



CITY OF THE DALLES

CITY COUNCIL REGULAR MEETING

June 8, 2026 at 5:30 p.m.

CITY HALL · COUNCIL CHAMBER · 313 COURT STREET

www.thedalles.org/Live_Streaming

To speak online, register with the City Clerk no later than noon the day of the council meeting.
When registering include: your full name, city of residence, and the topic you will address.

Upon request, the City will make a good faith effort to provide an interpreter for the deaf or hard of hearing at regular meetings if given 48 hours' notice. To make a request, please contact the City Clerk and provide your full name, sign language preference, and any other relevant information. Contact the City Clerk at (541) 296-5481 ext. 1119 or amell@thedalles.gov

MEETING AGENDA

1. CALL TO ORDER

2. ROLL CALL OF COUNCIL

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF AGENDA

5. PRESENTATIONS/PROCLAMATIONS

A. Recognition of The Dalles Robotics Team

B. Proclaiming July 4, 2026, as a Celebration of America's 250th Anniversary

6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Interested citizens are required to sign up in advance to be recognized. Up to three minutes per person will be allowed. Citizens are encouraged to ask questions with the understanding that the City can either answer the question tonight or refer that question to the appropriate staff member who will get back to you within a reasonable amount of time. If a response by the City is requested, and that response is not immediately provided, the speaker will be referred to the City Manager for further action.

7. CITY MANAGER REPORT

8. CITY COUNCIL REPORTS

9. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an

item be “pulled” from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the “Action Items” section.

- A. Approval of the May 26, 2026 Special City Council Meeting Minutes
- B. Authorization of Expenditures for Contract No. 2026-008: Electrical Improvements (Water System Emergency Generators)
- C. Approval of Master Lease Agreement with Columbia Gorge Community College for the Aviation Maintenance Training Hangar at Columbia Gorge Regional Airport

10. ACTION ITEMS

- A. Resolution No. 26-020 Establishing the Service Continuity Reserve Fund under ORS 294.346 and Providing for its Purpose, Funding, Use, and Review

11. PUBLIC HEARINGS

- A. Resolution No. 26-021 Declaring the City of The Dalles’ Election to Receive State Revenues for Fiscal Year 2026-2027
- B. Resolution No. 26-022 Adopting the Fiscal Year 2026-27 Budget for the City of The Dalles, Making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget

12. EXECUTIVE SESSION

In accordance with ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations and; ORS 192.660(2)(i) to review and evaluate the employment related performance of the chief executive officer, or contract employee who does not request an open hearing.

- A. Recess Open Session
- B. Reconvene Open Session
- C. Decision, if any

13. ADJOURNMENT

Prepared by/ Amie Ell, City Clerk



THE DALLES CITY COUNCIL
313 COURT STREET
THE DALLES, OREGON 97058

PRESENTATION

AGENDA ITEM #5B

MEETING DATE: June 8, 2026
TO: Honorable Mayor and City Council
SUBJECT: Proclaiming July 4, 2026, as a Celebration of America's 250th Anniversary

ATTACHMENTS:

- Proclamation: July 4, 2026, a Celebration of America's 250th Anniversary



CITY OF THE DALLES PROCLAMATION

PROCLAIMING JULY 4, 2026, AS A CELEBRATION OF AMERICA'S 250th ANNIVERSARY

WHEREAS, on July 4, 1776, the Declaration of Independence established the United States of America as a free and independent nation founded upon the principles of liberty, equality, self-government, and the pursuit of individual rights; and

WHEREAS, the year 2026 marks the 250th anniversary of the founding of the United States, a historic milestone recognizing two and a half centuries of democracy, civic participation, resilience, and service to the nation; and

WHEREAS, this anniversary provides an opportunity to reflect on the history, achievements, challenges, and shared ideals that continue to shape communities across the country, including here in The Dalles; and

WHEREAS, generations of residents, veterans, public servants, educators, businesses, civic organizations, and volunteers have contributed to the strength, growth, and character of The Dalles and the United States through service, innovation, and sacrifice; and

WHEREAS, The Dalles' recognition as a Medal of Honor City reflects the community's commitment to preserving veteran history and promoting the values of courage, sacrifice, patriotism, and selfless service that have helped shape the nation throughout its history; and

WHEREAS, the City of The Dalles recognizes the importance of civic engagement, public service, historical reflection, and community celebration for this significant milestone; and

WHEREAS, communities throughout the nation will commemorate the 250th anniversary with events, educational opportunities, celebrations, and activities intended to inspire future generations and strengthen appreciation for the freedoms and responsibilities of citizenship;

NOW, THEREFORE, on the 8th day of June, 2026, Richard A. Mays, Mayor of The Dalles, on behalf of the City Council, does hereby proclaim July 4, 2026, as a celebration of America's 250th Anniversary in The Dalles and encourages all residents to recognize and commemorate this historic milestone through reflection, civic participation, community celebration, and appreciation for the enduring principles of liberty, democracy, and public service.

