



CITY OF PRINEVILLE
Regular Meeting Brief
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City Council Meeting Brief
February 22, 2022

Council Members Present:

Patricia Jungmann
Steve Uffelman
Janet Hutchison
Jason Beebe

Ray Law
Gail Merritt

Council Members Absent

Jeff Papke

Additions to the Agenda

None.

Consent Agenda

1. Regular Meeting Brief 2-8-2022

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

Visitors, Appearances and Requests:

No written comments were received for the record.

Council Presentations

2. **Crook County Justice Center Update** Commissioner Brian Barney

Commissioner Barney referred to the power point presentation that was included in the packet and talked about the background and financing of the justice center project. They are working on the final design process and plan to start the demo of the old bowling alley in April.

Commissioner Barney went through his power point presentation that identified location and various elevations. Lighting at night time won't be intrusive to neighbors. The overall site plan

with surrounding sites and buildings. It is a three story building, and went through all the various uses on each floor and square footage. The project is on schedule and going good.

Commissioner Barney talked about Beaver Street not having a lot of great parking and is proposing that Beaver Street be turned into one way street with on street parking. Traffic flow would be from North to South. Justice Center is being designed for safety reasons, holding cells up by each court room along with a service elevator. There are Oregon Justice Department offices on the third floor which prove to be beneficial. The center is being built for possible expansion in the future if needed.

Commissioner Barney went through exterior materials being used. On March 1st they will be constructing a mock court room at the fairgrounds to get an idea of what it will look like and hoping to see functionality and how it all coordinates together.

Commissioner Barney continued that the City and County have a great relationship and have achieved many great projects. There will be sidewalks and utilities being relocated. The last great project the city and county worked together on was the jail, and there are a lot of similar aspects with this project and went through what the city did for the jail project. He appreciates the city's help with that project and of course all of that would have to happen, and go to council to get this project going. County will have to move sewer lines and is hoping that the city can help move that. Beaver Street also has to happen. They want lights like what is in the back where the old Ochoco Inn was, and would like the city's support. They would like support as well with System Development Charge's (SDC's) and hopes to work something out with that.

Discussions continued regarding parking for employees and visitors, the concept being beautiful and making the city look better, the parking being community parking, and the Planning Commission process for the plan.

Council Business

3. Virtual Council Meetings Discussion – Steve Forrester

Steve Forrester, City Manager provided background information on why we went to virtual meetings through February due to the increase in the COVID omicron variance and staff is looking for decision for future council meetings.

Discussions continued regarding case counts as of today, continuing to have hybrid meetings so council and staff could attend in person or by video, constituents looking forward to open meetings and meeting in person again.

Jered Reid, City Attorney asked for clarification of hybrid meetings and live streaming.

Discussions resumed regarding it would be Council and staff that could participate in the Council meetings virtually or in person, the public being able to attend in person, and a motion not being needed to go back to a hybrid format. It will just expire since the original motion was to go through February, and would just go back to what we had before.

Everyone agrees that they would like to go back to open meetings with the ability for Council and staff to participate virtually as an option.

There were no further discussions.

Staff Reports and Requests:

4. City Manager's Report– Steve Forrester

Mr. Forrester covered the department highlights in his staff report adding that the Railroad is busier than typical for this time of year and there are fixed based operators (FBO's) companies interested in possibly moving to the airport from other locations in Oregon.

There were no questions or comments.

Committee Reports

Councilor Uffelmann talked about HB 2021 discussions at Community Renewable Energy Association (CREA). John Cornwell of Department of Oregon Energy has asked for meeting with Prineville and he has some additional information that may be beneficial to us.

Councilor Hutchison talked about elections to Ochoco Forrest Collaboration (OFC) and John Shelk was elected to the board. Councilor Hutchison explained about scoping of future project, ten year funding opportunities, and forest treatments.

Councilor Hutchison announced that her attendance at League of Oregon Cities (LOC) Caucus might be sporadic. Mayor Beebe said we could see if anyone else could help attend those if that would help.

Ordinances:

5. Ordinance No. 1274 – Amending Section 7 of Ordinance No. 1142 (FIRST PRESENTATION) – Jered Reid

Mr. Reid provided the background for this amendment explaining that the original ordinance stated that the franchise fees were to be paid annually, and that they are requesting to go to making monthly payments.

