 4th Street will remain open for fire/medical emergency response and to allow through traffic from Forest Avenue to Black Butte Boulevard; and

2) 7th Street will remain open for both north and southbound traffic.

A Map is attached that visually conveys how the event will control access, vendors, parking, traffic and detours. Below is a matrix of items evaluated per City Policy CM 101 (which governs Special Events):

Review Item from Policy	Staff Assessment
Who benefits or is adversely impacted from the event – business frontage, general community, special event organizer.	*Benefits: Business frontage and general community.*
The opportunities/benefits (increased pedestrian traffic; increased exposure, etc.) and impacts (restricted or reduced access, etc.) to the general area where the event is being held.	*Opportunities: Increased pedestrian traffic, increased exposure for businesses on frontage, community gathering.* *Impacts: Restricted access to four primary blocks in downtown Redmond on SW 5th for one Saturday.*
Whether or not there is another event with a scheduled street closure on the same street or in the same general area during the same month.	*No other event is currently scheduled in the same general area or street during the month of August.*
If at all possible, avoid closing 5th or 6th streets more than twice a month; avoid closures on consecutive weekends; and aside from use of designated Festival Streets, avoid street closures which affect the same general area.	*No other event currently closes 5th or 6th streets during August 2021.*
Suggested minimum attendance for street closure durations are recommended per the following: If the event is between 4 – 12 hours, then at least 500 people should be expected. If the event is between 12 – 24 hours, then at least 1000 people should be expected. If the event is greater than 24 hours, then at least 2500 people should be expected.	*The request is for 9 hours and at least 1,000 people are anticipated.*
Whether or not the event is for a non-profit organization or for a private commercial organization and the overall community benefit of the event.	*Event is sponsored by a private commercial business. 1,000 spectators are anticipated to visit the downtown core.*
All permit requirements, in accordance with the City Manager's discretion, by the Redmond City Code have been met.	*All requirements have been met.*

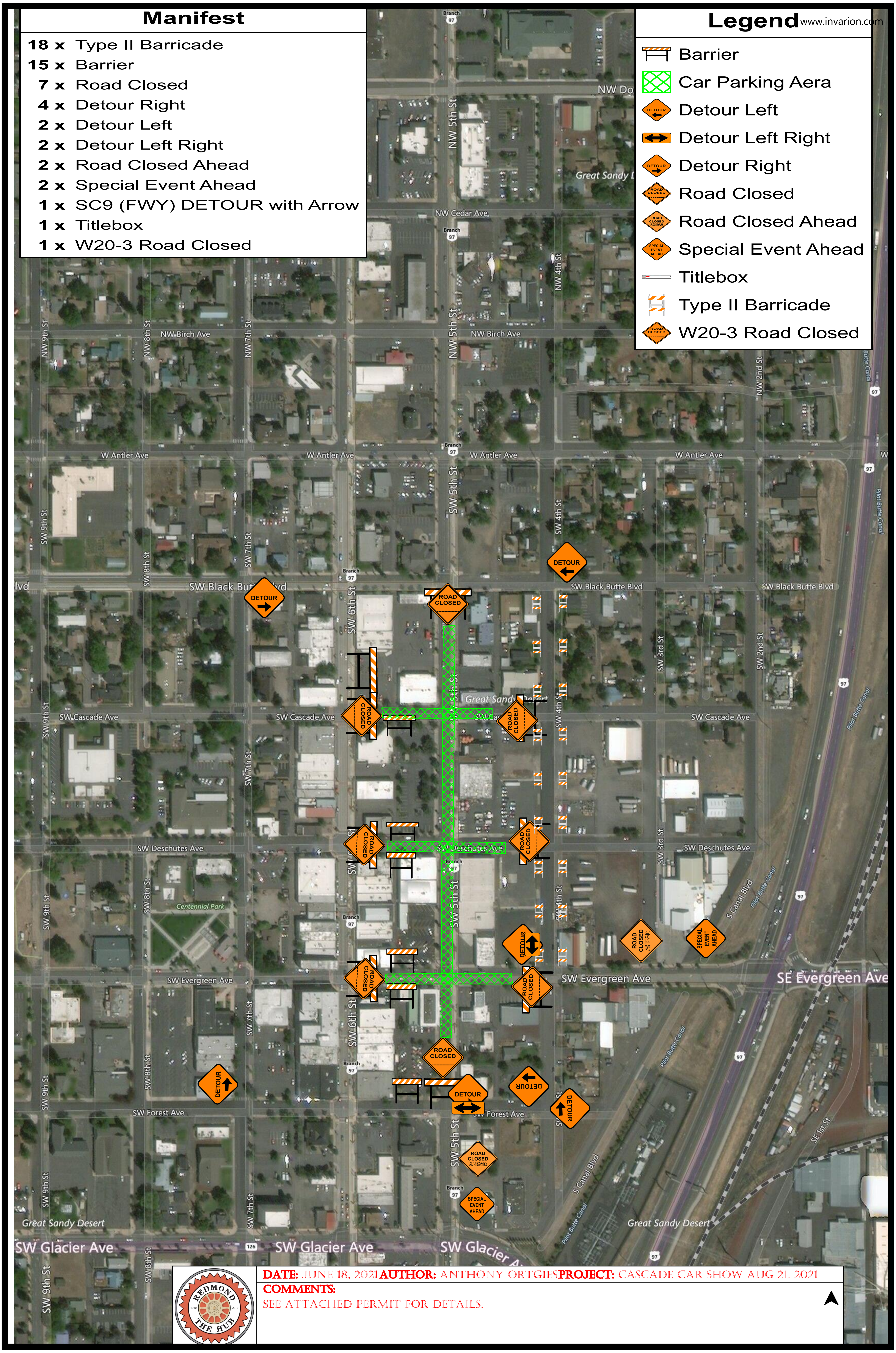
Fiscal Impact:
Fees per the City of Redmond Fee Schedule are established to help recover a portion of City costs for supporting events and are as follows:

Permit Fee: Street Closure	$200.00
Public Works Fee – Traffic Control	$342.00
Deposit (Deposit is refundable after the event)	$250.00
TOTAL:	**$792.00**

Alternative Courses of Action:

1. Approve the Public Assembly Permit for the Cascade Car Show.
2. Request more information.
3. Deny the Public Assembly Permit.

Recommendation / Suggested Motion:
"I move to approve the Public Assembly Permit for the Cascade Car Show, maintaining the fee schedule as shown."


Manifest
18 x Type II Barricade
15 x Barrier
7 x Road Closed
4 x Detour Right
2 x Detour Left
2 x Detour Left Right
2 x Road Closed Ahead
2 x Special Event Ahead
1 x SC9 (FWY) DETOUR with Arrow
1 x Titlebox
1 x W20-3 Road Closed
Legend
www.invarion.com
Barrier
Car Parking Aera
Detour Left
Detour Left Right
Detour Right
Road Closed
Road Closed Ahead
Special Event Ahead
Titlebox
Type II Barricade
W20-3 Road Closed
NW Cedar Ave
NW Birch Ave
W Antler Ave
SW Black Butte Blvd
SW Cascade Ave
SW Deschutes Ave
SW Evergreen Ave
SE Evergreen Ave
SW Forest Ave
SW Glacier Ave
NW 5th St
SW 5th St
SW 6th St
SW 7th St
SW 8th St
SW 9th St
SW 4th St
SW 3rd St
SW 2nd St
Centennial Park
Great Sandy Desert
DETOUR
ROAD CLOSED
ROAD CLOSED AHEAD
SPECIAL EVENT AHEAD
DATE: JUNE 18, 2021 AUTHOR: ANTHONY ORTGIES PROJECT: CASCADE CAR SHOW AUG 21, 2021
COMMENTS:
SEE ATTACHED PERMIT FOR DETAILS.
REDMOND THE HUB

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STAFF REPORT

DATE:	July 14, 2021
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager John Roberts, Deputy City Manager Bill Duerden, Public Works Director
FROM:	Ryan Kirchner, Wastewater Division Manager
SUBJECT:	Redmond Wetlands Complex Action Item #1: Resolution #2021-19 - A resolution authorizing the City Manager of the City of Redmond, Oregon, to sign a Bureau of Land Management "Application for Land for Recreation or Public Purposes" allowing the City to lease, with the option to purchase, up to 935 acres for wastewater treatment/disposal facilities and recreational amenities.

Addresses Council Goal:
Goal 3 - City Infrastructure: Preserve and enhance the City's infrastructure to balance population growth with necessary infrastructure. See also sub-sections A and D.

Report in Brief:
This item requests City Council approve Resolution #2021-19 authorizing the submission of an application to the Bureau of Land Management (BLM) to allow the City to lease, with the option to purchase, up to 935-acres for the Redmond Wetlands Complex (the relocation and expansion of the City's Wastewater Treatment Plant).

Background:
The City of Redmond Water Pollution Control Facility (WPCF) is currently located within the Dry Canyon, about 1.5 miles northwest of the Redmond City Center. The facility is adjacent to residential homes situated along the canyon walls and more rural residential and farmland is located generally to the north.

A component of the WPCF is also located at 5801 Northwest Way, where the City owns a 610-acre Irrigation Complex. This is the site for hay production, which uses effluent from the WPCF for irrigation and biosolids as fertilizing agents. Adjacent to this Complex, the City also leases land from BLM where disinfected effluent is infiltrated into the ground.

In 2020, the City amended its Wastewater Facility Plan (WWFP) to assess options for expansion of treatment facilities to accommodate current and projected 20-year service needs. The Amendment recommended relocating the existing WPCF from the Dry Canyon to the irrigation complex and design/construction of a lagoon treatment system along with a constructed wetland treatment and disposal system. This alternative offers multiple benefits as compared to the existing mechanical system including:

- An estimated $6.1 million reduction in initial capital costs.
- An estimated $10 million reduction in operation and maintenance costs over a 20-year life-cycle.
- A wetland environment that can be made accessible to the public for bird watching, trails/hiking, and other passive and active recreational uses.
- Potential future connection to the City-wide trails system as an extension of the Dry Canyon trail.
- Allows the City to move its treatment facility out of the Dry Canyon and reclaim that property for other beneficial uses.
- Potential to become a regional treatment facility.

On March 9, 2021, Council authorized a contract with Anderson Perry and Associates, Inc., in the amount of $1,642,498 to provide Engineering Services for the design and construction management of the WPCF Treatment Plant Expansion Project.

Discussion:
To advance the City's preferred lagoon/wetland treatment alternative, additional BLM land adjacent to the City's 610-acre parcel needs to be acquired (see attached map).

Preliminary discussions with BLM have begun. At this time, Council approval is needed to formally apply for this opportunity. This step allows BLM to assign resources and begin working on the project.

Preliminary indications from BLM is that they are open to the lease to purchase approach. It is expected to take 18 to 24-months to receive a land patent , and five to ten years to complete the acquisition.

The City can start to use the land once the deed is in place. The timeframes are the primary reason why staff recommends pursuing a lease in the near-term, with the acquisition coming later. The goal is to have the expanded facility open and operating by 2025.

Fiscal Impact:
Aside from completing the application, there is no direct fiscal impact at this time.

Alternative Courses of Action:
1. Approve Resolution 2021-19.
2. Do not approve Resolution 2021-19.
3. Take no action and request additional information.

Recommendation / Suggested Motion:
"I move to approve Resolution 2021-19 authorizing the City Manager to sign a Bureau of Land Management Application for Land for Recreation or Public Purposes".

Form 2740-1
(February 2010)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR LAND FOR RECREATION OR PUBLIC PURPOSES

(Act of June 14, 1926, as amended; 43 U.S.C. 869; 869-4)

FORM APPROVED
OMB NO. 1004-0012
Expires: January 31, 2013

Date	Serial Number *(BLM use only)*

Home phone *(include area code)*

1a. Applicant's name	b. Address *(include zip code)*	Business phone *(include area code)*
City of Redmond, Oregon	**411 SW 9th Street, Redmond, OR 97756**	**541-953-7710**

2. Give legal description of lands applied for *(include metes and bounds description, if necessary)*

SUBDIVISION	SECTION	TOWNSHIP	RANGE	MERIDIAN
See Exhibits A and B				

County of **Deschutes**	State of **Oregon**	Containing *(acres)* **935 more or less**

3a. This application is for: ☑ Lease ☐ Purchase *(If lease, indicate year)*

b. Proposed use is ☐ Public Recreation ☑ Other Public Purposes

4. Describe the proposed use of the land. The description must specifically identify an established or definitely proposed project. Attach a detailed plan and schedule for development, a management plan which includes a description of how any revenues will be used, and any known environmental or cultural concerns specific to the land.

Water Pollution Control Facility: The City of Redmond and its consultant team are currently engaged in the design process for expanding waste water treatment facilities as required by the State of Oregon in order to facilitate the projected long-term growth of the community. To implement the required expansion, it will be necessary for the City to acquire additional lands from BLM. The proposed acquisition areas are directly adjacent to the City's existing effluent disposal site which was acquired from BLM in 1981 [US Patent #36-81-009]. The proposed public facilities include treatment lagoons, constructed wetlands, and associated infrastructure.

This is an established project which has been planned and approved at all levels within the City including the Capital Improvement Plan, and Capital Budget and included in the State of Oregon Department of Environmental Quality Intended Use Plan. A conceptual site plan is attached for reference.

Design is underway and is scheduled to be completed in December 2022. Construction is scheduled to begin in February 2023 and will be completed in November of 2025. City staff will operate and maintain all facilities which is funded through waste water user rates/fees as set by City Council. Environmental and cultural resources are currently under review by the City's consultant team.

Public Uses: In addition to wastewater treatment facilities, the City is planning to include compatible public-use recreational amenities within the project area. Although still in the conceptual planning stage, potential uses include bird watching made possible by constructed wetlands, hiking trails including future connections to the existing Dry Canyon trail system and Deschutes River, equestrian trails, information kiosks, and educational opportunities.

The following documents are attached for reference:
Exhibits A and B - Property descriptions
Conceptual Project Site Plan
City Council Resolution 21-XX
Excerpts from Redmond Capital Improvement Plan and Capital Budget

5. If applicant is State or Political subdivision thereof, cite your statutory or other authority to hold land for these purposes.

Oregon Revised Statute 224-Sewers and Sanitation
Oregon Revised Statute 226- Parks
Redmond City Charter as adopted in 1980 and amended in 2010

6. Attach a copy of your authority for filing this application and to perform all acts incident thereto.

7. If land described in this application has not been classified for recreation and/or public purposes pursuant to the Recreation and Public Purposes Act, consider this application as a petition for such classification.

(Continued on page 2)

8. Are all activities, facilities, services, financial aid, or other benefits as a result of your proposed development provided without regard to race, color, religion, national origin, sex, or age? ☑ Yes ☐ No *(If "no," describe the situation or activity and your plans for achieving compliance.)*

9. Are all activities, facilities, and services constructed or provided as a result of your proposed development accessible to and usable by persons with disabilities? ☑ Yes ☐ No *(If "no," describe the situation or activity and the reasons for nonaccessibility).*

Applicant's Signature	Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representation as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

1. Type or print plainly in ink.
2. Submit application and related plans to the BLM District or Resource Area Office in which the land is located.
3. Study controlling regulations in 43 CFR 2740 *(Sales)* and 43 CFR 2912 *(Leases)*.
4. If applicant is non-governmental association or corporation, attach a copy of your charter, articles of incorporation or other creating authority. If this information has been previously filed with any BLM office, refer to previous filing by date, place, and case serial number.
5. If applicant is non-governmental association or corporation, attach a copy of your authority to operate in the State where the lands applied for are located. If previously filed with any BLM office, refer to previous filing by date, place, and case serial number.

SPECIFIC INSTRUCTIONS

(Items not listed are self-explanatory)

Item

2. If land is surveyed, give complete legal description. If land is unsurveyed, description should be by metes and bounds connected, if feasible, by course and distance with a corner of public land survey. If possible, approximate legal subdivisions of unsurveyed lands should be stated. Acreage applied for must not exceed that specified by regulations.

3a. Generally, title to lands will not be granted upon initial approval of an application. In order to assure proper development or use plans, the general practice will be to issue a lease or lease with option to purchase after development is essentially completed. In any case, term of lease may not exceed 20 years for non-profit organizations or 25 years for governmental agencies, instrumentalities or political subdivisions.

4. Leases and patents under this act are conditioned upon continuing public enjoyment of the purposes for which the land is classified. The plan of development, use, and maintenance must show, at a minimum:
   a. A need for proposed development by citing population trends, shortage of facilities in area, etc.
   b. That the land will benefit an existing or definitely proposed public project authorized by proper authority.
   c. Type and general location of all proposed improvements, including public access *(roads, trails, etc.)*. This showing may take the form of inventory lists, maps, plats, drawings, or blueprints in any combination available and necessary to describe the finished project. Site designs should be provided for intensive use sites and general information about improvements existing or planned on lands within the overall project.
   d. An estimate of the construction costs, how the proposed project will be financed, including a list of financial sources, and an estimated timetable for actual construction of all improvements and facilities.
   e. A plan of management to include operating rules, proposed source and disposition of revenues arising from the proposed operation, personnel requirements, etc.
   f. A specific maintenance plan to include, for example, sewage and garbage disposal, road maintenance, upkeep and repair of grounds and physical facilities, etc.
   g. Applications for solid waste disposal sites must comply with guidelines established by the Environmental Protection Agency (40 CFR 258) and must include a detailed physical description of the site including a map, description of ground water situation, soil characteristics and management plan.

6. This may consist of a copy of a delegation of authority, resolution or other evidence of authority from the governing board of the applicant's organization, copy of the by-laws of the organization, or the like.