Attest:

Mayor Richard A. Mays

Amie Ell, City Clerk



AGENDA STAFF REPORT

AGENDA ITEM #9

MEETING DATE: June 8, 2026

TO: Honorable Mayor and City Council

FROM: Amie Ell, City Clerk

SUBJECT: Approving Consent Agenda items and authorizing execution of associated contract documents by City staff.

A. ITEM: Approval of the May 26, 2026 Special City Council Meeting Minutes

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the April 13, 2026 Regular City Council meeting have been submitted for review and approval.

RECOMMENDATION: Approve the minutes of the May 26, 2026 Special City Council meeting.

B. ITEM: Authorization of Expenditures for Contract No. 2026-008: Electrical Improvements (Water System Emergency Generators)

BUDGET IMPLICATIONS: The adopted FY 2025-26 budget includes \$1,081,147.00 in line 053-5300-000.75-10 of the Water Capital Reserve Fund allocated for purchase of Backup Generators and VFD's for Marks and Jordan Wells. Due to this project spanning two fiscal years, the remaining funds have been rolled over to the proposed FY 2026-2027 budget.

SYNOPSIS: The City of The Dalles has been awarded a FEMA Hazard Mitigation Grant to fund the installation of emergency backup generators at critical water infrastructure facilities. Three drinking water well sites and two booster pump stations currently lack emergency backup power, leaving the City vulnerable to service interruptions during extended power outages or disaster events.

The City has already procured five 450 kW emergency generators equipped with onboard 48-hour fuel capacity and automatic transfer switches. Contract No. 2026-008 was advertised to procure the electrical installation work necessary to connect, integrate, test, and commission the City-owned equipment at Jordan Well, Marks Well, Lone Pine Well, Garrison Booster Pump Station, and Intermediate Booster Pump Station.

The Base Bid includes the electrical installation and commissioning work for all five sites. The project also includes Additive Alternate No. 1 for panel and variable frequency drive (VFD) upgrades at Jordan Well and Additive Alternate No. 2 for panel and VFD upgrades at Marks Well. A total of six contractors were prequalified to bid on the project in accordance with ORS 279C.430 and City Resolution No. 25-040.

Approval of this contract is necessary to meet FEMA project deadlines and ensure the City's water distribution system can remain operational during power outages and emergency events.

The City received four proposals in response to the RFP for Electrical Improvements, as detailed below.

Electrical Contractor	Bid Amount
Hage Electric & Construction Services, Inc.	\$ 287,975.00
Coburn Electric, Inc	\$ 336,872.88
Hire Electric, Inc	\$ 342,689.00
US West Corporation	\$ 371,872.74

RECOMMENDATION: Move to authorize the award of Contract No. 2026-008 to Hage Electric & Construction Services, Inc. in an amount not to exceed \$287,975.00.

C. ITEM: Approval of Master Lease Agreement with Columbia Gorge Community College for the Aviation Maintenance Training Hangar at Columbia Gorge Regional Airport

BUDGET IMPLICATIONS: The lease provides monthly base rent of **\$6,051.00**, beginning once there is a certificate of occupancy and the College occupies the space, for annual lease revenue of **\$72,612.00** before future adjustments. Rent will be adjusted annually each July 1 based on CPI, with no decrease below the then current base rent. The lease also requires Columbia Gorge Community College to pay for utilities and services used in the premises, maintain required insurance, and assume routine and non structural maintenance obligations. The City will receive lease payments as fiscal agent for the airport co owners.

SYNOPSIS: This item seeks approval of a Master Lease Agreement between the City of The Dalles and Klickitat County, acting in their joint capacity as co owners of the Columbia Gorge Regional Airport, and Columbia Gorge Community College District for use of the new aviation maintenance workforce training hangar at the airport.

The facility is intended to be used by Columbia Gorge Community College for small airplane repair and maintenance training and related aviation educational purposes. The lease area includes the approximately 14,000 square foot training hangar, including classroom, office, storage, support space, hangar floor area, related access areas, parking areas, apron interface, and utility connections identified in the lease exhibit.

The agreement establishes an initial 20 year term, with one option for a 10 year extension if the tenant is not in default and properly exercises the option. Base rent is set at \$6,051.00 per month, with annual CPI adjustments. Extension term rent would be reviewed and reset based on market rental information, with a floor that prevents rent

from being reduced below the amount in effect at the end of the initial term.