Councilor Hutchison asked about section 7 for city services and if the city pays for services. Mr. Forrester explained that we do pay for services.

Councilor Uffelmann made a motion to approve Ordinance No. 1274 for its first presentation. Motion seconded. No discussion on motion. All in favor, motion carried.

Resolutions:**6. Resolution No. 1512 – Approving a Personal Services Agreement with Anderson Perry for an Updated Water System Master Plan and Wastewater Facilities Plan – Eric Klann**

Eric Klann, City Engineer presented the staff report and explained what a master plan is and how it looks at projected growth and how System Development Charges (SDC's) gets projected. Growth pays for growth and new growth pays for itself without an affect to existing rate payers.

Mr. Klann talked about the large residential and industrial growth possibilities and how our growth rate has significantly increased.

Councilor Hutchison asked about water rights being determined by another group. Mr. Klann responded that yes, GSI is very in touch with ground water and he didn't want Anderson Perry to focus on that.

Councilor Hutchison made a motion to approve Resolution No. 1512. Motion seconded. No discussions on motion. All in favor, motion carried.

7. Resolution No. 1513 – Authorizing City to Enter Into an Amendment to Solar Lease Agreement with Westlake Solar Panels, LLC. – Eric Klann

Mr. Klann went through a power point presentation that highlighted the history with Westlake and the city, the developer's office space in Seattle, requirement to develop new renewable energy resources to offset demands and the city being in their zone to do so. Developer has requested the city to install fence with an estimated cost of \$118,800 which went out to bid.

Mr. Klann explained the cost savings from being able to purchase the power from them and how this asset is a benefit to the community. He is hopeful that relationships with this developer may provide additional future benefits.

Mr. Klann summarized that the city is to be responsible for the costs of fence installation and will maintain ownership of improvements, the developer will be responsible for maintenance and repair of the fence and any associated costs during the term of the lease. Mr. Klann added that at the end of the lease, the developer will remove all appurtenances, or could have a third party appraisal done and then be able to purchase the structure from the developer.

Staff's recommendation is to approve the amendment.

Mayor Beebe asked Mr. Klann to provide a run down on the difference between this type of fencing and just putting up a regular fence. Mr. Klann explained that because it is around a power facility, that it requires more grounding and design than a regular cyclone fence and is related to building code and safety.

Councilor Uffelmann explained that he is responsible for getting these folks from Seattle in Prineville as a result from a CREA meeting. He explained that they really didn't fully understand at first the amount of cost savings we could experience and was actually willing to do more upfront to help facilitate this. As it turns out, we ended up with a remarkably favorable contract. We did offer to put up a fence initially, and the contractor said no at the time. In reality we are coming away with a very good agreement that would greatly benefit the community and strongly support this effort to put up the fence and move the project forward.

Councilor Jungmann asked if this project was supposed to be completed in the summer of 2020. Mr. Klann explained that in April of 2020 we signed the agreement and broke ground and was supposed to be completed in summer to fall of 2021. They were delayed. The project is about 90% complete. They are waiting on some transformers and last heard they didn't even have a ship date yet. Those delays were associated with COVID. Councilor Jungmann asked so we don't even have a date this is going to be going live? Mr. Klann responded that it is 90% complete and they are just waiting to get a hold of those last transformers. If he hears anymore for a firm timeline he will let them know.

Councilor Jungmann explained that from the beginning of this project it sounded really good because we need the power and we need the savings but has questions. Councilor Jungmann continued with her concerns about the company and if they will make it through COVID-19. If they can't put up a fence are they going to be able to continue to maintain this for the next 20 years and is skeptical right now. We don't have it up and running. We are not saving \$90,000 or \$100,000 a year. Now we are going to be investing \$120,000 into a fence for a solar project that we don't even know if we are going to be seeing transformers because of the shutdown of the supply chain. She is hesitant to go forward until we actually know what the solvency of this company that we are doing business with and she understand there's supposed to be huge with malls with lots of property and real estate deals. She has real trepid feelings about if they can't put up a \$100,000 fence she isn't exactly sure of what the future will hold. She would like to maybe put this on hold until some of these questions can be answered.

Mr. Klann said that those are valid points.