(Continued page 3)

NOTICES

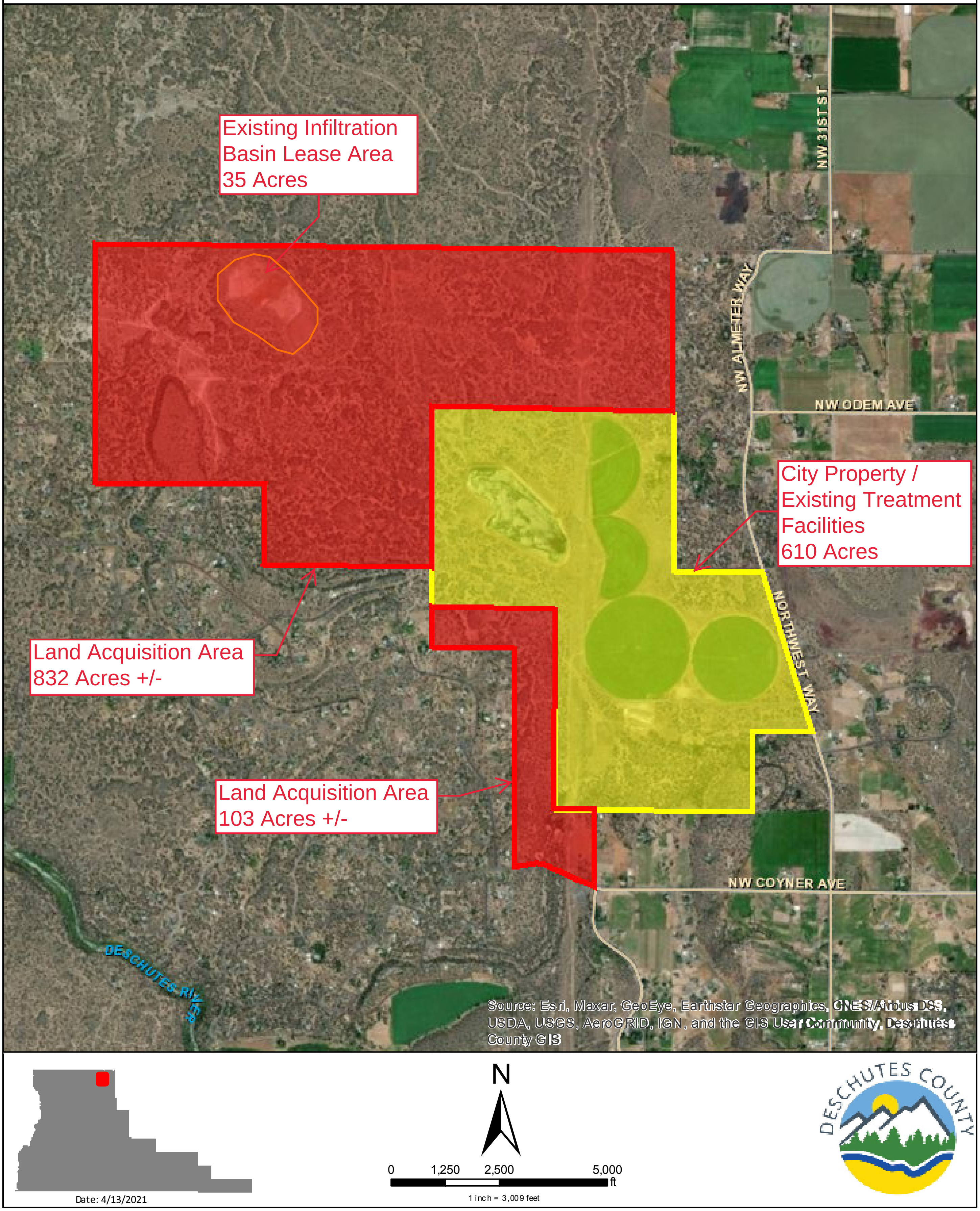
The Privacy Act of 1974 and the regulation in 43 CFR 2.48 (d) provide that you be furnished the following information in connection with information required by this application for a Land Use Authorization.
AUTHORITY: 43 U.S.C. 869 et seq.; 43 CFR Part 2740
PRINCIPAL PURPOSE: The information is to be used to process your application.
ROUTINE USES: (1) The adjudication of the applicant's request for a Land Use Authorization. (2) Documentation for public information. (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in use of public lands or resources. (4) (5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.
EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is mandatory for processing of the application. If all the information is not provided, the application may be rejected.

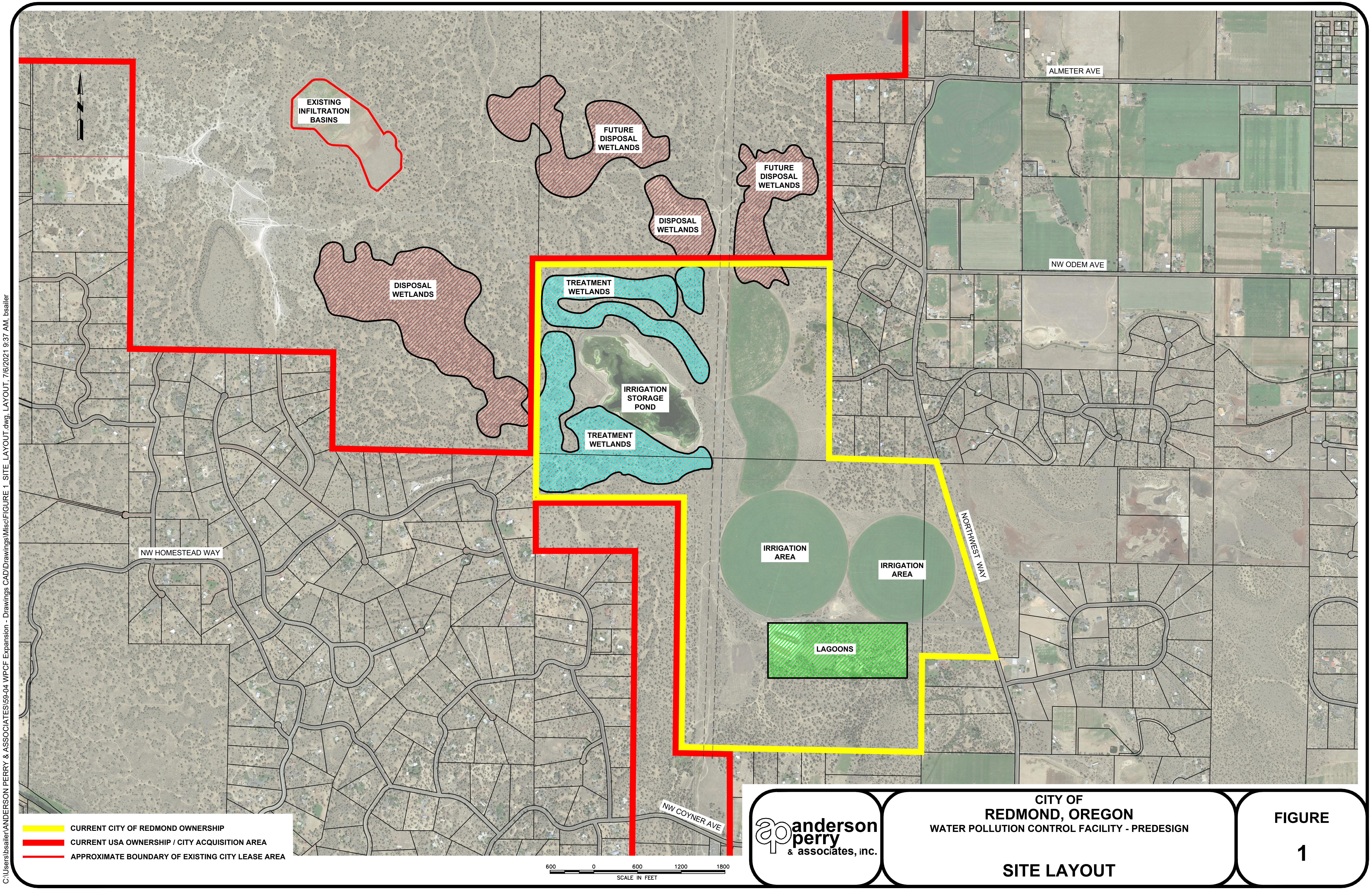
The Paperwork Reduction Act of 1995 requires us to inform you that:
BLM collects this information to process your request for Federal lands under the provisions of June 14, 1926 (43 U.S.C. 869 as amended), Recreation and Public Purposes Act.
Information will be used to illustrate whether the applicant meets requirements of regulations found in 43 CFR Subpart 2740. Response to this request is mandatory, see regulations found in 43 CFR Subpart 2741.4.
BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 40 hours per response, including the time for reviewing instructions, gathering, and maintaining data and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to the U.S. Department of the Interior, Bureau of Land Management (1004-0012), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Exhibit B

City of Redmond Waste Water Facility Land Areas





C:\Users\bsailer\ANDERSON PERRY & ASSOCIATES\59-04 WPCF Expansion - Drawings CAD\Drawings\Misc\FIGURE 1 SITE LAYOUT.dwg, LAYOUT, 7/6/2021 9:37 AM, bsailer

anderson perry & associates, inc.

CITY OF
REDMOND, OREGON
WATER POLLUTION CONTROL FACILITY - PREDESIGN

SITE LAYOUT

FIGURE 1

CITY OF REDMOND
RESOLUTION NO. 2021-19

A RESOLUTION AUTHORIZING THE CITY MANAGER OF THE CITY OF REDMOND, OREGON, TO SIGN A BUREAU OF LAND MANAGEMENT "APPLICATION FOR LAND FOR RECREATION OR PUBLIC PURPOSES" ALLOWING THE CITY TO LEASE, WITH THE OPTION TO PURCHASE, UP TO 935 ACRES FOR WASTEWATER TREATMENT / DISPOSAL FACILITIES AND RECREATIONAL AMENITIES.

WHEREAS, in 1981 the City of Redmond acquired 610 acres from the Bureau of Land Management (BLM) for effluent and solids disposal purposes through the Recreation and Public Purposes Act; and

WHEREAS, a pipeline right-of-way previously acquired from BLM runs between the City owned 610-acre parcel and an existing 35-acre area the City leases from BLM for additional effluent disposal purposes; and

WHEREAS, the pipeline right-of-way and effluent disposal lease areas have since expired; and

WHEREAS, the City is currently engaged in the design process to relocate and expand its existing wastewater treatment and effluent disposal facilities to accommodate the immediate and long-term needs of the City; and

WHEREAS, the design will also include public-use recreational amenities; and

WHEREAS, additional BLM land adjacent to the City's 610-acre parcel is required to meet the City's expansion needs including the existing pipeline right-of-way and 35-acre lease area.

NOW, THEREFORE, the City of Redmond resolves, in consideration of the foregoing, to authorize the City Manager to sign an "Application for Land for Recreation or Public Purposes" and take all necessary subsequent actions to acquire up to 935-acres from BLM under the Recreation and Public Purposes Act.

SECTION ONE: The City Council finds that it is in the best interest of the City to enact this resolution immediately upon passage of this resolution; and therefore, this resolution shall be effective upon the date of passage.

ADOPTED by the City Council and **SIGNED** by the Mayor this 14th day of July 2021.

____
George Endicott, Mayor

ATTEST:

____
Kelly Morse, City Recorder

REDMOND WETLANDS COMPLEX EXPANSION PROJECT

JULY 14, 2021

TOPICS

01 PROJECT BACKGROUND AND TIMELINE

02 BUREAU OF LAND MANAGEMENT APPLICATION RESOLUTION (ACTION ITEM #1)

03 CLEAN WATER STATE REVOLVING FUND LOAN RESOLUTION (ACTION ITEM #2)

WETLANDS PROJECT BACKGROUND

MAR 2021 — Council Awarded Engineering Services Contract

MAR 2021 — Pre-Design Commenced

MAR 2022 — Pre-Design Complete

DESIGN AND CONSTRUCTION TIMELINE

MAR 2022 — Final Design Begins

DEC 2022 — Final Design Complete

FEB 2023 — Construction Begins

NOV 2025 — Construction Complete

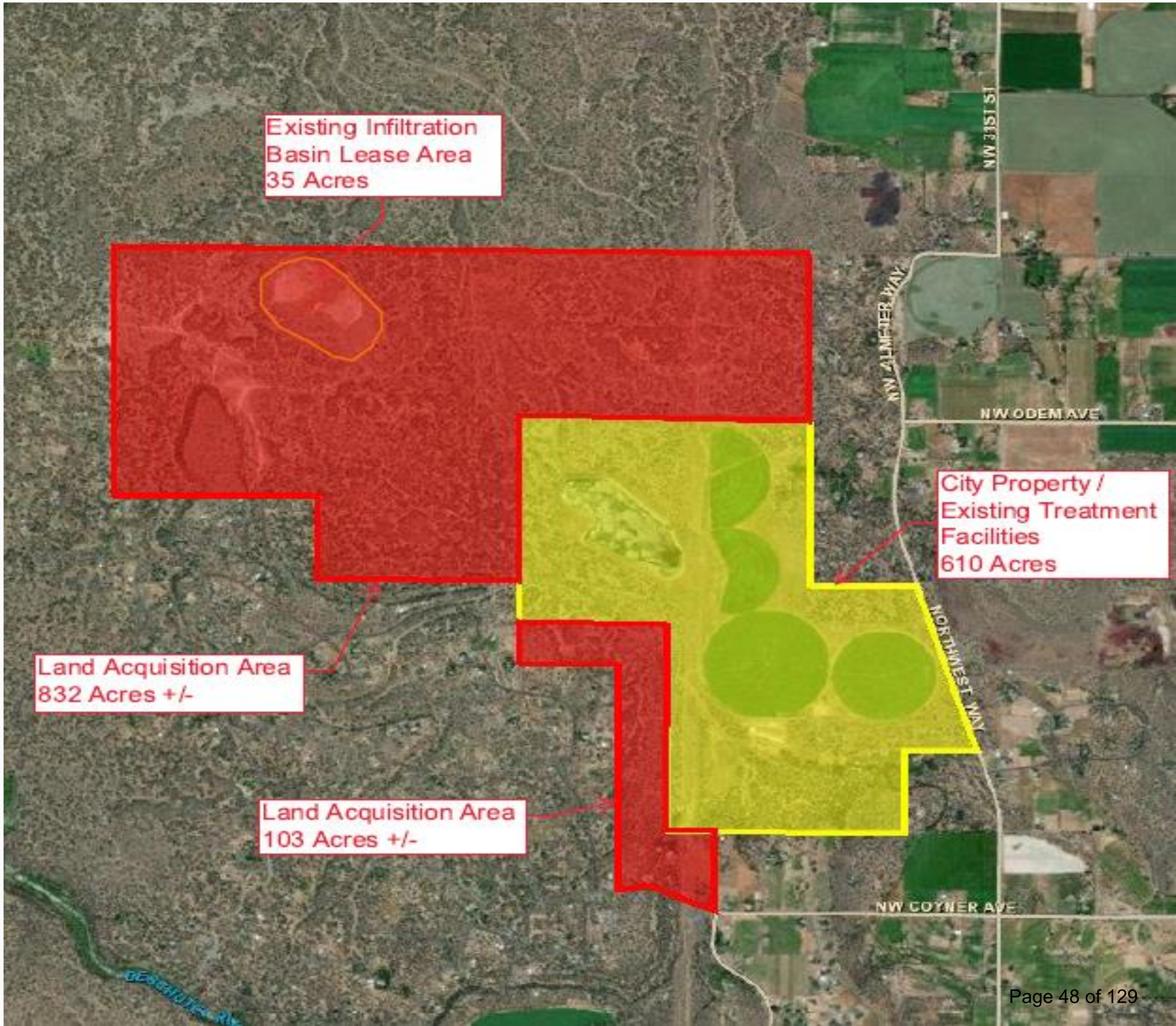
ACTION ITEM 1

SITE PROXIMITY

LAND AREAS NEEDS

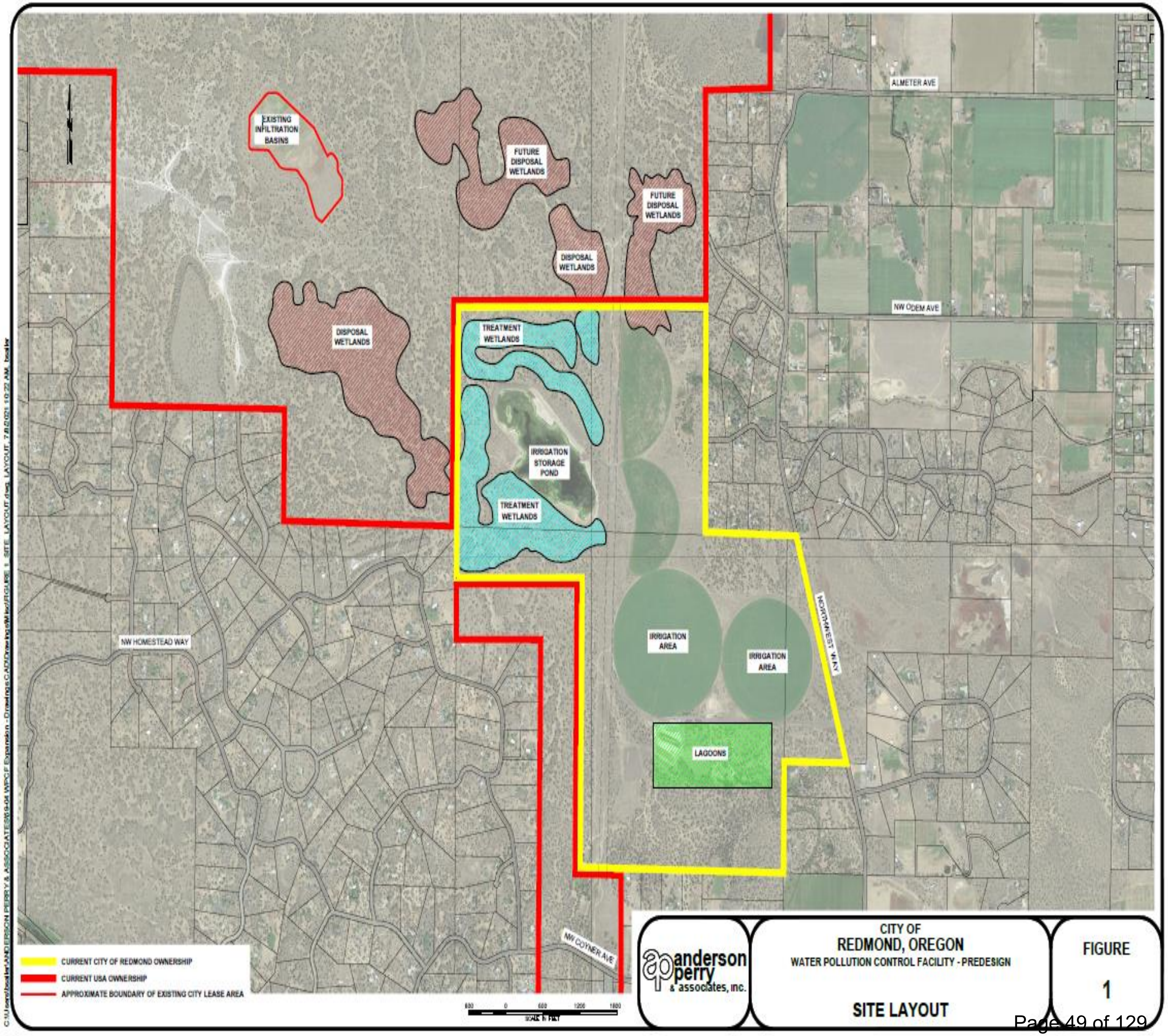
OUTSIDE CITY LIMITS

3 MILES NW OF EXISTING TREATMENT PLANT



ACTION ITEM 1

PRELIMINARY SITE LAYOUT



SLIDE / 5

REDMOND WETLAND COMPLEX

$42 MILLION

PRE-DESIGN
2021 - 2022
$1.6 MILLION

DESIGN
2022 – 2023
$4.5 MILLION

CONSTRUCTION
2023 – 2025
$36 MILLION

ACTION ITEM #2: DEQ LOAN

KEY ELEMENTS

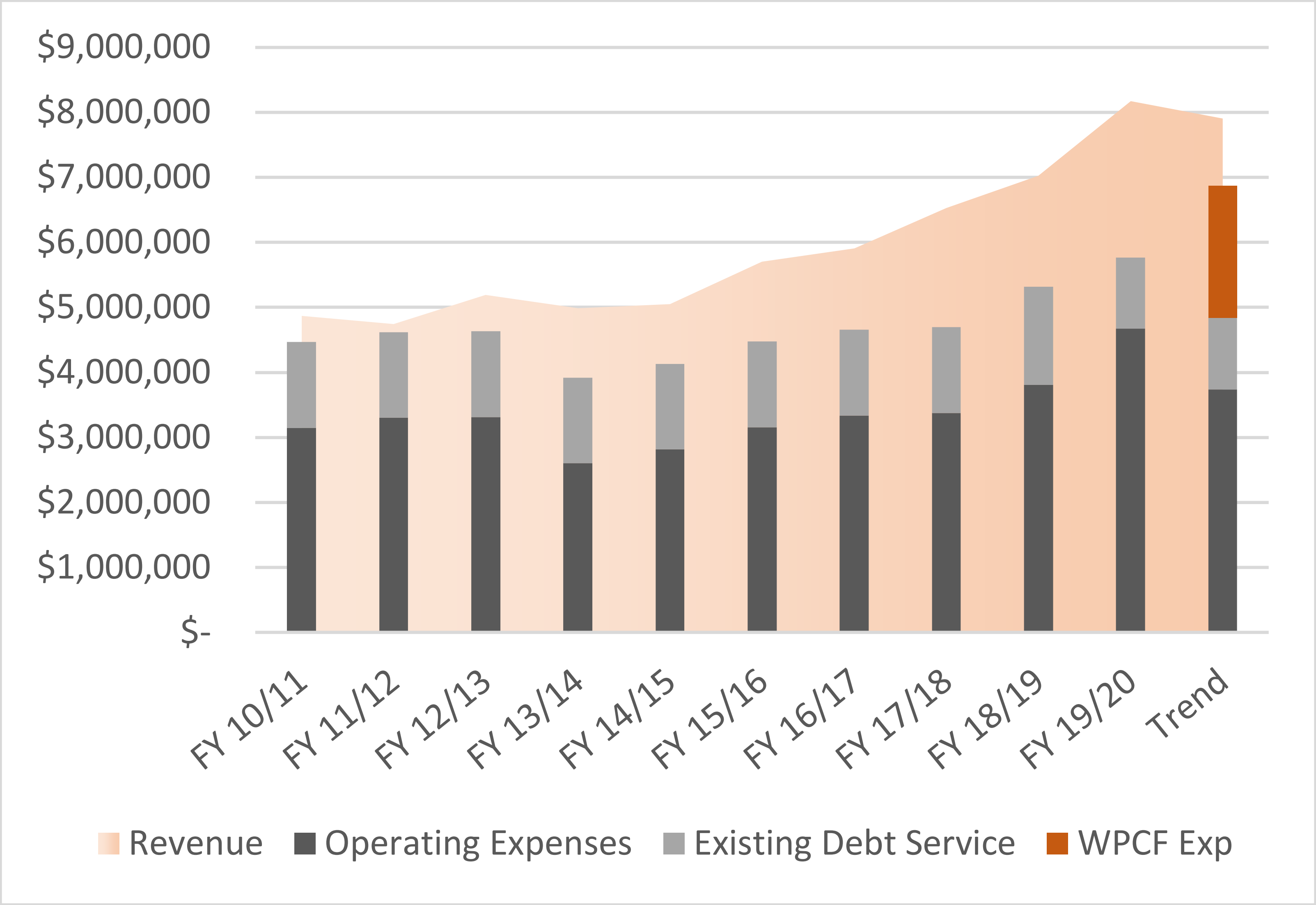
	Maximum Loan	Interest Rate	Annual Admin. Fee	Council Approval
Design	$ 6,400,000	1.24%	0.5%	Tonight
Construction	$35,200,000	1.24% or less	0.5%	Est. 2022
Total	$41,600,000*	1.24% or less	0.5%	

- Loan is drawn down on a reimbursement basis
- Design Loan will be amended to include construction loan
- Pre-payable at any time with notice
- Debt Service Reserve equal to 50% of average annual payment (~$1M)

* $500,000 is forgivable after project (construction) complete

REDMOND WETLANDS COMPLEX

FINANCIAL FEASIBILITY

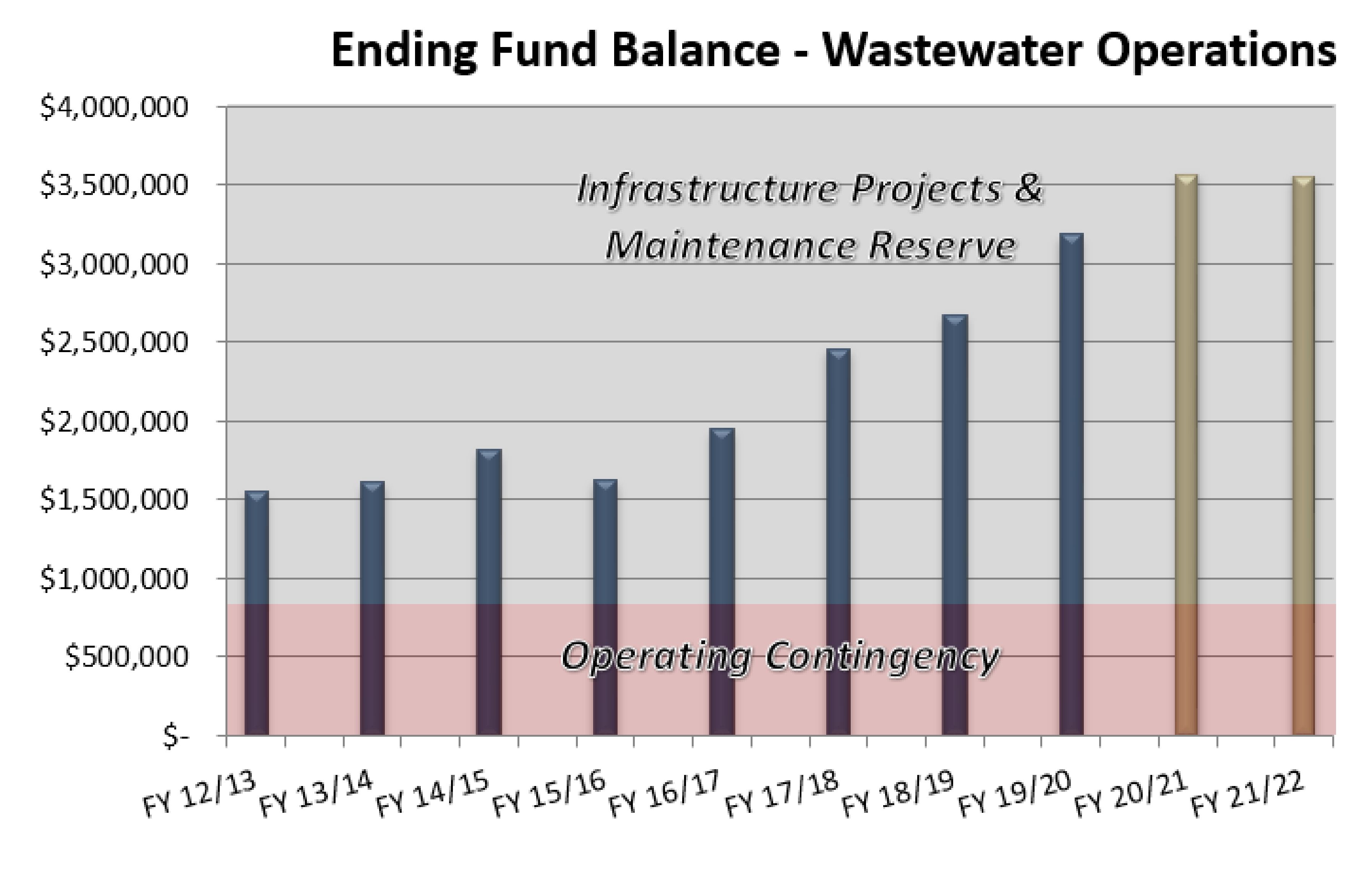


EXPANSION = $2 MILLION ANNUAL DEBT SERVICE

WASTEWATER OPERATIONS SUB-FUND

SOURCE OF LOAN REPAYMENT

(SUB-FUND AND SDC'S)



CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
FAX: 541.548.0706
info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE:	July 14, 2021
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager John Roberts, Deputy City Manager Bill Duerden, Public Works Director
FROM:	Ryan Kirchner, Wastewater Division Manager
SUBJECT:	Redmond Wetlands Complex Action Item #2: Resolution #2021-17 - A resolution of the City of Redmond, Oregon, authorizing the execution and delivery of Clean Water State Revolving Fund Loan Agreement Number R76074; $6.4 million

Addresses Council Goal:
Goal 3 - City Infrastructure: Preserve and enhance the City's infrastructure to balance population growth with necessary infrastructure. See also sub-sections A and D.

Report in Brief:
This item requests City Council approve Resolution #2021-17 authorizing the execution and delivery of Clean Water State Revolving Fund (CWSRF) loan agreement number R76074 between the State of Oregon, Department of Environmental Quality (DEQ) in the amount of $6.4 million.

Background:
The City of Redmond Water Pollution Control Facility (WPCF) is currently located within the Dry Canyon, about 1.5 miles northwest of the Redmond City Center. The facility location is characterized by residential homes situated along the canyon walls, and more rural residential and farmland generally to the north.

A component of the WPCF is also located at 5801 Northwest Way, where the City owns a 610-acre Irrigation Complex. This is the site for hay production which uses effluent from the WPCF for irrigation and biosolids as fertilizing agents. Adjacent to this Complex, the City also leases land from the Bureau of Land Management where disinfected effluent is infiltrated into the ground.

In 2020, the City amended its Wastewater Facility Plan (WWFP) to assess options for expansion of treatment facilities to accommodate current and projected 20-year service needs. The Amendment recommended relocating the existing WPCF from the Dry Canyon to the irrigation complex and design/construction of a lagoon treatment system along with a constructed wetland treatment and disposal system. This alternative, the Redmond Wetlands Complex (RWC), offers multiple benefits as compared to the existing mechanical system including:

- An estimated $6.1 million reduction in initial capital costs.
- An estimated $10 million reduction in operation and maintenance costs over a 20-year life-cycle.
- A wetland environment that can be made accessible to the public for bird watching, trails/hiking, and other passive and active recreational uses.
- Potential future connection to the City-wide trails system as an extension of the Dry Canyon trail.
- Allows the City to move its treatment facility out of the Dry Canyon and reclaim that property for other beneficial uses.
- Potential to become a regional treatment facility.

On March 9th 2021, City Council authorized a contract with Anderson Perry and Associates, Inc., in the amount of $1,642,498 to provide Engineering Services for the design and construction management of the RWC.

Discussion:

The estimated design cost for the RWC project is $6.1 million broken down into Pre-Design ($1.6 million) and Final Design and Construction Management Services ($4.5 million). The estimated cost for construction is $35.5 million for a total project cost of $41.6 million (see table below):

Engineering & Construction Management	**$ 6.1 million**
Pre-Design	*$1.6 million*
Final Design & Construction Management Services (low confidence)	*$4.5 million*
Construction (low confidence)	**$35.5 million**
Total (low confidence)	**$41.6 million**

The City applied through the CWSRF Loan Program for a $6.4 million loan to cover the design costs and to account for the "low confidence" estimate for Final Design and Construction Management Services. DEQ agreed to the requested loan amount at a 1.24% interest rate for a 20-year term (see attached).

The project is eligible for up to $500,000 in loan forgiveness due to meeting Green Project Reserve Criteria. Other elements of the loan include a 0.5% annual administrative fee on the outstanding principal, a reserve requirement equal to 50% of the average annual debt service and a pledge of Wastewater operating revenues. The agreement has been reviewed by the City's Bond Counsel.

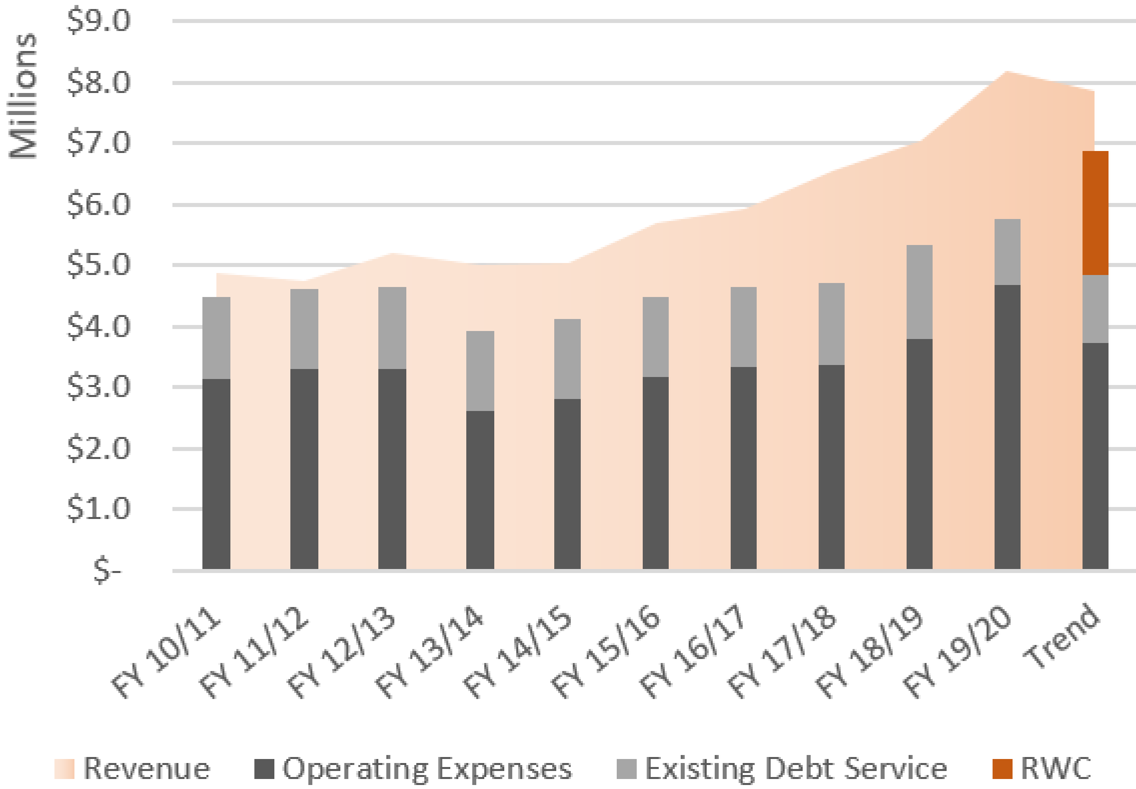
The CWSRF loan agreement will be amended to cover constructions costs. DEQ will extend the 1.24% interest rate from the design loan to the construction portion of the project or adjust to the current interest rate, whichever is lower.

Fiscal Impact:

Below is a summary of estimated funding sources for the expansion project:

DEQ CWSRF Loan (Design and Construction) - $34.1M
DEQ CWSRF Green Project Principal Forgiveness - $0.5M
System Development Charges - $6.4M
Water Operating (Ratepayer) Funds - $0.6M
Total = $41.6M

The DEQ CWSRF loan debt service/administrative fee (approximately $2 million) will be repaid primarily through System Development Charges (SDCs) which totaled about $1.7 million in FY 2020/21. The Wastewater Operating (Ratepayer) sub-fund is positioned to provide support to the debt service as well. Operating revenues were about $6.1 million in FY 2020/21. At this point the project cost is not anticipated to significantly impact wastewater utility rates. The chart below shows the ability for Wastewater revenue to cover operating cost, existing debt and the RWC debt.



Alternative Courses of Action:

1. Approve Resolution #2021-17.
2. Do not approve Resolution #2021-17.
3. Take no action and request additional information.

Recommendation / Suggested Motion:

"I move to approve Resolution #2021-17 authorizing the City Manager to execute and deliver loan agreement number R76074 between the State of Oregon, Department of Environmental Quality in the amount of $6,400,000."

CLEAN WATER STATE REVOLVING FUND LOAN AGREEMENT
NO. R76074

BETWEEN

THE STATE OF OREGON
ACTING BY AND THROUGH ITS
DEPARTMENT OF ENVIRONMENTAL QUALITY

AND

CITY OF REDMOND

TABLE OF CONTENTS

THIS LOAN AGREEMENT ("**Agreement**") is made and entered into as of the date ("**Effective Date**") it is fully executed by both parties (and in the case of the State, approved by the Attorney General's Office, if required) and is by and between the **State of Oregon, acting by and through its Department of Environmental Quality** ("**DEQ**"), and the **Borrower** (as defined below). Unless the context requires otherwise, capitalized terms not defined below shall have the meanings assigned to them by ARTICLE 9 of this Loan Agreement. The reference number for the Loan made pursuant to this Loan Agreement is Loan No. R76074.

DEQ agrees to make, and Borrower agrees to accept, the Loan on the terms and subject to the conditions set forth below.

ARTICLE 1: THE LOAN - SPECIFIC TERMS

DEQ agrees to make the Loan on the following terms and conditions:

(A) **BORROWER:** City of Redmond

(B) **BORROWER'S ADDRESS:** 411 SW 9th Street
Redmond, OR 97756

(C) **LOAN AMOUNT:** $6,400,000

(D) **TYPE AND PURPOSE OF LOAN.** The Loan is a "Revenue Secured Loan" made by DEQ pursuant to OAR Section 340-054-0065(2) for the purpose of financing the Project.

(E) **PROJECT TITLE:** Design for improvements to Wastewater Treatment Plant

(F) **DESCRIPTION OF THE PROJECT:** Design WPCF expansion that includes the use of a lagoon and wetland treatment system. The Design Contract Scope of Work (SOW) outlines the preliminary design tasks to explore alternatives within the lagoon and wetland treatment process to find the best solutions to meet environmental requirements, current and future capacity demands, cost-effective construction, and cost-effective long-term operation and maintenance. In addition to the preliminary design, the SOW also includes public relations strategies and public outreach, outreach and coordination with other agencies, and architectural and landscape architectural services, including preliminary parks concepts. At the completion of the preliminary design phase, the contract will be amended based on a scope and fee developed to include final design and services during construction, including construction management and inspection.

(G) **INTEREST RATE:** ONE AND 24/100 (1.24%) per annum. Calculation of interest is also discussed in ARTICLE 2(E) and in ARTICLE 2(F)(4) of this Agreement.

(H) **REPAYMENT PERIOD:** Ending no later than (a) twenty (20) years after the Completion Date or (b) twenty (20) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier.

(I) TERMS OF REPAYMENT: An interest-only payment within six months after the estimated Project Completion Date set forth in ARTICLE 3(A)(10) and thereafter semi-annual payments of principal and interest in accordance with APPENDIX A and ARTICLE 2(F) of this Agreement.

(J) PLEDGE: The Borrower hereby grants DEQ a security interest in and irrevocably pledges its Net Revenues to secure payment of and to pay the amounts due under this Loan Agreement. The Net Revenues so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of Net Revenues hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower covenants with DEQ and any assignee of this Agreement that except as otherwise expressly provided herein, the Borrower shall not issue any other obligations which have a pledge or lien on the Net Revenues superior to or on a parity with the pledge herein granted without the written permission of DEQ. The lien of this pledge is on a parity with the liens securing all other CWSRF loans between DEQ and the Borrower; provided, however, that this provision shall not affect the priority that prior CWSRF loans are entitled to in relation to any loans between Borrower and any third parties

(K) ANNUAL FEE: An annual fee of 0.5% of the Outstanding Loan Amount (as determined prior to the posting of the payment due on that date) is due during the Repayment Period commencing with the second payment date hereunder and annually thereafter.