Councilor Hutchison stated she has concerns with it too. If they don't have funding to put a \$120,000 in for a fence, how are they going to have enough money to continue with this project and according to the lease we signed in 2020, it was that they were going to be responsible for the fence and is sure there is some government rules or regulations that they do have to have a fence up because of it being a power facility. Throughout the document she has found at least two places that she found under section 6C it says under requirements of government and agencies, and it says that no out-of-pocket expense to owner which it says a couple of times in here. The fence is required by the state because that is what it said in our packet a few months ago when you wanted to bring this to the Council and then pulled it. That there was some ORS statues that had to be upheld. So there is a cost to us if we continue with this. Councilor Hutchison talked about an earlier conversation with Mr. Klann where we had a power purchase agreement and this might be too much in the weeds, but the power purchase agreement. She thinks they have to supply that power to whoever they have that with, within a certain period of

time. If they don't, then that power company will look elsewhere for power to be able to fulfil what their needs are. She wanted to know if that was something, or do we not know that?

Mr. Klann explained that he knows what our power purchase agreement looks like with them. He knows they have an interconnection agreement with Pacific Power. He hasn't prevue to that agreement or if they are out of compliance. Everything he is hearing from them they are trying to move this forward and want it online as quickly as possible.

Councilor Hutchison said that she agrees with Councilor Jungmann as thinks we need to put it on hold until we can find out some more information and doesn't think it should be the city's responsibility to pay the \$118,000 for a fence and if they are that insolvent that they can't pay for that, then why is it the residents of the city of Prineville's responsibility to pay for that.

Councilor Uffelman stated he is going to disagree with both Councilor Jungmann and Hutchison and push to move the project forward. We have a reputation as far as participating in ventures. We run a railroad and golf course. Sometimes there are hiccups along the way. We have met with the principals of the organization, they have been thoroughly vetted by Pacific Power or Pacific Power would never have created an agreement with them for a power purchase agreement. We are all dealing with the issues of the supply chain and delays. When we put the data centers together, one of the big issues that came up was where the transformers were going to come from before COVID issues popped up. He has little doubt that we will see the transformers come in fairly short order. There are always some hiccups along the way but still feels very strongly to move this forward and not create any road blocks.

Mayor Beebe said he would have to agree with that. He thinks this is something he had a lot of questions about and came in and asked questions. To him, we learned some things about this now and we have learned about some of the regulations behind the fences. He thinks this is a small part, yes it is a hiccup but it is something we can move past. We can get this project off the ground and be completely ready to go as soon as those transformers hit. He wants to be ready for them as soon as they get here and explained that he agreed with Councilor Uffelman. He appreciates the work that has been done to get this company here to do this work for us and put these solar panels in.

Councilor Jungmann said she is really for this project but has hesitation and believes we should be vetting the company. Finding out what the real financial standing is and is probably a really prudent way, even if it's just for two or the next council meeting. She would like to see this going forward, but wants to be certain that we are putting up a fence into something that is going to continue. Two weeks doesn't seem like too long to get more information. In these times we have got to be cautious and have no clue what is going on with this company. She is sure they were vetted two years ago and that was before COVID-19 but are they vetted now?

Josh Smith, Planning Director said that he was part of the redesign when they came back. It was a lot more of a robust system and downsized it. He talked with Jason who manages our plant out there and a little over half of this fence is something we will want to do anyway just for our treatment facility. That is the portion that is just a normal chain link fence. The specialized fencing along the access that is grounded and bonded with an isolation panel was shrunk down

and is the portion that is more unique to this project. If you really were to break down the cost of this and right now we have no fence there. There is just a three wire barbed wire fence. Nothing is preventing people from accessing our treatment facility. It's something that we have needed down there anyway. If that helps cost wise from a treatment facility we were going to follow through with fencing anyway.

Councilor Law said that he had read this and had questions also. He is in agreement with Councilor Uffelman and Mayor Beebe and believes it would be in our best interest to be prepared to move forward as soon as transformers arrive. Like the projections state we are able to use this facility and after a year would be paying for itself. As Mr. Smith said, part of the fence is already going to be needed and seems like it would be a financially smart decision and need to move forward.