(L) LOAN FORGIVENESS: If the Borrower completes the Project, and provided there is no default of any of the terms hereof, DEQ shall forgive fifty percent (50%) of the Loan or $500,000, ***whichever is less*** (the portion of the Loan that is forgiven being referred to as the "Forgivable Loan"), on the date the first repayment is due hereunder. The amount of the Loan forgiveness will be determined when the Final Loan Amount is calculated.

ARTICLE 2: GENERAL LOAN PROVISIONS

(A) AGREEMENT OF DEQ TO LOAN. DEQ agrees to loan the Borrower an amount not to exceed the Loan Amount, subject to the terms and conditions of this Loan Agreement, but solely from funds available to DEQ in the Water Pollution Control Revolving Fund for its Clean Water State Revolving Fund program. This Loan Agreement is given as evidence of a Loan to the Borrower made by DEQ pursuant to ORS Chapters 190, 286A, 287A, and 468, and OAR Chapter 340, all as amended from time to time, consistent with the express provisions hereof.

(B) AVAILABILITY OF FUNDS. DEQ's obligation to make the Loan described in this Agreement is subject to the availability of funds in the Water Pollution Control Revolving Fund for its CWSRF program, and DEQ shall have no liability to the Borrower or any other party if such funds are not available or are not available in amounts sufficient to fund the entire Loan described herein, as determined by DEQ in the reasonable exercise of its administrative discretion. Funds may not be available ahead of the estimated schedule of disbursements submitted by the Borrower, which is attached as APPENDIX B. This schedule may be revised from time to time by the parties without the necessity of an amendment by replacing the then current APPENDIX B with an updated APPENDIX B which is dated and signed by both parties.

Furthermore, DEQ's obligation to make any disbursement hereunder shall terminate on October 31, 2023.

(C) DISBURSEMENT OF LOAN PROCEEDS.

(1) Project Account(s). Loan proceeds (as and when disbursed by DEQ to the Borrower) shall be deposited in a Project account(s). The Borrower shall maintain Project account(s) as segregated account(s). Funds in the Project account(s) shall only be used to pay for Project costs, and all earnings on the Project account(s) shall be credited to the account(s).

(2) Documentation of Expenditures. The Borrower shall provide DEQ with written evidence of materials and labor furnished to and performed upon the Project, including, without limitation, invoices, verified contractor's pay requests, receipts, and other evidence that DEQ may require in its sole discretion (collectively, "Cost Documentation"). DEQ will disburse funds to pay Project costs only after the Borrower has provided Cost Documentation satisfactory to DEQ that such Project costs have been incurred (whether or not already paid by Borrower) and qualify for reimbursement under this Agreement and CWSRF Program Rules.

(3) Adjustments and Corrections. DEQ may at any time review and audit requests for disbursement and make adjustments for, among other things, ineligible expenditures, mathematical errors, items not built or bought, unacceptable work and other discrepancies. Nothing in this Agreement requires DEQ to pay any amount for labor or materials unless DEQ is satisfied that the claim therefor is reasonable and that the Borrower actually expended and used such labor or materials in the Project. In addition, DEQ shall not be required to make any disbursement which would cause the total of all disbursements made hereunder (including the requested disbursement) to be greater than the total estimated cost of the work completed at the time of the disbursement, as determined by DEQ.

(4) Contract Retainage Disbursement. DEQ will not disburse Loan proceeds to cover contractor retainage unless the Borrower is disbursing retainage to an escrow account and provides proof of the deposit, or until the Borrower provides proof that it paid retained funds to the contractor.

(D) AGREEMENT OF BORROWER TO REPAY. The Borrower agrees to repay all amounts owed on this Loan as described in ARTICLE 1(I) and ARTICLE 2(F) in U.S. Dollars in immediately available funds at the place listed for DEQ in ARTICLE 10(A). In any case, the Borrower agrees to repay all amounts owed on this Loan within the Repayment Period.

(E) INTEREST. Interest will accrue at the rate specified in ARTICLE 1(G) from the date that a disbursement hereunder is mailed or delivered to the Borrower or deposited into an account of the Borrower. Interest will accrue using a 365/366 day year and actual days elapsed.

(F) LOAN REPAYMENT.

(1) Preliminary Repayment Schedule; Interim Payments. The attached APPENDIX A is a preliminary repayment schedule based on the estimated date of the first disbursement hereunder and Loan Amount. Until the final repayment schedule is effective, the Borrower shall make the payments set forth in the preliminary repayment schedule.

(2) Final Repayment Schedule. After the Borrower has submitted its final request for Loan proceeds and DEQ has made all required disbursements hereunder, DEQ will determine the Final Loan Amount and prepare a final payment schedule that provides for level semi-annual installment payments of principal and interest (commencing on the next semi-annual payment date), each in an amount sufficient to pay accrued interest to the date of payment and to pay so much of the principal balance as to fully amortize the then Outstanding Loan Amount over the remaining Repayment Period.

(3) Crediting of Scheduled Payments. A scheduled payment received before the scheduled repayment date will be applied to interest and principal on the scheduled repayment date, rather than on the day such payment is received. Scheduled payments will be applied first to fees due, if any, and then to interest, according to the applicable repayment schedule, and then to principal.

(4) Crediting of Unscheduled Payments. All unscheduled payments, including any prepayments and partial payments, will be applied first to fees due, if any, and then to accrued unpaid interest (which will be computed as otherwise provided in this Agreement, except that interest from the last payment date will be calculated using a 365/366 day year and actual days elapsed), and then to principal. In the case of a Loan prepayment that does not prepay all of the principal of the Loan, DEQ will determine, in its sole discretion, how it will apply such Loan prepayment to the Outstanding Loan Amount. After a partial payment, DEQ may, in its sole and absolute discretion, reamortize the Outstanding Loan Amount at the same interest rate for the same number of payments to decrease the Loan payment amount; provided, however, that nothing in this Agreement requires DEQ to accept any partial payment, except as otherwise expressly provided herein, or to reamortize the Outstanding Loan Amount if it accepts a partial payment.

(5) Final Payment. The Outstanding Loan Amount, all accrued and unpaid interest, and all unpaid fees and charges due hereunder are due and payable no later than (a) twenty (20) years after the Completion Date or (b) twenty (20) years after the estimated Completion Date set forth in ARTICLE 3(A)(10), whichever date is earlier.

(G) PREPAYMENT.

(1) Optional Prepayment. The Borrower may prepay any amount owed on this Loan without penalty on any business day upon 30 days prior written notice. Any prepayment made hereunder will be applied in accordance with ARTICLE 2(F)(4).

(2) Refinancing of Loan by the Borrower. If the Borrower refinances the portion of the Project financed by this Loan or obtains an additional grant or loan that is intended to finance the portion of the Project financed by this Loan, it will prepay the portion of the Loan being refinanced by the additional grant or loan. Any mandatory prepayment under this ARTICLE 2(G)(2) will be applied in accordance with ARTICLE 2(F)(4).

(3) Ineligible Uses of the Project. If the Borrower uses the Project for uses that are other than those described in ARTICLE 1(F) ("ineligible uses"), the Borrower shall, upon demand by DEQ, prepay an amount equal to the Outstanding Loan Amount multiplied by the percentage (as determined by DEQ) of ineligible use of the Project. Such prepayment shall be applied against the most remotely maturing principal installments and shall not postpone the due date of any payment(s) hereunder.

(H) LATE PAYMENT FEE. The Borrower agrees to pay immediately upon DEQ's demand a late fee equal to five percent (5%) of any payment (including any loan fee) that is not received by DEQ on or before the tenth (10^{th}) calendar day after such payment is due hereunder.

(I) TERMINATION OF LOAN AGREEMENT. Upon performance by the Borrower of all of its obligations under this Loan Agreement, including payment in full of the Final Loan Amount, all accrued interest and all fees, charges and other amounts due hereunder, this Loan Agreement will terminate, and DEQ will release its interest in any collateral given as security under this Loan Agreement.

ARTICLE 3: GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS

(A) REPRESENTATIONS AND WARRANTIES OF THE BORROWER. The Borrower represents and warrants to DEQ that:

(1) It is a duly formed and existing public agency (as defined in ORS 468.423(4)) and has full power and authority to enter into this Loan Agreement.

(2) This Agreement has been duly authorized and executed and delivered by an authorized officer of the Borrower and constitutes the legal, valid and binding obligation of the Borrower enforceable in accordance with its terms.

(3) All acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Agreement have existed, have happened, and have been performed in due time, form and manner as required by law.

(4) Neither the execution of this Loan Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with any of the terms and conditions of this Loan Agreement will violate any provision of law, or any order of any court or other agency of government, or any agreement or other instrument to which the Borrower is now a party or by which the Borrower or any of its properties or assets is bound. Nor will this Loan Agreement be in conflict with, result in a breach of, or constitute a default under, any such agreement or other instrument, or, except as provided hereunder, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower.

(5) This Loan Agreement does not create any unconstitutional indebtedness. The Loan Amount together with all of the Borrower's other obligations does not, and will not, exceed any limits prescribed by the Constitution, any of the statutes of the State of Oregon, the Borrower's charter, or any other authority.

(6) The Project is a project which the Borrower may undertake pursuant to Oregon law and for which the Borrower is authorized by law to borrow money.

(7) The Borrower has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the Facility and the Project, other than licenses and permits relating to the Facility or the Project which the Borrower expects to and shall receive in the ordinary course of business, to carry on its activities relating thereto, to execute and deliver this Agreement, to undertake and complete the Project, and to carry out and consummate all transactions contemplated by this Agreement.

(8) The information contained herein which was provided by the Borrower is true and accurate in all respects, and there is no material adverse information relating to the Project or the Loan, known to the Borrower, that has not been disclosed in writing to DEQ.

(9) No litigation exists or has been threatened that would cast doubt on the enforceability of the Borrower's obligations under this Loan Agreement.

(10) The estimated Completion Date of the Project is December 31, 2024. The Borrower agrees to complete the Project by the estimated Completion Date.

(11) The estimated total Costs of the Project are $41,600,000

(12) The Borrower is in compliance with all laws, ordinances, and governmental rules and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Borrower to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of the Borrower or the Project.

(B) CONTINUING REPRESENTATIONS OF THE BORROWER. The representations of the Borrower contained herein shall be true on the closing date for the Loan and at all times during the term of this Agreement.

(C) REPRESENTATIONS AND WARRANTIES OF DEQ. DEQ represents and warrants that the Director has power under ORS Chapter 468 and OAR Chapter 340, Division 54, to enter into the transactions contemplated by this Loan Agreement and to carry out DEQ's obligations thereunder and that the Director is authorized to execute and deliver this Loan Agreement and to make the Loan as contemplated hereby.

ARTICLE 4: CONDITIONS TO LOAN

(A) CONDITIONS TO CLOSING. DEQ's obligations hereunder are subject to the condition that on or prior to July 31, 2021, the Borrower will duly execute and deliver to DEQ the following items, each in form and substance satisfactory to DEQ and its counsel:

(1) this Agreement duly executed and delivered by an authorized officer of the Borrower;

(2) a copy of the ordinance, order or resolution of the governing body of the Borrower authorizing the execution and delivery of this Agreement, certified by an authorized officer of the Borrower;

(3) Certification Regarding Lobbying, substantially in the form of APPENDIX G, duly executed and delivered by an authorized officer of the Borrower;

(4) an opinion of the legal counsel to the Borrower to the effect that:

(a) The Borrower has the power and authority to execute and deliver and perform its obligations under this Loan Agreement;

(b) This Loan Agreement has been duly executed and acknowledged where necessary by the Borrower's authorized representative(s), all required approvals have been obtained, and all other necessary actions have been taken, so that this Loan Agreement is valid, binding, and enforceable against the Borrower in accordance with its terms, except as such enforcement is affected by bankruptcy, insolvency, moratorium, or other laws affecting creditors rights generally;

(c) To such counsel's knowledge, this Loan Agreement does not violate any other agreement, statute, court order, or law to which the Borrower is a party or by which it or any of its property or assets is bound; and

(d) The Gross Revenues from which the Net Revenues are derived and that are used as security for the Loan will not constitute taxes that are limited by Section 11b, Article XI of the Oregon Constitution; and

(5) such other documents, certificates, opinions and information as DEQ or its counsel may reasonably require.

(B) **CONDITIONS TO DISBURSEMENTS**. Notwithstanding anything in this Agreement to the contrary, DEQ shall have no obligation to make any disbursement to the Borrower under this Agreement unless:

(1) No Event of Default and no event, omission or failure of a condition which would constitute an Event of Default after notice or lapse of time or both has occurred and is continuing;

(2) All of the Borrower's representations and warranties in this Agreement are true and correct on the date of disbursement with the same effect as if made on such date; and

(3) The Borrower submits a disbursement request to DEQ that complies with the requirements of ARTICLE 2(C);

provided, however, DEQ shall be under no obligation to make any disbursement if:

(x) DEQ determines, in the reasonable exercise of its administrative discretion, there is insufficient money available in the CWSRF for the Project; or

(y) there has been a change in any applicable state or federal law, statute, rule or regulation so that the Project is no longer eligible for the Loan.

ARTICLE 5: COVENANTS OF BORROWER

(A) GENERAL COVENANTS OF THE BORROWER. Until the Loan is paid in full, the Borrower covenants with DEQ that:

(1) The Borrower shall use the Loan funds only for payment or reimbursement of the Costs of the Project in accordance with this Loan Agreement. The Borrower acknowledges and agrees that the Costs of the Project do NOT include any Lobbying costs or expenses incurred by Borrower or any person on behalf of Borrower and that Borrower will not request payment or reimbursement for Lobbying costs and expenses.

(2) If the Loan proceeds are insufficient to pay for the Costs of the Project in full, the Borrower shall pay from its own funds and without any right of reimbursement from DEQ all such Costs of the Project in excess of the Loan proceeds.

(3) The Borrower is and will be the owner of the Facility and the Project and shall defend them against the claims and demands of all other persons at any time claiming the same or any interest therein.

(4) The Borrower shall not sell, lease, transfer, or encumber or enter into any management agreement or special use agreement with respect to the Facility or any financial or fixed asset of the utility system that produces the Net Revenues without DEQ's prior written approval, which approval may be withheld for any reason. Upon sale, transfer or encumbrance of the Facility or the Project, in whole or in part, to a private person or entity, this Loan shall be immediately due and payable in full.

(5) Concurrent with the execution and delivery of this Loan Agreement, or as soon thereafter as practicable, the Borrower shall take all steps necessary to cause the Project to be completed in a timely manner in accordance with all applicable DEQ requirements.

(6) The Borrower shall take no action that would adversely affect the eligibility of the Project as a CWSRF project or cause a violation of any Loan covenant in this Agreement.

(7) The Borrower shall undertake the Project, request disbursements under this Loan Agreement, and use the Loan proceeds in full compliance with all applicable laws and regulations of the State of Oregon, including but not limited to ORS Chapter 468 and Oregon Administrative Rules Sections 340-054-0005 to 340-054-0065, as they may be amended from time to time, and all applicable federal authorities and laws and regulations of the United States, including but not limited to Title VI of the Clean Water Act as amended by the Water Quality Act of 1987, Public Law 100-4, the federal cross-cutters listed at APPENDIX D, the equal employment opportunity provisions in APPENDIX F, and the regulations of the U.S. Environmental Protection Agency, all as they may be amended from time to time.

(8) The Borrower shall keep the Facility in good repair and working order at all times and operate the Facility in an efficient and economical manner. The Borrower shall provide the necessary resources for adequate operation, maintenance and replacement of the Project and retain sufficient personnel to operate the Facility.

(9) Interest paid on this Loan Agreement is *not* excludable from gross income under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"). However, DEQ may have funded this Loan with the proceeds of State bonds that bear interest that is excludable from gross income under Section 103(a) of the Code. Section 141 of the Code requires that the State not allow the proceeds of the State bonds to be used by private entities (including the federal government) in such a way that the State bonds would become "private activity bonds" as defined in Section 141 of the Code. To protect the State bonds the Borrower agrees that it shall not use the Loan proceeds or lease, transfer or otherwise permit the use of the Project by any private person or entity in any way that that would cause this Loan Agreement or the State bonds to be treated as "private activity bonds" under Section 141 of the Code and the regulations promulgated under that Section of the Code.

(B) DEBT SERVICE COVERAGE REQUIREMENT; WASTEWATER RATE COVENANT; REPORTING.

(1) Debt Service Coverage Requirement. The Borrower shall maintain wastewater rates and charge fees in connection with the operation of the Facility that are adequate to generate Net Revenues in each fiscal year sufficient to pay (i) all debt service (excluding debt service on the Loan), (ii) all other financial obligations imposed in connection with prior lien obligations of the Borrower, and (iii) an amount equal to the debt service coverage factor of 105% multiplied by the debt service payments due under this Loan Agreement in that fiscal year.

(2) Wastewater Rate Adjustments. The Borrower shall review its wastewater rates and fees at least annually. If, in any fiscal year, the Borrower fails to collect fees sufficient to meet the debt service coverage requirement described in ARTICLE 5(B)(1), the Borrower shall promptly adjust its wastewater rates and fees to assure future compliance with such coverage requirement. The Borrower's adjustment of the wastewater rates and fees does not constitute a cure of any default by the Borrower of the debt service coverage requirement set forth in ARTICLE 5(B)(1). The Borrower's failure to adjust rates shall not, at the discretion of DEQ, constitute a default if the Borrower transfers to the fund that holds the Net Revenues unencumbered resources in an amount equal to the revenue deficiency from the Facility that produces the Net Revenues.

(3) Reporting Requirement. By December 31 of each year the Borrower shall provide DEQ with a report that demonstrates the Borrower's compliance with the requirements of this ARTICLE 5(B). If the audit report described in ARTICLE 5(F) identifies the Net Revenues and contains a calculation demonstrating the Borrower's satisfaction of the requirements of this ARTICLE 5(B), that audit will satisfy the requirements of this ARTICLE 5(B)(3).

(C) LOAN RESERVE REQUIREMENT; LOAN RESERVE ACCOUNT.

(1) Loan Reserve Requirement. The Loan reserve requirement equals one-half of the average annual debt service based on the final Payment Schedule. Until the Final Loan Amount is calculated, the Loan reserve requirement is $125,129. The Borrower shall deposit the Loan reserve requirement amount into the Loan Reserve Account no later than the date the first payment is due hereunder.

(2) Loan Reserve Account. The Borrower shall create a segregated Loan Reserve Account that shall be held in trust for the benefit of DEQ. The Borrower hereby grants DEQ a security interest in and irrevocably pledges amounts in the Loan Reserve Account to pay the amounts due under this Loan Agreement. The funds in Loan Reserve Account so pledged and hereafter received by the Borrower shall immediately be subject to the lien of such pledge without physical delivery or further act, and the lien of the pledge shall be superior to all other claims and liens whatsoever, to the fullest extent permitted by ORS 287A.310. The Borrower represents and warrants that the pledge of the Loan Reserve Account hereby made by the Borrower complies with, and shall be valid and binding from the date of this Agreement pursuant to, ORS 287A.310. The Borrower shall use the funds in the Loan Reserve Account solely to pay amounts due hereunder until the principal, interest, fees, and any other amounts due hereunder have been fully paid.

(3) Additional Deposits. If the balance in the Loan Reserve Account falls below the Loan reserve requirement, the Borrower shall promptly deposit from the first Net Revenues available after payment of the amounts due hereunder (unless the Borrower has previously made such deposit from other money of the Borrower) an amount sufficient to restore the balance up to the Loan reserve requirement.

(D) INSURANCE. At its own expense, the Borrower shall, during the term of this Agreement, procure and maintain insurance coverage (including, but not limited to, hazard, flood and general liability insurance) adequate to protect DEQ's interest and in such amounts and against such risks as are usually insurable in connection with similar projects and as is usually carried by entities operating similar facilities. The insurance shall be with an entity which is acceptable to DEQ. The Borrower shall provide evidence of such insurance to DEQ. Self-insurance maintained pursuant to a recognized municipal program of self-insurance will satisfy this requirement.

(E) ***INDEMNIFICATION.*** *The Borrower shall, to the extent permitted by law and the Oregon Constitution, indemnify, save and hold the State, its officers, agents and employees harmless from and (subject to ORS Chapter 180) defend each of them against any and all claims, suits, actions, losses, damages, liabilities, cost and expenses of any nature whatsoever resulting from, arising out of or relating to the acts or omissions of the Borrower or its officers, employees, subcontractors or agents in regard to this Agreement or the Project.*

(F) THE BORROWER'S FINANCIAL RECORDS; FINANCIAL REPORTING REQUIREMENTS.

(1) Financial Records. The Borrower shall keep proper and complete books of record and account and maintain all fiscal records related to this Agreement, the Project, and the Facility in accordance with generally accepted accounting principles, generally accepted government accounting standards, the requirements of the Governmental Accounting Standards Board, and state minimum standards for audits of municipal corporations. The Borrower must maintain separate Project accounts in accordance with generally accepted government accounting standards promulgated by the Governmental Accounting Standards Board. The Borrower will permit DEQ and the Oregon Secretary of State and their representatives to inspect its properties, and all work done, labor performed and materials furnished in and about the Project, and DEQ, the Oregon Secretary of State and the federal government and their duly authorized representatives shall have access to the Borrower's fiscal records and other books, documents, papers, plans and writings that are pertinent to this Agreement to perform examinations and audits and make excerpts and transcripts and take copies.

(2) Record Retention Period. The Borrower shall retain and keep accessible files and records relating to the Project for at least six (6) years (or such longer period as may be required by applicable law) after Project completion as determined by DEQ and financial files and records until all amounts due under this Loan Agreement are fully repaid, or until the conclusion of any audit, controversy, or litigation arising out of or related to this Agreement, whichever date is later.

(3) Accounting for Costs of the Project. Borrower shall provide to DEQ, as soon as possible, but in no event later than six (6) months following the Project Completion Date, a full and complete accounting of the Costs of the Project, including but not limited to documentation to support each cost element and a summary of the Costs of the Project and the sources of funding.

(4) Single Audit Requirements. The CWSRF Program receives capitalization grants through the Catalog of Federal Domestic Assistance ("CFDA") No. 66.458: Capitalization Grants for State Revolving Funds and is subject to the regulations of the U.S. Environmental Protection Agency ("EPA"). Borrower is a sub-recipient.

(a) Subrecipients receiving federal funds in excess of $750,000 in the subrecipient's fiscal year are subject to audit conducted in accordance with the provisions of 2 CFR part 200, subpart F. The Borrower, if subject to this requirement, shall at its own expense submit to DEQ a copy of, or electronic link to, its annual audit subject to this requirement covering the funds expended under this Agreement and shall submit or cause to be submitted to DEQ the annual audit of any subrecipient(s), contractor(s), or subcontractor(s) of the Borrower responsible for the financial management of funds received under this Agreement.

(b) Audit costs for audits not required in accordance with 2 CFR part 200, subpart F are unallowable. If the Borrower did not expend $750,000 or more in Federal funds in its fiscal year, but contracted with a certified public accountant to perform an audit, costs for performance of that audit shall not be charged to the funds received under this Agreement.

(c) The Borrower shall save, protect and hold harmless DEQ from the cost of any audits or special investigations performed by the Federal awarding agency or any federal agency with respect to the funds expended under this Agreement. The Borrower acknowledges and agrees that any audit costs incurred by the Borrower as a result of allegations of fraud, waste or abuse are ineligible for reimbursement under this or any other agreement between the Borrower and the State of Oregon.

(G) DBE GOOD FAITH EFFORT. Pursuant to the good faith efforts described in APPENDIX C, the Borrower shall make a good faith effort to promote fair share awards to Minority Business Enterprises ("MBE"), Women's Business Enterprises ("WBE"), and Small Businesses in Rural Areas ("SBRA") on all contracts and subcontracts awarded as part of the Project. The Borrower agrees to include, in its contract(s) with its prime contractor(s), the following language, which must not be altered in any way:

> "The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies."

The Borrower also agrees to include, in its contract(s) with its prime contractor(s), and shall cause each contract awarded by its prime contractor(s) to include, language to the following effect (the exact language may vary):

(1) A prime contractor must pay its subcontractor(s) no more than 30 days from the prime contractor's receipt of payment from the Borrower.

(2) The Borrower must be notified in writing by its prime contractor prior to any termination of a DBE subcontractor for convenience by the prime contractor.

(3) If a DBE subcontractor fails to complete work under the subcontract for any reason, the prime contractor must employ the Six Good Faith Efforts as described in 40 C.F.R. 33.301 if soliciting a replacement subcontractor.

(4) A prime contractor must employ the Six Good Faith Efforts even if the prime contractor has achieved its Fair Share Objectives under Subpart D of 40 C.F.R. Part 33.

(H) CONTRACT LANGUAGE. The Borrower shall include in all contracts (unless exempt) with its prime contractor(s) the language set forth in APPENDIX F. Further, the Borrower agrees to fully comply with Subpart C of 2 C.F.R. 180 and Subpart C of 2 C.F.R. 1532 regarding debarment and suspension and agrees to include or cause to be included in any contract at any tier the requirement that a contractor comply with Subpart C of 2 C.F.R. 180 and Subpart C of 2 C.F.R. 1532 if the contract is expected to equal or exceed $25,000.

(I) PROJECT ASSURANCES. Nothing in this Loan Agreement prohibits the Borrower from requiring more assurances, guarantees, indemnity or other contractual requirements from any party performing Project work.

ARTICLE 6: REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS RELATING TO CONSTRUCTION PROJECTS ONLY

(A) THE BORROWER'S REPRESENTATION AND WARRANTY REGARDING COSTS ALREADY INCURRED.

(1) The Borrower represents and warrants to DEQ that, as of the date of this Loan Agreement, the Costs of the Project actually incurred by the Borrower do not exceed -zero-.

(2) The Borrower acknowledges that DEQ is relying upon the Borrower's representation regarding the amount of Costs of the Project incurred by the Borrower for construction prior to the date of this Loan Agreement as set forth in ARTICLE 6(A)(1) above to determine what portion of the Loan qualifies as a "refinancing" under the EPA's Clean Water State Revolving Fund regulations, 40 C.F.R. Part 35, that may be disbursed on a reimbursement basis.

(B) CONDITION TO DISBURSEMENTS. DEQ's obligation to make disbursements hereunder is further conditioned on the following:

(1) The Borrower's plans, specifications and related documents for the Project shall be reviewed and approved by DEQ, as required by OAR Chapter 340, Division 054.

(2) The Borrower has submitted documentation satisfactory to DEQ that the disbursement is for work that complies with plans, specifications, change orders and addenda approved by DEQ, in accordance with OAR Chapter 340, Division 054.

(3) The Borrower has submitted a copy of the awarded contract and bid documents (including a tabulation of all bids received) to DEQ for the portion of the Project costs that will be funded with the disbursement.

(C) GENERAL PROVISIONS. The Borrower covenants with DEQ that:

(1) Construction Manual. Unless stated otherwise in this Agreement, the Borrower shall comply with the requirements set forth in the Manual as in effect from time to time. DEQ will provide the Borrower with a copy of the Manual upon request.

(2) Plans and Specifications. The Borrower shall obtain DEQ's review and approval of the Borrower's plans, specifications, and related documents for the Project, as required by OAR Chapter 340, Division 054, prior to any disbursement of Loan proceeds hereunder.

(3) Change Orders. The Borrower shall submit all change orders to DEQ. The Borrower must submit prior to its execution any change order that exceeds $100,000 or will alter Project performance. The Borrower shall not use any Loan proceeds to pay for costs of any change order that DEQ has not approved in writing. This ARTICLE 6(C)(3) shall not prevent the Borrower from using funds other than Loan proceeds to pay for a change order before DEQ approves it, but the Borrower bears the risk that DEQ will not approve the change order.

(4) Inspections; Reports. The Borrower shall provide inspection reports during the construction of the Project as required by DEQ to ensure that the Project complies with approved plans and specifications. Qualified inspectors shall conduct these inspections under the direction of a registered civil, mechanical or electrical engineer, whichever is appropriate. DEQ or its representative(s) may enter property owned or controlled by the Borrower to conduct interim inspections and require progress reports sufficient to determine compliance with approved plans and specifications and with the Loan Agreement, as appropriate.

(5) Asbestos and Other Hazardous Materials. The Borrower shall ensure that only persons trained and qualified for removal of asbestos or other Hazardous Materials will remove any asbestos or Hazardous Materials, respectively, which may be part of this Project.

(6) Operation and Maintenance Manual. The Borrower shall submit to DEQ a draft Facility operation and maintenance manual before the Project is fifty percent (50%) complete. The Borrower shall submit to DEQ a final Facility operation and maintenance manual that meets DEQ's approval before the Project is ninety percent (90%) complete.

(7) Project Performance Certification. The Borrower shall submit to DEQ draft performance standards before the Project is fifty percent (50%) complete. The Borrower shall submit to DEQ final performance standards that meet DEQ's approval before the Project is ninety percent (90%) complete. The Borrower shall submit to DEQ the following done in accordance with the Manual: (i) no later than 10.5 months after the Initiation of Operation (as that term is defined in OAR 340-054-0010(26)), a performance evaluation report based on the approved performance standards; (ii) within one year after the Project's Initiation of Operation, Project performance certification statement; and (iii) within two (2) months of submission of such Project performance certification statement, a corrective action plan for any Project deficiencies noted in said statement.

(8) Alterations After Completion. The Borrower shall not materially alter the design or structural character of the Project after completing the Project without DEQ's written approval.

(9) Project Initiation of Operations.

(a) The Borrower shall notify DEQ of the Initiation of Operation no more than thirty (30) days after the actual Project Completion Date.

(b) If the Project is completed, or is completed except for minor items, and the Project is operable, but DEQ has not received a notice of Initiation of Operation from the Borrower, DEQ may assign an Initiation of Operation date.

(D) PROVISION APPLICABLE TO CONTRACTS AND SUBCONTRACTS AWARDED FOR THE PROJECT

(1) Davis-Bacon Requirements. All contracts and subcontracts awarded as part of the Project shall comply with (1) the wage requirements of the Davis-Bacon Act, as amended, 40 U.S.C. §§3141 to 3144, 3146 and 3147 (2002), and (2) the requirements of the *Prevailing Wage Rates for Public Works Projects in Oregon* established under ORS 279C.800 through 279C.870 and OAR 839-025-0000 through 839-025-0540. The Borrower agrees that it will insert into any contract in excess of $2,000 for construction, and will cause its subcontractors to insert in any sub-contract in excess of $2,000 for construction, the Davis-Bacon language set forth in Part 1 of APPENDIX E and Part 2 of APPENDIX E as applicable.

(2) Retainage. The Borrower shall require a five percent (5%) retainage in all of its contracts related to the Project for an amount greater than One Hundred Thousand Dollars ($100,000).

(E) AMERICAN IRON AND STEEL
The Borrower shall:

(1) Comply with all federal requirements applicable to the Loan (including those imposed by the Consolidated Appropriations Act, 2014, P.L. 113-76 ("CAA"), and related CWSRF Policy Guidelines) which the Borrower understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel Requirement") unless (i) the Borrower has requested and obtained a waiver from the EPA pertaining to the Project or (ii) DEQ has otherwise advised the Borrower in writing that the American Iron and Steel Requirement is not applicable to the Project.

(2) Comply with all record keeping and reporting requirements under the Clean Water Act, 33 U.S.C. 1251 et seq. (1972) ("Clean Water Act"), including any reports required by a Federal agency or DEQ such as performance indicators of program deliverables, information on costs and Project progress. The Borrower understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Clean Water Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity thereof and/or other remedial actions.

(3) Include in all contracts for the Project the language set forth in APPENDIX H. All contracts and subcontracts of Borrower for the Project must have a provision requiring compliance with the American Iron and Steel Requirement. APPENDIX H is an example provided by the EPA of what could be included in all contracts in projects that use CWSRF funds. Neither the EPA nor DEQ makes any claims regarding the legality of this clause with respect to state or local law.

(4) Requirement. All of the iron and steel products used in the Project must be produced in the United States if the Project is for the construction, alteration, maintenance, or repair of a "treatment works" as defined in the federal Water Pollution Control Act, 33 U.S.C. §1381 et seq.

(5) Definition. "Iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(6) Applicability. As to loan agreements fully executed on or after October 1, 2014, the requirement set forth in ARTICLE 6(E)(1) above does not apply if the engineering plans and specifications for the Project were approved by DEQ prior to June 10, 2014.

(7) Waiver. The requirement set forth in ARTICLE 6(E)(1) above does not apply if: (a) application would be inconsistent with the public interest; (2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or (3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than *25* percent. Borrower may apply for a waiver of the requirement set forth in ARTICLE 6(E)(1) above by sending a waiver request directly to EPA with a copy to DEQ or by sending its waiver request to DEQ who will then forward it on to EPA.

ARTICLE 7: DISCLAIMERS BY DEQ; LIMITATION OF DEQ'S LIABILITY

(A) DISCLAIMER OF ANY WARRANTY. DEQ EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, REGARDING THE PROJECT, THE QUALITY OF MATERIALS SUPPLIED TO AND THAT BECOME A PART OF THE PROJECT, THE QUALITY OF THE WORKMANSHIP PERFORMED UPON THE PROJECT, OR THE EXTENT AND STAGE OF COMPLETION OF THE PROJECT. No such warranty or guarantee shall be implied by virtue of any inspection or disbursement made by DEQ. Any inspection done by DEQ shall be for its sole benefit.

(B) DISCLAIMER OF LIABILITY OF DEQ. DEQ EXPRESSLY DISCLAIMS LIABILITY OF ANY KIND OR CHARACTER WHATSOEVER FOR PAYMENT OF LABOR OR MATERIALS OR OTHERWISE IN CONNECTION WITH THE COMPLETION OF THE PROJECT OR CONTRACTS ENTERED INTO BY THE BORROWER WITH THIRD PARTIES FOR THE COMPLETION OF THE PROJECT. All Project costs of labor, materials and construction, including any indirect costs, shall be the responsibility of and shall be paid by the Borrower.

(C) NONLIABILITY OF STATE.

(1) The State and its officers, agents and employees shall not be liable to the Borrower or to any other party for any death, injury, damage, or loss that may result to any person or property by or from any cause whatsoever, arising out of any defects in the plans, design drawings and specifications for the Project, any agreements or documents between the Borrower and third parties related to the Project or any activities related to the Project. DEQ shall not be responsible for verifying cost-effectiveness of the Project, doing cost comparisons or reviewing or monitoring compliance by the Borrower or any other party with state procurement laws and regulations.

(2) The Borrower hereby expressly releases and discharges DEQ, its officers, agents and employees from all liabilities, obligations and claims arising out of the Project work or under the Loan, subject only to exceptions previously agreed upon in writing by the parties.

(3) Any findings by DEQ concerning the Project and any inspections or analyses of the Project by DEQ are for determining eligibility for the Loan and disbursement of Loan proceeds only. Such findings do not constitute an endorsement of the feasibility of the Project or its components or an assurance of any kind for any other purpose.

(4) Review and approval of Facilities plans, design drawings and specifications or other documents by or for DEQ does not relieve the Borrower of its responsibility to properly plan, design, build and effectively operate and maintain the Facility as required by law, regulations, permits and good management practices.

ARTICLE 8: DEFAULT AND REMEDIES

(A) EVENTS OF DEFAULT. The occurrence of one or more of the following events constitutes an event of default ("Event of Default"), whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(1) The Borrower fails to make any Loan payment within thirty (30) days after the payment is scheduled to be made according to the repayment schedule;

(2) Any representation or warranty made by the Borrower hereunder was untrue in any material respect as of the date it was made;

(3) The Borrower becomes insolvent or admits in writing an inability to pay its debts as they mature or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Borrower or a substantial part of its property; or in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for the Borrower or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or moratorium or any dissolution or liquidation proceeding is instituted by or against the Borrower and, if instituted against the

Borrower, is consented to or acquiesced in by the Borrower or is not dismissed within twenty (20) days;

(4) As a result of any changes in the United States Constitution or the Oregon Constitution or as a result of any legislative, judicial, or administrative action, any part of this Loan Agreement becomes void, unenforceable or impossible to perform in accordance with the intent and purposes of the parties hereto or is declared unlawful;

(5) The Borrower defaults in the performance or observance of any covenants or agreements contained in any loan documents between itself and any lender or lenders, and the default remains uncured upon the expiration of any cure period provided by said loan documents; or

(6) The Borrower fails to cure non-compliance in any material respect with any other covenant, condition, or agreement of the Borrower hereunder, other than as set forth in (1) through (5) above within a period of thirty (30) days after DEQ provides notice of the noncompliance.

(B) **REMEDIES.** If DEQ determines that an Event of Default has occurred, DEQ may, without further notice:

(1) Declare the Outstanding Loan Amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable;

(2) Cease making disbursement of Loan proceeds or make some disbursements of Loan proceeds and withhold or refuse to make other disbursements;

(3) Appoint a receiver, at the Borrower's expense, to operate the Facility that produces the Net Revenues and collect the Gross Revenues;

(4) Set and collect utility rates and charges;

(5) Pay, compromise or settle any liens on the Facility or the Project or pay other sums required to be paid by the Borrower in connection with the Project, at DEQ's discretion, using the Loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, it shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional cumulative security for the amounts due under this Loan Agreement;

(6) Direct the State Treasurer to withhold any amounts otherwise due to the Borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under this Loan Agreement and be deposited into the CWSRF; and

(7) Pursue any other legal or equitable remedy it may have.

ARTICLE 9: DEFINITIONS

(A) **"BORROWER"** means the public agency (as defined in ORS 468.423(4)) shown as the "Borrower" in Article 1(A) of this Agreement.

(B) **"COMPLETION DATE"** means the date on which the Project is completed. If the Project is a planning project, the Completion Date is the date on which DEQ accepts the planning project. If the Project is a design project, the Completion Date is the date on which the design project is ready for the contractor bid process. If the Project is a construction project, the Completion Date is the date on which the construction project is substantially complete and ready for Initiation of Operation.

(C) **"COSTS OF THE PROJECT"** means expenditures approved by DEQ that are necessary to complete the Project in compliance with DEQ's requirements and may include but are not limited to the following items:

(1) Cost of labor and materials and all costs the Borrower is required to pay under the terms of any contract for the design, acquisition, construction or installation of the Project;

(2) Engineering fees for the design and construction of the Project.

(3) The costs of surety bonds and insurance of all kinds that may be required or necessary during the course of completion of the Project;

(4) The legal, financing and administrative costs of obtaining the Loan and completing the Project; and

(5) Any other costs approved in writing by DEQ.