Mr. Forrester said certainly valid points on both sides of this discussion tonight. As he has shared with both Councilor Uffelman and Councilor Jungmann he bears the responsibility of how long this is going on and maybe not keeping them current. You are using the solvency which didn't enter his mind on what we reported in 2020 regarding the Martin Selig operation and their umbrella that owns Westlake Solar Panels. This is a formula that they've been using for years based on the requirements that downtown Seattle has for development. Mr. Forrester referred to the chronological outline of Council approvals for staff to move forward with this. Granted, these were two years ago. He also asked Mr. Reid, City Attorney to basically present a worst case scenario. The worst case scenario would be that they renege on the contract. They are unable to finish it. They don't do what follow through they were going to do and they are out of compliance. Then we have the option to have that removed or, we have the option to own it at no cost which gave him some comfort. That is the way he understood the agreement from the beginning but wanted it to be confirmed by our legal counsel. He wanted to be sure that the Council did received that information. Again that facility is 90-95% complete.

Mr. Forrester provided a summary of our solar track record and where we already have solar panels installed at our facilities. He classifies those as cost avoidances and frees up taxpayer money for some of those operations. This is proven technology and we have protections as it exists today. He wants to take responsibility for not having all the questions asked and answered regarding the solvency, financial condition that we reported on back in 2020 and gave a power point on, and to the Councilor's points that was 2020 and this is not 2020 and he appreciates those concerns.

Mayor Beebe said he had the same question that Mr. Forrester just talked about, and what is the worst case scenario if this company cannot fulfill the contract? Then we end up with the solar banks. Then at that point that's a whole different ball game and there may be some expense there but then we would own it outright. Preparing this fence and getting it ready is just a short step and small hiccup in the overall benefit to the community that we can see. That was what his concern was as to where do we go if something happens. That is answered now. He is comfortable moving forward with it.

Councilor Merritt said it is a small hiccup and is glad Mr. Smith spoke up and said that we need the fence anyway, so it makes a difference to her. She also knows that the city has done their due diligence with this and agrees it is time to move forward.

There were no further discussions.

Councilor Uffelman made a motion to approve Resolution No. 1513. Motion seconded. No discussion on motion. Motion carried.

8. Resolution No. 1514 – Authorizing the Lease of Real Property (PUBLIC HEARING) – Eric Klann

Mayor Beebe read the public hearing script into the record.

Mr. Klann presented the staff report and talked about the bids received and process required. Mr. Reid added part of the process is also to disclose all of the bids received.

There were discussions regarding sale vs. lease in the 5th whereas on the resolution and the kind of crops they can cultivate.

There were no further discussions.

Mayor Beebe opened the public hearing portion of the meeting.

There was one person on the hearing line. Mayor Beebe asked the caller to state their name and address for the record. No one responded.

There were no written comments received.

Mayor Beebe asked for the person online again. No one responded.

Mayor Beebe closed the public hearing portion of the meeting.

Councilor Hutchison made a motion to approve Resolution No. 1514 with changing sell to lease in the fifth Whereas. Motion seconded. No discussion on motion. All in favor, motion carried.

Adjourn

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

Meeting adjourned at 7:42 P.M.

Motions and Outcomes:

Motion:	Outcome	Beebe	Hutchison	Jungmann	Law	Merritt	Papke	Uffelman
Consent Agenda	PASSED	Y	Y	Y	Y	-	-	Y
Ordinance No. 1274 – Amending Section 7 of Ordinance No. 1142 (FIRST PRESENTATION)	PASSED	Y	Y	Y	Y	Y	-	Y
Resolution No. 1512 – Approving a Personal Services Agreement with Anderson Perry for an Updated Water System Master Plan and Wastewater Facilities Plan	PASSED	Y	Y	Y	Y	Y	-	Y
Resolution No. 1513 – Authorizing City to Enter Into an Amendment to Solar Lease Agreement with Westlake Solar Panels, LLC.	PASSED	Y	N	N	Y	Y	-	Y
Resolution No. 1514 – Authorizing the Lease of Real Property (PUBLIC HEARING)	PASSED	Y	Y	Y	Y	Y	-	Y
Adjourn Meeting	PASSED	Y	Y	Y	Y	Y	-	Y

Public Records Disclosure

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<https://www.cityofprineville.com/meetings> .