(D) **"CWSRF PROGRAM" or "CWSRF"** means the Clean Water State Revolving Fund and the Clean Water State Revolving Fund Loan Program, a fund and loan program administered by DEQ under ORS 468.423 to 468.440.

(E) **"DEQ"** means the Oregon Department of Environmental Quality.

(F) **"DIRECTOR"** means the Director of DEQ or the Director's authorized representative.

(G) **"FACILITY"** means all property owned or used by the Borrower to provide wastewater collection, treatment and disposal services, of which the Project is a part.

(H) **"FINAL LOAN AMOUNT"** means the total of all Loan proceeds disbursed to the Borrower under the Loan Agreement, determined on the date on which the Borrower indicates that no further Loan funds will be requested, all eligible expenditures have been reimbursed from the Loan proceeds, or all Loan proceeds have been disbursed hereunder, whichever occurs first.

(I) **"GROSS REVENUES"** means all fees and charges resulting from operation of the Facility and any interest earnings thereon; provided however, Gross Revenues does not include: the proceeds of any grants; the proceeds of any borrowings for capital improvements; the proceeds of any liability insurance; or the proceeds of any casualty insurance which the Borrower intends to and does utilize for repair or replacement of the Facility or a part thereof.

(J) **"HAZARDOUS MATERIALS"** means and includes flammable explosives, radioactive materials, asbestos and substances defined as hazardous materials, hazardous substances or hazardous wastes in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.) and the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et seq.), and regulations promulgated thereunder.

(K) **"LOAN"** means the loan made pursuant to this Loan Agreement.

(L) **"LOAN AGREEMENT"** or **"AGREEMENT"** means this loan agreement and its exhibits, appendices, schedules and attachments (which are by this reference incorporated herein), and any amendments thereto.

(M) **"LOAN AMOUNT"** means the maximum amount DEQ agrees to loan the Borrower hereunder.

(N) **"LOAN RESERVE ACCOUNT"** means the account described in ARTICLE 5(c)(2).

(O) **"LOBBYING"** means influencing or attempting to influence a member, officer or employee of a governmental agency or legislature in connection with the awarding of a government contract, the making of a government grant or loan or the entering into of a cooperative agreement with such governmental entity or the extension, continuation, renewal, amendment or modification of any of the above.

(P) **"MANUAL"** means the CWSRF Manual for Construction Projects.

(Q) **"NET REVENUES"** means the Gross Revenues less the Operating Expenses for the Facility.

(R) **"OPERATING EXPENSES"** means all direct and indirect expenses incurred for operation, maintenance and repair of the Facility, including but is not limited to administrative expenses, legal, financial and accounting expenses, insurance premiums, claims (to the extent that monies are not available from insurance proceeds), taxes, engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Facility. Operating expenses include an appropriate amount for reserves for repair and replacement of the Facility based on the expected life of the collection, treatment and disposal facilities.

(S) **"OUTSTANDING LOAN AMOUNT"** means, as of any date, the sum of all disbursements to the Borrower hereunder less the sum of all Loan principal payments received by DEQ.

(T) **"PROJECT"** means the facilities, activities or documents described in ARTICLE 1(E) and (F).

(U) **"REPAYMENT PERIOD"** means the repayment period ending on the date specified in ARTICLE 1(H) which date shall not in any event be later than twenty (20) years after the Completion Date.

(V) **"STATE"** means the State of Oregon.

ARTICLE 10: MISCELLANEOUS

(A) **NOTICES.** All notices, payments, statements, demands, requests or other communications under this Loan Agreement by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered by personal delivery, by certified mail, return receipt requested, or by facsimile transmission, and, if to the Borrower, delivered, addressed or transmitted to the location or number listed in ARTICLE 1(B), and if to DEQ, delivered, addressed or transmitted to:

Clean Water State Revolving Fund Loan Program
Water Quality Division
Department of Environmental Quality
700 NE Multnomah St., #600
Portland, Oregon 97235
Fax (503) 229-6037

or to such other addresses or numbers as the parties may from time to time designate. Any notice or other communication so addressed and mailed shall be deemed to be given five (5) days after mailing. Any notice or other communication delivered by facsimile shall be deemed to be given when receipt of the transmission is generated by the transmitting machine. To be effective against DEQ, such facsimile transmission must be confirmed by telephone notice to DEQ's CWSRF Program Coordinator. Any notice or other communication by personal delivery shall be deemed to be given when actually delivered.

(B) **WAIVERS AND RESERVATION OF RIGHTS.**

(1) DEQ's waiver of any breach by the Borrower of any term, covenant or condition of this Loan Agreement shall not operate as a waiver of any subsequent breach of the same or breach of any other term, covenant, or condition of this Loan Agreement. DEQ may pursue any of its remedies hereunder concurrently or consecutively without being deemed to have waived its right to pursue any other remedy.

(2) Nothing in this Loan Agreement affects DEQ's right to take remedial action, including, but not limited to, administrative enforcement action and action for breach of contract against the Borrower, if the Borrower fails to carry out its obligations under this Loan Agreement.

(C) **Time Is Of The Essence.** The Borrower agrees that time is of the essence under this Loan Agreement.

(D) **Relationship of Parties.** The parties agree and acknowledge that their relationship is that of independent contracting parties, and neither party hereto shall be deemed an agent, partner, joint venturer or related entity of the other by reason of this Loan Agreement.

(E) **No Third Party Beneficiaries**. DEQ and the Borrower are the only parties to this Loan Agreement and are the only parties entitled to enforce the terms of this Loan Agreement. Nothing in this Loan Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly, 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 Loan Agreement. Any inspections, audits, reports or other assurances done or obtained, or approvals or consents given, by DEQ are for its benefit only for the purposes of administering this Loan and the CWSRF Program.

(F) **Assignment.** DEQ shall have the right to transfer the Loan or any part thereof, or assign any or all of its rights under this Loan Agreement, at any time after execution of this Loan Agreement upon written notice to the Borrower. Provisions of this Loan Agreement shall inure to the benefit of DEQ's successors and assigns. This Loan Agreement or any interest therein may be assigned or transferred by the Borrower only with DEQ's prior written approval (which consent may be withheld for any reason), and any assignment or transfer by the Borrower in contravention of this ARTICLE 10(F) shall be null and void.

(G) **DEQ Not Required to Act.** Nothing contained in this Loan Agreement requires DEQ to incur any expense or to take any action hereunder in regards to the Project.

(H) **Further Assurances.** The Borrower and DEQ agree to execute and deliver any written instruments necessary to carry out any agreement, term, condition or assurance in this Loan Agreement whenever a party makes a reasonable request to the other party for such instruments.

(I) **Validity and Severability; Survival.** If any part, term, or provision of this Loan Agreement or of any other Loan document shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by either party, the validity of the remaining portions, terms and provisions shall not be affected, and all such remaining portions, terms and provisions shall remain in full force and effect. Any provision of this Agreement which by its nature or terms is intended to survive termination, including but not limited to ARTICLE 5(E), shall survive termination of this Agreement.

(J) **No Construction Against Drafter.** Both parties acknowledge that they are each represented by and have sought the advice of counsel in connection with this Loan Agreement and the transactions contemplated hereby and have read and understand the terms of this Loan Agreement. The terms of this Loan Agreement shall not be construed against either party as the drafter hereof.

(K) **Headings.** All headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Loan Agreement.

(L) ATTORNEYS' FEES AND EXPENSES. In any action or suit to enforce any right or remedy under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, to the extent permitted by law.

(M) CHOICE OF LAW; DESIGNATION OF FORUM; FEDERAL FORUM.

(1) The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

(2) Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

(3) Notwithstanding ARTICLE 10(M)(2), if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This ARTICLE 10(M)(3) applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This ARTICLE 10(M)(3) is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

(N) COUNTERPARTS. This Loan Agreement may be executed in any number of counterparts, each of which is deemed to be an original, but all together constitute but one and the same instrument.

(O) ENTIRE AGREEMENT; AMENDMENTS. This Loan Agreement, including all appendices and attachments that are by this reference incorporated herein, constitutes the entire agreement between the Borrower and DEQ on the subject matter hereof, and it shall be binding on the parties thereto when executed by all the parties and when all approvals required to be obtained by DEQ have been obtained. This Loan Agreement, including all related Loan documents and instruments, may not be amended, changed, modified, or altered without the written consent of the parties.

CITY OF REDMOND

By: ____ ________________________
Authorized Officer Date

Typed Name: ______________________________________
Title: ____

STATE OF OREGON ACTING BY AND THROUGH ITS DEPARTMENT OF ENVIRONMENTAL QUALITY

By: ____ ________________________
Justin Green, Administrator Date
Water Quality Division

APPENDIX A: ***PRELIMINARY*** REPAYMENT SCHEDULE

OREGON DEPARTMENT OF ENVIRONMENTAL QUALITY
CLEAN WATER STATE REVOLVING FUND LOAN PROGRAM
REPAYMENT SCHEDULE

BORROWER:	**City of Redmond**	INTEREST RATE:	1.24%
SRF LOAN NO.:	**R76074**	TERM IN YEARS:	20
LOAN AMOUNT:	$ 6,400,000	PAYMENT AMOUNT:	$ 185,247
		ANNUAL FEE:	0.50%

Due Date	Pmt#	PAYMENT Principal	Interest	Fees	Total	Principal Balance
						6,400,000
8/1/2025	1	0	287,062	0	287,062	6,400,000
2/1/2026	2	145,567	39,680	32,000	217,247	6,254,433
8/1/2026	3	146,470	38,777	0	185,247	6,107,963
2/1/2027	4	147,378	37,869	30,540	215,787	5,960,585
8/1/2027	5	148,291	36,956	0	185,247	5,812,294
2/1/2028	6	149,211	36,036	29,061	214,308	5,663,083
8/1/2028	7	150,136	35,111	0	185,247	5,512,947
2/1/2029	8	151,067	34,180	27,565	212,812	5,361,880
8/1/2029	9	152,003	33,244	0	185,247	5,209,877
2/1/2030	10	152,946	32,301	26,049	211,296	5,056,931
8/1/2030	11	153,894	31,353	0	185,247	4,903,037
2/1/2031	12	154,848	30,399	24,515	209,762	4,748,189
8/1/2031	13	155,808	29,439	0	185,247	4,592,381
2/1/2032	14	156,774	28,473	22,962	208,209	4,435,607
8/1/2032	15	157,746	27,501	0	185,247	4,277,861
2/1/2033	16	158,724	26,523	21,389	206,636	4,119,137
8/1/2033	17	159,708	25,539	0	185,247	3,959,429
2/1/2034	18	160,699	24,548	19,797	205,044	3,798,730
8/1/2034	19	161,695	23,552	0	185,247	3,637,035
2/1/2035	20	162,697	22,550	18,185	203,432	3,474,338
8/1/2035	21	163,706	21,541	0	185,247	3,310,632
2/1/2036	22	164,721	20,526	16,553	201,800	3,145,911
8/1/2036	23	165,742	19,505	0	185,247	2,980,169
2/1/2037	24	166,770	18,477	14,901	200,148	2,813,399
8/1/2037	25	167,804	17,443	0	185,247	2,645,595
2/1/2038	26	168,844	16,403	13,228	198,475	2,476,751
8/1/2038	27	169,891	15,356	0	185,247	2,306,860
2/1/2039	28	170,944	14,303	11,534	196,781	2,135,916
8/1/2039	29	172,004	13,243	0	185,247	1,963,912
2/1/2040	30	173,071	12,176	9,820	195,067	1,790,841
8/1/2040	31	174,144	11,103	0	185,247	1,616,697
2/1/2041	32	175,223	10,024	8,083	193,330	1,441,474
8/1/2041	33	176,310	8,937	0	185,247	1,265,164
2/1/2042	34	177,403	7,844	6,326	191,573	1,087,761
8/1/2042	35	178,503	6,744	0	185,247	909,258
2/1/2043	36	179,610	5,637	4,546	189,793	729,648
8/1/2043	37	180,723	4,524	0	185,247	548,925
2/1/2044	38	181,844	3,403	2,745	187,992	367,081
8/1/2044	39	182,971	2,276	0	185,247	184,110
2/1/2045	40	184,110	1,141	921	186,172	0
TOTALS		6,400,000	1,111,699	340,720	7,852,419	

REQUIRED LOAN RESERVE: $ 125,195

APPENDIX B: *ESTIMATED* CWSRF LOAN DISBURSEMENT SCHEDULE

Loan funds are expected to be available based on the following Project schedule:

Disb. Number	Disb. Amount	Disb. Date
1	640,000	8/1/2021
2	640,000	9/1/2021
3	640,000	10/1/2021
4	640,000	11/1/2021
5	640,000	12/1/2021
6	640,000	1/1/2022
7	640,000	2/1/2022
8	640,000	3/1/2022
9	640,000	4/1/2022
10	640,000	5/1/2022
TOTAL:	6,400,000	

APPENDIX C: DBE GOOD FAITH EFFORTS

At a minimum the Borrower or its prime contractor must take six affirmative steps (which apply to any procurement of construction, supplies, equipment or services) to demonstrate good faith effort to utilize minority (MBE), women-owned (WBE) and small (SBE) businesses. The six steps are:

1) To include qualified small, minority and women's businesses on solicitation lists;

2) To assure that small, minority and women's businesses are solicited whenever they are potential sources;

3) To divide total requirements, whenever economically feasible, into smaller tasks or quantities to permit maximum participation by small, minority or women's businesses;

4) To establish delivery schedules whenever the requirements of the work permit, which will encourage participation by small, minority and women's businesses;

5) To use the services and assistance of the Small Business Administration (http://pro-net.sba.gov) and the Office of Minority Business Enterprise of the U.S. Department of Commerce (http://www.mbda.gov) to identify appropriate small, minority and women businesses; and

6) To require subcontractors to take all of the affirmative action steps described above and set forth in 40 CFR 35.3145(d) in any contract awards or procurements.

The Borrower shall, and shall cause its contractors to, document compliance with the above requirements on forms found at Tab 6 of the Manual for Construction Projects.

Additional resources available to recipients and contractors include the following:

EPA Office of Small and Disadvantaged Business Utilization:
Phone: 206 – 553 – 2931
Web Site: www.epa.gov/osdbu

Oregon Certification Office for Business Inclusion and Diversity
775 Summer Street N.E., Room 200
Salem, OR 97301-1280

Phone: 503 – 986 – 0123
Web Site: http://www.oregon4biz.com/How-We-Can-Help/COBID/

Appendix D: Applicable Federal Authorities and Laws ("Cross-Cutters")

Environmental Legislation:

Archaeological and Historic Preservation Act of 1974, PL 93-291.
Clean Air Act, 42 U.S.C. 7506(c).
Coastal Barrier Resources Act, 16 U.S.C. 3501, et seq.
Coastal Zone Management Act of 1972, PL 92-583, as amended.
Endangered Species Act 16 U.S.C. 1531, et seq.
Executive Order 11593, Protection and Enhancement of the Cultural Environment.
Executive Order 11988, Floodplain Management.
Executive Order 11990, Protection of Wetlands.
Farmland Protection Policy Act, 7 U.S.C. 4201, et seq.
Fish and Wildlife Coordination Act, PL 85-624, as amended.
National Historic Preservation Act of 1966, PL 89-665,as amended.
Safe Drinking Water Act, Section 1424(e), PL 92-523, as amended.
Wild and Scenic Rivers Act, PL 90-542, as amended.
Federal Water Pollution Control Act Amendments of 1972, PL 92-500.
Migratory Bird Conservation Act, 16 U.S.C. 715, et seq.
Magnuson-Stevens Act – Essential Fish Habitat, 16 U.S.C. 1851, et seq.

Economic Legislation:

Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended.
Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants or Loans.

Social Legislation:

The Age Discrimination Act of 1975, Pub. L. No. 94-135, 89 Stat. 713, 42 U.S.C. §6102 (1994).
Civil Rights Act of 1964, Pub. L. No. 88-352, 78 Stat. 252, 42 U.S.C. §2000d (1988).
Section 13 of PL 92-500; Prohibition against Sex Discrimination under the Federal Water Pollution Control Act.
Rehabilitation Act of 1973, Pub. L. No. 93-1123, 87 Stat. 355, 29 U.S.C. §794 (1988), including Executive Orders 11914 and 11250).
Executive Order 12898, Environmental Justice in Minority Populations
Exec. Order No. 11,246, 30 F.R. 12319 (1965), *as amended by* Exec. Order No. 11,375, 32 F.R. 14303 (1967), *reprinted in* 42 U.S.C. §2000e (1994), and its regulations at 41 C.F.R. §§60-1.1 to 60-999.1.

Miscellaneous Authority:

Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 92-646.
Executive Order 12549 and 40 CFR Part 32, Debarment and Suspension.
Disclosure of Lobbying Activities, Section 1352, Title 31, U.S. Code.

APPENDIX E: DAVIS-BACON PROVISION

Part 1

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

Subrecipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)(A) The subrecipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the subrecipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the subrecipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the subrecipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The subrecipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required

by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the subrecipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the subrecipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at https://www.dol.gov/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the subrecipient(s) for transmission to the State or EPA if requested by EPA , the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the subrecipient(s).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees--

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may by appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Subrecipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Part 2

Contract Provision for Contracts in Excess of $100,000.

(a) Contract Work Hours and Safety Standards Act. The subrecipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The subrecipient upon the request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

(b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Subrecipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Subrecipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Oregon Department of Environmental Quality and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

(a) The subrecipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The subrecipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.

(b) The subrecipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Subrecipients must conduct more frequent interviews if the initial interviews or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. Subrecipients shall immediately conduct necessary interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.

(c) The subrecipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The subrecipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the subrecipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Subrecipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the subrecipient shall verify evidence of fringe benefit plans and payments thereunder by contractors and subcontractors who claim credit for fringe benefit contributions.

(d) The subrecipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.

(e) Subrecipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at https://www.dol.gov/whd/local/.

APPENDIX F
EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this contract the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and

remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however*, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX G: CERTIFICATION REGARDING LOBBYING
(Contracts in Excess of $100,000.00)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Borrower, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signed ______________________________

Title ______________________________

Date ______________________________

Recipient ______________________________

APPENDIX H: AMERICAN IRON AND STEEL ("AIS") REQUIREMENT

The Contractor acknowledges to and for the benefit of the City of Redmond ("Purchaser") and the State of Oregon, acting by and through the Department of Environmental Quality Clean Water State Revolving Fund (the "State") that it understands the goods and services under this Agreement are being funded with monies made available by the Clean Water State Revolving Fund that have statutory requirements commonly known as "American Iron and Steel;" that requires all of the iron and steel products used in the project to be produced in the United States ("American Iron and Steel Requirement") including iron and steel products provided by the Contactor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Purchaser and the State that (a) the Contractor has reviewed and understands the American Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the American Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the American Iron and Steel Requirement, as may be requested by the Purchaser or the State. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Purchaser or State to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Purchaser or State resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the State or any damages owed to the State by the Purchaser). While the Contractor has no direct contractual privity with the State, as a lender to the Purchaser for the funding of its project, the Purchaser and the Contractor agree that the State is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the State.

CITY OF REDMOND
RESOLUTION NO. 2021-17

A RESOLUTION OF THE CITY OF REDMOND, OREGON, AUTHORIZING THE EXECUTION AND DELIVERY OF CLEAN WATER STATE REVOLVING FUND LOAN AGREEMENT NUMBER R76074.

WHEREAS, the City of Redmond proposes an estimated $41,600,000 expansion to the Water Pollution Control Facility including, without limitation, the construction of a lagoon treatment system with a constructed wetland treatment and disposal system to meet the City's current and future water treatment requirements (the "Water Pollution Control Facility Expansion Project"); and

WHEREAS, the Water Pollution Control Facility Expansion Project pre-design will explore alternatives within the lagoon and wetland treatment process to find the best solutions to meet environmental requirements, current and future capacity demands, cost-effective construction, and cost-effective long-term operation and maintenance. In addition, the pre-design includes public relations strategies and public outreach, coordination with other agencies, and architectural and landscape architectural services, including preliminary parks concepts; and

WHEREAS, the Water Pollution Control Facility Expansion Project final design includes sixty, ninety, and one hundred percent design packages which include technical specifications, final design drawings, contract documents, and final cost estimates. In addition, final design services include agency coordination with the Oregon Department of Environmental Quality and services during construction, including construction management and inspection; and

WHEREAS, The City of Redmond has requested a loan from the State of Oregon, Department of Environmental Quality, Clean Water State Revolving Fund in the amount of $6,400,000 for the design of the Water Pollution Control Facility Expansion Project; and

WHEREAS, $500,000 of the $6,400,000 loan is forgivable when the project is completed; and

WHEREAS, the conditions of the loan are defined in Clean Water State Revolving Fund Loan Agreement No. R76074 between the State of Oregon, acting by and through its Department of Environmental Quality, and the City of Redmond, in substantially the form attached hereto as Exhibit A (the "2021 Clean Water Loan"); and

WHEREAS, the 2021 Clean Water Loan requires approval by the Redmond City Council (the "Council") of a resolution authorizing the execution and delivery of the agreement.

NOW, THEREFORE, THE REDMOND CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Authorization of the 2021 Clean Water Loan. The Council authorizes the City Manager to execute and deliver the 2021 Clean Water Loan. The Council further finds and determines that the financing of the Water Pollution Control Facility Expansion Project is in furtherance of the purposes of the City and is in the public interest.

Section 2. Authorized Representative. The Council authorizes and directs the City Manager, the Chief Financial Officer or their respective designees (each, an "Authorized Representative"), each acting individually, to execute and deliver the 2021 Clean Water Loan and any other documents related thereto consistent with the intent and purposes of this Resolution.

Section 3. Security. The Council authorizes the pledge of the Net Revenues (as defined in the 2021 Clean Water Loan) to secure payment of and to pay the amounts due under the 2021 Clean Water Loan.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon adoption by the Council.

ADOPTED by the Redmond City Council and **SIGNED** by the Mayor this 14th day of July 2021.

____
George Endicott, Mayor

ATTEST:

____
Kelly Morse, City Recorder

State of Oregon

County of Deschutes

This instrument was acknowledged before me this ______ day of _____________, 2021, by George Endicott, Mayor.

____
Kelly Morse, City Recorder

My commission expires_______________

Exhibit A

[Attach Form of 2021 Clean Water Loan]

4128-3435-2688.1

CITY OF REDMOND

CITY HALL
411 SW 9th STREET
REDMOND, OR 97756
541.923.7710
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info@redmondoregon.gov
redmondoregon.gov

STAFF REPORT

DATE:	July 14, 2021
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager
FROM:	Jason Neff, Chief Financial Officer John Roberts, Deputy City Manager
SUBJECT:	Public Safety Facility Land Acquisition Action Item #1: Authorization of a Purchase and Sale Agreement for a new Public Safety Facility; $2,265,000

Addresses Council Goal:
Sustain Operations (1.A.i.d): Advance initiative for a new Public Safety Facility through land acquisition and appropriate needs analysis, and financial strategies. Target new facility opening by 2024/2025.

Report in Brief:
This item requests authorization to enter into a Purchase and Sale Agreement with Te Amo Despacio LLC for an 8-acre property located at 2983 NW Canal Boulevard for the purpose of a new Public Safety Facility, in an amount of $2,265,000 which does not include closing costs; and to pursue associated due diligence prior to closing.

Background:
Redmond's existing Police Department is nearly 25 years old and no longer serves the department nor the community. Therefore, the City has a goal of building a new facility which reflects the values of Redmond and important partnership with the Deschutes County Stabilization Center. The vision is to design a new public safety facility which is co-located with mental health triage services. The goal is to have construction begin in late 2022 or early 2023 and the facility be operational by 2025.

A new Public Safety Facility is needed because:

- Redmond's existing Police Department was designed for a 36 person staff that has now grown to 61 individuals. Taxpayers are spending more than $30,000 each year for repairs to the aging building. A new facility will cost less to maintain and will meet the need of Redmond's population growth and public safety needs for at least 30 years. With the current population growth at Redmond of 4% per year Redmond population will exceed 40,000 by the end of 2026.
- The current police station fails to provide adequate privacy for crime victims to be interviewed away from public view and even convicted criminals. This new Public Safety Facility would offer our community a more secure lobby; ensure auditory privacy for crime victims, citizens and investigators; expanded office hours with the lobby being open through the lunch hour for great accessibility.
- Other operational improvements include, secure evidence storage and processing with temperature-controlled rooms, and an emergency operations center which could also be used to host trainings, briefings, a Citizen's Academy and press conferences. It would also include enough office space and report writing areas so officers and records staff could efficiently do their jobs.
- The current police station has outdated, inadequate and unequal dressing room and bathroom facilities for men and women police officers. A new facility will provide improved and equal locker room facilities for both men and women police officers and staff.
- Changes in technology, building code requirements, security issues, as well as outdated building systems, such as HVAC, electrical and plumbing, require significant expenditure to update.
- The current building is technologically and functionally obsolete. The building is not capable of expansion upwards and the footprint is too small to allow for building outward.

On June 15, 2021, the Council authorized to staff to move forward with negotiating the purchase of property at 2983 NW

Canal Boulevard. Staff is now seeking final authorization for the purchase. The acquisition will initially be paid from the General Fund (via recent land sales on the east side of Redmond); thus the General Fund has sufficient cash not requiring long-term financing to acquire the property. That said, staff will continue to explore whether obtaining long-term financing for this transaction is a prudent decision for the City.

Discussion:
In March 2021, property at 2983 NW Canal Blvd. was listed at $2,265,000. The City was interested in this property for a new Public Safety Facility for several reasons:

1. Acreage is more than sufficient for current needs and provides ample room to grow in the future
2. Ability to co-locate and expand in the future
3. Proximity to Highway 97 provides for sufficient response time
4. The price is reasonable within the overall project budget

A full price was offered in light of current market conditions, lack of other comparable options and the need to write the offer contingent on sale of other City owned land on the east side of Redmond. The estimated closing date for the Te Amo property is September 21, 2021.

The most notable due diligence items are:

1. Environmental Assessment,
2. Understanding irrigation and access in light of Central Oregon Irrigation District easements,
3. ALTA survey,
4. Water availability and infrastructure, and
5. Determining initial site development costs through a pre-development meeting.

Fiscal Impact:
Initially the purchase price will be paid out of General Fund reserves which are available from 2021 land sales on the east side of Redmond. The purchase of property will necessitate an adjustment to the FY 2021/22 budget (separate Council action).

The primary long-term options for financing the property include the following:

1. Paying cash out of General Fund reserves (via prior land sales)
2. Utilizing American Rescue Plan (ARP) funds
3. Issuing tax-exempt Full Faith & Credit debt obligations (with Council approval) to be repaid by the General Fund
4. Issuing tax-exempt General Obligation (GO) debt (with voter approval) to be repaid by an annual tax levy (Polling is underway and City Council will know the potential support for a GO Bond before August 10, 2021).

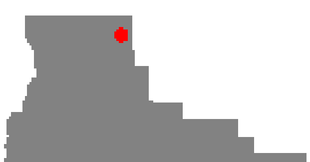
At a future meeting, City Council will need to consider and approve which option is pursued.

Alternative Courses of Action:
1. Authorize the City Manager to sign the sales agreement for property located at 2983 NW Canal Boulevard.
2. Do not authorize the purchase.
3. Request additional information.

Recommendation / Suggested Motion:
"I move to authorize the City Manager to sign the Purchase and Sale Agreement and to execute all necessary subsequent actions to complete the conveyance of real property located at 2983 NW Canal Boulevard, in the amount of $2,265,000 plus closing costs; and pursue necessary due diligence."

Te Amo Despacio

8 acres 2983 NW Canal



N

0 320 640 1,280 ft

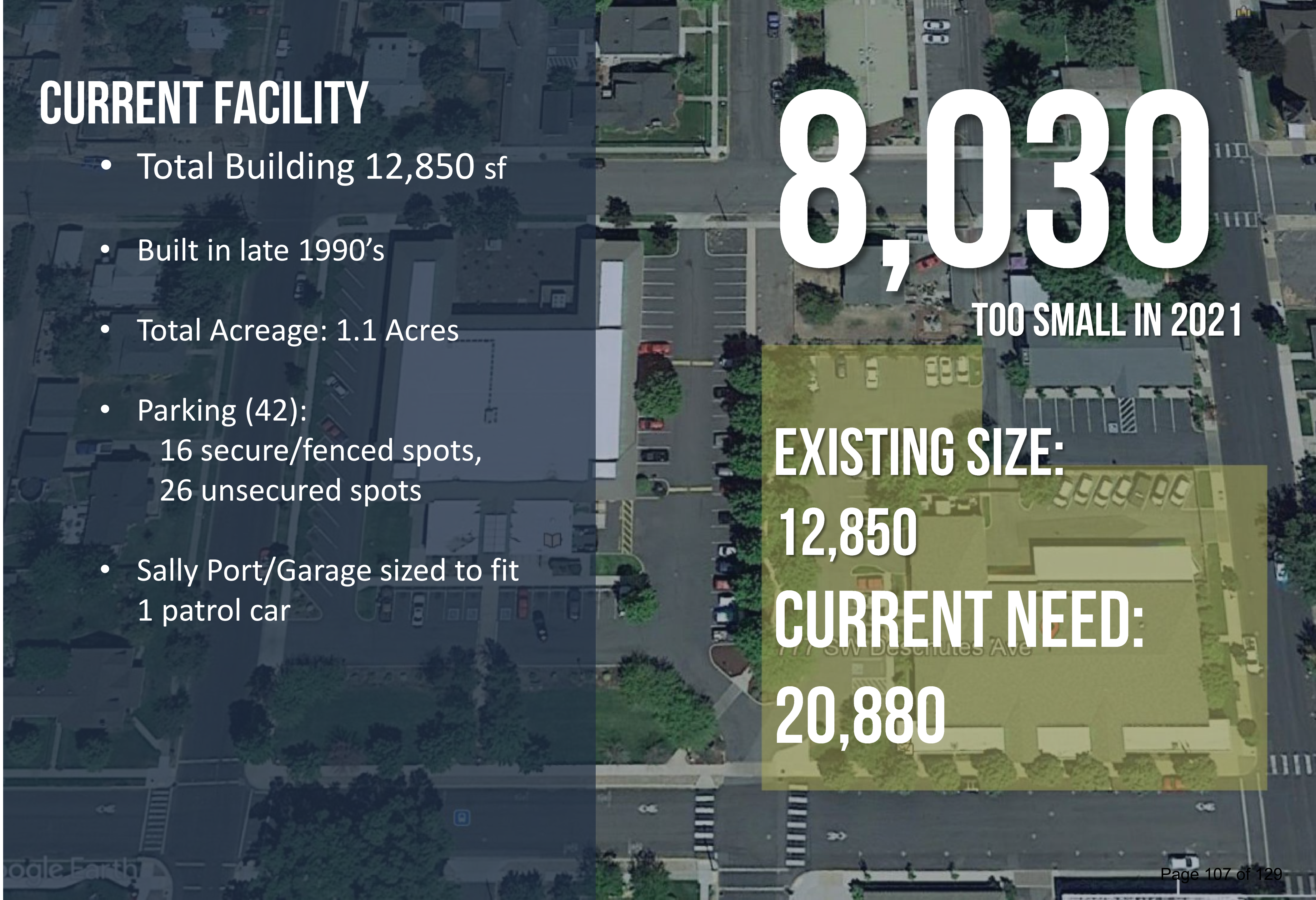
DESCHUTES COUNTY

PUBLIC SAFETY FACILITY LAND ACQUISITION

CITY COUNCIL

JULY 14, 2021

POLICE DEPARTMENT



CURRENT FACILITY

- Total Building 12,850 sf
- Built in late 1990's
- Total Acreage: 1.1 Acres
- Parking (42):
  16 secure/fenced spots,
  26 unsecured spots
- Sally Port/Garage sized to fit 1 patrol car

8,030

TOO SMALL IN 2021

EXISTING SIZE:

12,850

CURRENT NEED:

20,880

LAND ACQUISITION OF 2983 NW CANAL BLVD.

KEY STATS/INFO:

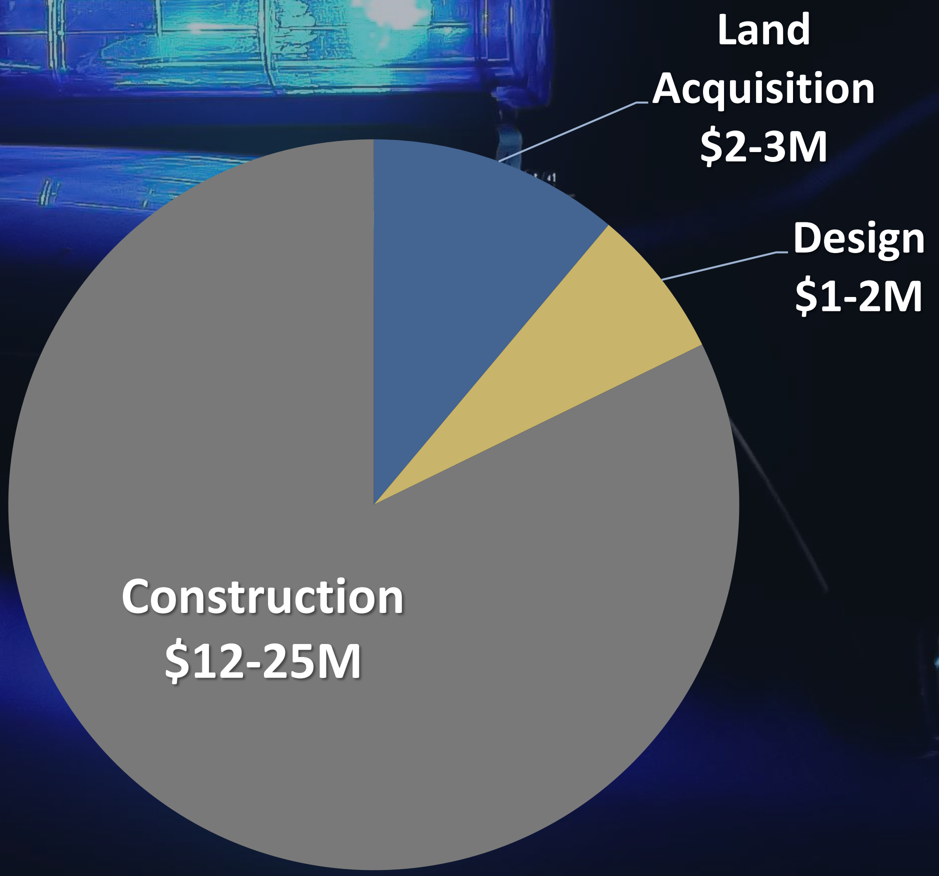
- Listed: March 2021
- Size: 8 Acres
- Price: $2,265,000
- Approval to Pursue: 6/15/21
- Due Diligence End: 9/21/21

CITY'S INTEREST:

- Room for Growth
- Co-Location Potential
- Response Time
- Reasonable Price

PUBLIC SAFETY FACILITY FUNDING

$3.4 MILLION RESERVE



FUNDING OPTIONS FOR LAND ACQUISITION

1 GENERAL FUND RESERVE (from land Sales)

2 AMERICAN RESCUE PLAN (ARP) FUNDS

3 FULL FAITH & CREDIT DEBT OBLIGATION

4 GENERAL OBLIGATION (GO) DEBT (voter approval)

TIMELINE & KEY DATES FOR CALENDAR YEAR 2021

AUG 2021

P&S DUE DILIGENCE

GALLATIN GROUP: POLL RESULTS

DETERMINE SOURCE OF MONEY (GF/ARP/GO BOND)

SEPT 2021

CLOSE ON LAND NO LATER THAN SEPT 21.

BEGIN PROCESS TO SECURE SPACE/BULDING DESIGN SERVICES

FALL 2021

BEGIN SPACE PLANNING AND BUILDING DESIGN

PUBLIC PARTICIPATION FOR: COMMUNITY INVOLVEMENT

CITY COUNCIL INVOLVEMENT

Q & A

CITY OF REDMOND

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STAFF REPORT

DATE:	July 14, 2021
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager
FROM:	Jason Neff, Chief Financial Officer Keith Leitz, HR Director
SUBJECT:	Public Safety Facility Land Acquisition Action Item #2, Resolution #2021-14 - A resolution of the City Council of the City of Redmond, Oregon, declaring official intent to reimburse certain expenditures from proceeds of tax-exempt obligations, and related matters.

Addresses Council Goal:
Sustain Operations (1.A.i.d): Advance initiative for a new Public Safety Facility through land acquisition and appropriate needs analysis, and financial strategies. Target new facility opening by 2024/2025.

Report in Brief:
The attached resolution provides the City the financial flexibility to secure external tax-exempt financing (such as bond issuance) for the acquisition of property at 2983 NW Canal Boulevard.

Background:
On July 14, 2021, the City Council is considering the purchase of 8 acres on the north side of Redmond (2983 NW Canal Boulevard) for the purpose of a new Public Safety Facility. The acquisition will initially be paid from the General Fund (via recent land sales on the east side of Redmond); thus the General Fund has sufficient cash on hand and does not require long-term financing to acquire the property. However, that remains an option and staff will continue to explore whether obtaining long-term financing for this transaction is a prudent decision for the City. Per Treasury Regulations, a reimbursement resolution is needed to provide the City the opportunity to issue tax-exempt financing for the acquisition or project after the initial purchase or project expenditure. The resolution does not require the City to finance anything, rather it provides the option to do so at a later date.

Discussion:
The primary long-term options for financing the property include the following:

1. Paying cash out of General Fund reserves (via prior land sales)
2. Utilization of American Rescue Plan (ARP) funds
3. Issuing tax-exempt Full Faith & Credit debt obligations (with Council approval) to be repaid by the General Fund
4. Issuing tax-exempt General Obligation debt obligations (with voter approval) to be repaid by an annual tax levy (polling is underway and City Council will know the potential support for a GO Bond before August 10, 2021).

At a future meeting, City Council will need to consider and approve which option is pursued.

Fiscal Impact:
None at this time.

Alternative Courses of Action:
1. Adopt Resolution #2021-14.
2. Do not adopt Resolution #2021-14.
3. Take no Action and Request more information.

Recommendation / Suggested Motion:
"I move to adopt Resolution #2021-14."

CITY OF REDMOND
RESOLUTION NO. 2021-14

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDMOND, OREGON, DECLARING OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF TAX-EXEMPT OBLIGATIONS, AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of the City of Redmond, Oregon (the "City") sat for the transaction of City business on Tuesday, July 14, 2021; and

WHEREAS, the City intends to issue tax-exempt obligations (the "Debt") to finance some or all of the costs of acquisition of an 8-acre property located at 2983 NW Canal Blvd, Redmond, OR 97756, expected to be used in the future as a public safety facility (the "Project"); and

WHEREAS, the City expects to incur capital expenditures (the "Reimbursement Expenditures") in connection with costs related to the Project, prior to the issuance of the Debt; and

WHEREAS, the City reasonably expects that the Debt will be issued in an amount not to exceed $30,000,000 and that certain of the proceeds of such Debt will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations (the "Treasury Regulations") requires the City to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF REDMOND, OREGON:

SECTION 1. Recitals. That the foregoing recitals are true and correct.

SECTION 2. Purpose of Resolution. That this resolution is adopted solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This resolution does not bind the City to make any expenditure, incur any Debt, or proceed with the Project.

SECTION 3. Declaration of City. That the City hereby declares its official intent to reimburse itself with proceeds of the Debt for any of the Reimbursement Expenditures incurred by it prior to incurring such Debt.

SECTION 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption by the City Council.

ADOPTED by the City Council **SIGNED** by the Mayor this 14th day of July 2021.

CITY OF REDMOND, OREGON

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder

CITY OF REDMOND

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STAFF REPORT

DATE:	July 14, 2021
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager
FROM:	Jason Neff, Chief Financial Officer
SUBJECT:	Res. #2021-18 - A resolution of the City of Redmond to make Budget Adjustments in Fiscal Year 2021/22.

Addresses Council Goal:

1. SUSTAIN OPERATION: Provide or enhance current levels of operations in all facets of municipal service delivery.

Report in Brief:

The action requests City Council authorize budget adjustments to two funds due to unplanned expenditures in the Fiscal Year (FY) 2021/22 budget.

Background:

Supplemental budgets are permitted under Oregon Revised Statutes 294.471 (ORS).

The proposed budget adjustment is greater than the 10 percent change threshold therefore a public hearing is required. Per the ORS, a notice of a supplemental budget hearing was published greater than or equal to five days in advance of this City Council meeting.

Discussion:

The resolution includes budget adjustments for the following transaction:

Land Acquisition for Public Safety Facility:

On June 15, 2021, the Council authorized to staff negotiate the purchase of property at 2983 NW Canal Boulevard for a Public Safety Facility. On July 14, 2021, the Council will consider giving staff the final authority to execute the purchase and sale agreement for the property. Simultaneously staff is requesting the budget be adjusted to accommodate the purchase.

The adopted FY 2021/22 budget included a $3.4 million reserve (derived mostly from industrial land sales in 2021) for land acquisition and design for a new Public Safety Facility. The negotiated purchase price and other costs (i.e. environment review, closing cost, survey) to secure the property under consideration is a not-to-exceed $2.3 million. The Public Safety Facility project will be accounted for in the Capital Projects Fund. Below is a summary of the necessary budget adjustments for acquiring the property:

General Fund (General Sub-Fund)

		Transfers	$ 2,300,000
		Reserve (General)	($ 2,300,000)
Total Change to Resources	$ 0	Total Change to Expenditures	$ 0

Capital Projects Fund

Interfund Transfers	$ 2,300,000	Capital Outlay	$ 2,300,000
Total Change to Resources	$ 2,300,000	Total Change to Expenditures	$ 2,300,000

The final source of land acquisition will be determined at a later date, but land sale proceeds represent the most immediate and appropriate source of funds. The Council will receive additional information on American Rescue Plan (ARP) funds and bonding options in August 2021.

Fiscal Impact:

Alternative Courses of Action:

1. Adopt the FY 2021/22 budget adjustment.
2. Do not adopt the budget adjustment.
3. Request more information.

Recommendation / Suggested Motion:

"I move to adopt Resolution #2021-18 adjusting the City's FY 2021/22 budget."

CITY OF REDMOND
RESOLUTION NO. 2021-18

A RESOLUTION OF THE CITY OF REDMOND TO MAKE BUDGET ADJUSTMENTS.

WHEREAS, the City of Redmond will have unexpected and unbudgeted resources and expenditures for FY 2021/22; and

WHEREAS, Supplemental budgets are permitted under Oregon Revised Statutes 294.471.

NOW, THEREFORE, be it resolved by the City Council for the City of Redmond as follows:

SECTION ONE: The City of Redmond City Council hereby adopts the following Budget Adjustments for FY 2021/22, in the following funds with the following changes, now on file at City Hall.

SECTION TWO: The amounts for the fiscal year beginning July 1, 2021, are hereby adjusted as follows:

GENERAL FUND	Resources	Expenditures
Transfers		$ 2,300,000
Reserve for Future Expend		($ 2,300,000)
Change to General Fund		**$ 0**
Change to General Fund – Total Appropriations		**$ 2,300,000**

CAPITAL PROJECTS FUND	Resources	Expenditures
Interfund Transfers	$ 2,300,000	
Capital Outlay		$ 2,300,000
Change to Capital Projects Fund		**$ 2,300,000**
Change to Capital Projects Fund – Total Appropriations		**$ 2,300,000**

Land Acquisition for Public Safety Facility: On June 15, 2021 the Council authorized to staff to move forward with negotiating the purchase of property at 2983 NW Canal Blvd. On July 14, 2021, the Council will consider giving staff the final authority to execute the purchase and sale agreement for the property. Simultaneously staff is requesting the budget be adjusted to accommodate the purchase. The adopted FY 2021/22 budget included a $3.4 million reserve (derived mostly from industrial land sales in 2021) for land acquisition and design for a new Public Safety Facility. The negotiated purchase price and other costs (if any) to secure the property under consideration is a not-to-exceed $2.3 million. The Public Safety Facility project will be accounted for in the Capital Projects Fund.

SECTION THREE: This resolution shall be effective this 14th day of July 2021.

ADOPTED by the City Council and **SIGNED** by the Mayor this 14th day of July 2021.

George Endicott, Mayor

ATTEST:

Kelly Morse, City Recorder

FISCAL YEAR 2021/22 BUDGET ADJUSTMENT #1

Redmond City Council

July 14, 2021

PUBLIC SAFETY FACILITY

LAND ACQUISITION

GENERAL FUND	Resources	Expenditures
Transfers		$ 2,300,000
Reserve for Future Expend		($ 2,300,000)
Change to General Fund		**$ 0**
Change to General Fund – Total Appropriations		**$ 2,300,000**

CAPITAL PROJECTS FUND	Resources	Expenditures
Interfund Transfers	$ 2,300,000	
Capital Outlay		$ 2,300,000
Change to Capital Projects Fund		**$ 2,300,000**
Change to Capital Projects Fund – Total Appropriations		**$ 2,300,000**

CITY OF REDMOND

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STAFF REPORT

DATE:	July 14, 2021
TO:	Redmond City Council
THROUGH:	Keith Witcosky, City Manager John Roberts, Deputy City Manager
FROM:	Rebecca Batzel, Housing Programs Analyst
SUBJECT:	Resolution #2021-16 - A resolution adopting the Community Development Block Grant 2021 Annual Action Plan and authorizing the submission of the Annual Action Plan to the United States Department of Housing and Urban Development.

Addresses Council Goal:
6. Community Enhancement and Participation – Create an image and identity that generates a sense of community pride and ensures a high level of livability.

Report in Brief:
This item requests City Council approve Resolution 2021-16 adopting the Community Development Block Grant (CDBG) 2021 Annual Action Plan.

Background:
On September 27, 2013, the City accepted entitlement status in the federal Housing and Urban Development CDBG program. The objective of the CDBG program is "to develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income." Entitlement communities develop their own programs and set their own funding priorities in conformance with the statutory standards, program regulations and other federal regulations.

The status as an entitlement community afforded the City the opportunity to receive an annual financial allocation to undertake a wide range of community-based activities directed toward neighborhood revitalization, economic development, community services, facilities, and improvements.

As an entitlement community, the City is required to develop 1) a Five-Year Consolidated Plan and 2) an Annual Action Plan to receive the CDBG funds. The Consolidated Plan is a 5-year strategic plan to assess, prioritize and strategize funds to address community needs and was updated and adopted by Council July 2019. The Annual Action Plan describes how the City will distribute their annual allocation of funds.

<u>CDBG-2021 Allocation and Goals</u>
The City's CDBG-2021 allocation, including program carryover and program income, totals $368,976.

The primary goals for CDBG-2021 funding are:

Goal 1: Provide Support to Vital Public Services
Provide support to community partners to ensure low-moderate income Redmond residents have access to critical public services. Public Service expenditures are capped at 15% of the annual entitlement allocation.

Goal 2: Public Facility and Infrastructure Improvements
Respond to the City's ADA Transition Plan and increase mobility and access for low-moderate income persons with disabilities.

Expenditure of CDBG-2021 funds includes a maximum of 20% for administration and planning efforts related to the above funding.

The recommended allocations are as follows:
Program Year 2021 Annual Action Plan CDBG Funding Allocations

Goal #1: Public Services*	$60,000
Goal #2: Public Facility & Infrastructure Improvements	$261,876
Administration and Planning**	$47,100
Total:	$368,976

Each CDBG activity must meet a CDBG national objectives and be an eligible activity. It has been determined that each of the above activities meets this requirement.

**The 2021 Public Facilities allocation is 15% of this year's annual entitlement plus 15% of last year's program income.*

*** The 2021 Administration and Planning allocation is 20% of this year's annual entitlement.*

Discussion:
The breakdown of the proposed 2021 CDBG Annual Action Plan funds and amounts are attached (Exhibit A). The programs recommended for funding are detailed below:

Public Service: Thrive Central Oregon - Referral and Case Management ($30,000)
Thrive will provide intensive case management to align residents with available community services and resources.

Thrive currently provides walk in services and appointments at three sites in Redmond. Assistance may include: help finding housing resources, filling out applications for medical coverage and assistance, referrals to employment support options, social security and disability application assistance, and help connecting to resources for basic needs (e.g., food, utility assistance).

Public Service: Redmond Senior Center – Meals on Wheels ($30,000)
The Redmond Senior Center will provide support to the Meals on Wheels program. Meals on Wheels has seen a significant increase in requests for services from senior and disabled Redmond residents. This funding will allow them to meet increased demand for services and provide nutritious meals to senior and disabled Redmond residents.

Meals on Wheels program volunteers consistently deliver between 80-100 meals a day in Redmond. Often this is the only balanced meal a senior or disabled resident may have on a daily basis. In pre-pandemic times, the Senior Center also served meals on-site and hopes to be able to provide this service again soon.

Public Facility and Infrastructure Improvements ($261,876)
The proposed project includes, but is not limited to, repair and replacement of non-ADA compliant curb ramps and parking lots identified in the City ADA Transition Plan (adopted in 2016). The project aligns with Goal 5 of the City's Five-Year Consolidated Plan and ADA infrastructure improvements. By removing barriers and increasing ADA accessibility, the project will serve low-moderate income persons with disabilities.

Selection Process:The selection process for CDBG-2021 funds included discussions of high priority needs with the Housing and Community Development Committee (HCDC) and over twenty non-profit community partners, including those receiving CDBG funds.

A HCDC meeting was held on April 21, 2021 to discuss funding priorities and community needs for the 2021-2022 CDBG funding cycle. In addition, an HCDC meeting was held June 29th, 2021 to consider funding recommendations and receive public comments.

Staff's recommendation to utilize the eligible CDBG funds differs from HCDC's. HCDC recommended funding be spent on affordable housing development (i.e., down payment assistance). However, the one application the City received for affordable housing development/down payment assistance is unfortunately ineligible per HUD standards. In subsequent years staff will work with HCDC and the applicant to try and make the affordable housing development proposal align and conform with HUD regulations.

HUD Requirements - Area Median Income (AMI)
HUD requires funding be utilized to primarily benefit low-moderate income residents. CDBG program income limits vary by household size and cap eligibility at approximately 80% or below AMI. Some projects may have eligibility requirements that cap income at a lower level. Example of 80% AMI by household size for Bend/Redmond MSA year 2021:

- 1 person = $45,050
- 2 persons = $51,540
- 3 persons = $57,900
- 4 persons = $64,300
- 5 persons = $69,450
- 6 persons = $74,600
- 7 persons = $79,750
- 8 persons = $84,900

Fiscal Impact:
This is a federal grant-funded program and entirely funded by HUD CDBG-2021 allocation. There are no impacts to the City budget.

Alternative Courses of Action:
1. Adopt Resolution #2021-16 adopting the CDBG program year 2021 Annual Action Plan.
2. Request additional information.
3. Do not approve resolution.

Recommendation / Suggested Motion:
"I move to adopt Resolution #2021-16 approving the 2021 Community Development Block Grant Annual Action Plan for submission to the Department of Housing and Urban Development."

CITY OF REDMOND
RESOLUTION NO. 2021-16

A RESOLUTION ADOPTING THE COMMUNITY DEVELOPMENT BLOCK GRANT 2021 ANNUAL ACTION PLAN AND AUTHORIZING THE SUBMISSION OF THE ANNUAL ACTION PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") requires local governments seeking federal assistance through the Community Development Block Grant ("CDBG"), to develop An Annual Action Plan for Housing and Community Development; and

WHEREAS, the City of Redmond is eligible for the Community Development Block Grant entitlement program; and

WHEREAS, the public comment period for the proposed amendments ended on April 21, 2021, and a public hearing was conducted during a Housing and Community Development Committee meeting on April 21, 2021; and

WHEREAS, the Housing and Community Development Committee, during their June 29, 2021 meeting considered the 2021 Annual Action Plan funding recommendations attached hereto.

NOW, THEREFORE, THE CITY OF REDMOND ORDAINS AS FOLLOWS:

SECTION ONE: The City of Redmond hereby adopts the 2021 Annual Action Plan, attached hereto as Exhibit A, authorizing the Redmond City Council to submit the Annual Action Plan to the Department of Housing and Urban Development, when required; and

ADOPTED by the City Council and **SIGNED** by the Mayor this 14th day of July 2021.

____
George Endicott, Mayor

ATTEST:

____
Kelly Morse, City Recorder

Exhibit A

<u>2021 Annual Action Plan CDBG Summary</u>

Total funding available = $368,976

<u>2021 Allocation</u>: $235,509

Program Income & Carryover: $133,467

Total Public Service funding available [1] = $60,000

Total Public Facilities funding available = $261,876

Administration of CDBG 2021 funds [2] = $47,100

Community Partner	National Objective Eligible Activity	Funding Recommendation
Public Service - Thrive Central Oregon	Low/Mod Clientele Referral and Case Management Services 05Z	$30,000 Case management and service referrals
Public Service - Senior Center Meals on Wheels	Low/Mod Clientele Senior Services 05A or 05Z other – if expanded to meet additional needs	$30,000 Program expansion increased food insecurity needs
City ADA Upgrades & Public Facilities Contingencies	Low/Mod Area Benefit O3	City ADA upgrades $261,876
Program Administration	21A	$47,100 Program Administration

[1] The 2021 Public Service allocation is 15% of this year's annual entitlement plus 15% of last year's program income (excluding carryover).

[2] The 2021 Administration and Planning allocation is 20% of this year's annual entitlement.

From: Clifford Evelyn
Sent: Wednesday, July 07, 2021 9:16 AM
To: George Endicott; Jon Bullock; Jay Patrick; Shannon Wedding; Krisanna Endicott; Ed Fitch
Cc: Keith Witcosky; Keith Leitz; Kelly Morse
Subject: Recognized Symbol of Hate

Follow Up Flag: Follow up
Flag Status: Completed

Dear Council Members,

I want to express my sincere concern in regard to the 4th of July celebration sponsored by Redmond Chamber of Commerce. We all are aware or should be aware that Independence Day celebrates our independence from the British. We also are well aware what the Confederate flag really stands for in America today.

The 4th of July celebration in Redmond was tarnished by this hate symbol being exhibited and there is no logical way to explain away why this was allowed. I received numerous emails on my city iPad as well as my personal iPad and citizens and visitors to our city was very upset and disturbed about seeing it. They used words and expressions such as shocked, cast a serious cloud over Redmond's bright future, shocked to see confederate flags, and tears in my eyes and deeply saddened for community and children, just to mention a few. This is a disgrace and embarrassing to not only the City of Redmond, but a reflection of our Council as well and this is unacceptable.

I have been asked why this is was allowed to occur. I responded by saying that I think people invoke the Confederate flag because they want to endorse on some level, secretly or subconsciously, the very rationale for the Confederacy. When people say heritage not hate, they are omitting the obvious, which is that that very heritage is hate. When someone says it's about history, that particular history is inseparable from hate, because it is about hate. It's about racism, and it's about slavery.

I want to be very clear that I object to that flag being flown during celebrations in Redmond and I do not condone it. I don't condone it because it's a reflection of the great treason of the South in the 19th century and of its secession from the Union in Defense of Slavery, and its rejection of Patriotism and Nationalism. Based on political principles, that flag is a distinct reminder that the South was once a rebellious and treasonous actor on the global stage, an history will never be erased.

That flag was revitalized / resurrected in the 1940's and 1950's as part of a massive resistance campaign against the Civil Rights Movement. It wouldn't even exist in our national popular culture without this moment, when African Americans fought for their equality, and the battle flag was recovered and redeployed as a symbol of opposition to it. Let's be clear, it's impossible to embrace the Confederate flag without explicitly or implicitly promoting racism plain and simple.

We, Redmond City Council, need to take a strong stance against this ever being allowed in any City or Chamber celebrations in the future. It is a violation of the expectations in place for parade participants and violates rule #5 which relates to family, friendly and a-political events. It also violates Redmond's Proclamation Against Racism and to refresh our memories here are just two that we have failed to live up to.

- WHEREAS, as public servants we have an even greater responsibility to speak out against racism, discrimination, bias, and hatred because when the unacceptable becomes the norm in our society, human rights for all are threatened and

- WHEREAS, hate will not be tolerated, we will stand together to fight any form of bigotry,discrimination, or hate, in speech or action, against any group, from whatever source.

In closing, I want to pose a question to all of my City Council Colleagues, are we going to honor the proclamation we put into place or will we fail to fulfill our commitment to our City. This is not a black or white issue, this is a human rights issue and it is our job to ensure that our citizens are able to live and work in a safe environment.

Respectfully,

Clifford B. Evelyn Sr.
Redmond City Councilor

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To: Mayor and Council
From Ed Fitch
Re: miscellaneous

Fire

I went out to the fire at Antler & 9th Tuesday. I was told it started in a homeless camp. I have no idea if that is accurate but if it is it would support the efforts by Jericho Road to get an established homeless camp with a level of control to avoid this situation. Also it would be helpful to get a summary of what efforts the city has undertaken to help the homeless with these extreme heat conditions. Thanks out to public works in making water available near 17th and Greenwood on Weds.

Summer agenda

I saw Jay's e mail that he is available to serve as council president for a meeting this summer. Given the heavy workload we have it would make sense to have a meeting the second Tuesday of August to go over a number of non controversial items (e.g water report, updates on projects etc) as well as any emerging issues that may come up in the next 6 weeks. . That way we can lessen the load this fall to deal with bigger issues. I saw Clifford is available as am I - we should have enough for a quorum.