RECOMMENDATION: Approve the Master Lease Agreement with Columbia Gorge Community College District for the Aviation Maintenance Training Hangar at Columbia Gorge Regional Airport and authorize the City Manager to execute the agreement, substantially in the form presented, subject to final legal review, completion of required exhibits, required EDA and WSDOT Aviation approvals, and any non-substantive revisions approved by the City Attorney.



THE DALLES CITY COUNCIL SPECIAL MEETING MINUTES

May 26, 2026 at 5:30 p.m.

CITY HALL · COUNCIL CHAMBER · 313 COURT STREET
IN PERSON & VIA ZOOM

PRESIDING: Mayor Richard Mays

COUNCIL PRESENT: Timothy McGlothlin, Scott Randall, Dan Richardson, Ben Wring, Rod Runyon

STAFF PRESENT: City Manger Matthew Klebes, City Attorney Jonathan Kara, Assistant City Manager / HR Director Brenda Fahey, City Clerk Amie Ell, Finance Director Brita Meyer, Public Works Director Dale McCabe, Deputy Public Works Director David Mills, Community Development Director Joshua Chandler, Police Chief Tom Worthy, Water Division Manager Jerry Anderson, Regulatory Compliance Manager Jill Hoyenga

CALL TO ORDER

The meeting was called to order by Mayor Mays at 5:30 p.m.

ROLL CALL OF COUNCIL

City Clerk Ell conducted roll call. McGlothlin, Randall, Richardson, and Wring present. Runyon absent. Mayor Mays present.

PLEDGE OF ALLEGIANCE

Councilor Wring invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Richardson and seconded by Randall to approve the agenda as presented.

Motion carried 4 to 0: Richardson, Randall, McGlothlin, and Wring voting in favor; none opposed; Runyon absent.

Mayor Mays shared words of remembrance and appreciation in honor of Wasco County Commissioner Phil Brady and recognized his longstanding service to the community, education, housing, healthcare, and rural issues. He noted Brady's compassion, community knowledge, and ability to bring people together respectfully. He extended condolences on behalf of the City Council and City of The Dalles to Commissioner Brady's family, fellow County Commissioners, County staff, and the broader community. A moment of silence was observed in his memory.



AUDIENCE PARTICIPATION

Richard Wolfe, resident of The Dalles, addressed the Council regarding concerns related to drainage, sidewalk conditions, and long-term structural impacts associated with the First Street Project area. Wolfe suggested alternative construction approaches and requested staff consideration of the concepts presented.

CITY MANAGER REPORT

City Manager Matthew Klebes reported;

- The Federal Street Plaza Ad Hoc Committee met
 - They discussed a future public process regarding naming of the plaza.
 - Discussion continued regarding recognition elements associated with volunteer contributions to the Transportation Building.
 - Public Works staff would be meeting with State and regional partners regarding water system coordination.
- Upcoming Q-Life Board and budget meetings were scheduled.
- New City Branding would be rolling out in June the next agenda packet would begin incorporating the City's updated branding

CITY COUNCIL REPORTS

Councilor Richardson reported:

- Attended the Federal Street Plaza Ad Hoc Committee meeting and expressed support for the upcoming public naming process.
- Attended the Urban Renewal Agency meeting and highlighted the downtown storefront improvement grant program, noting several downtown businesses had completed façade and maintenance improvements through the program.
- Shared appreciation and remembrance for Commissioner Phil Brady, recognizing his longstanding community leadership and service.

Councilor Randall had no report.

Councilor Wring reported:

- Attended the City Budget Committee meetings.
- Attended the Urban Renewal Agency meeting.
- Attended the Federal Street Plaza Ad Hoc Committee meeting.
- Shared appreciation and remembrance for Commissioner Phil Brady and reflected on his impact as an educator and community leader.

Councilor Runyon joined the meeting at 5:45 p.m. on Zoom

Councilor McGlothlin reported:

- Attended a Mid-Columbia Senior Center informational meeting regarding proposed expansion of the Senior Center facility.
- Attended a KODL radio appearance with Mayor Mays.
- Participated in a meeting briefing with Mayor Mays.
- Attended Memorial Day veteran recognition activities at Kelly Viewpoint.



- Attended Budget Committee meetings.
- Shared appreciation and remembrance for Commissioner Phil Brady, including prior collaboration supporting bilingual education efforts in local schools.

Mayor Mays reported:

- Participated in a Zoom meeting with Congressional staff regarding the status of H.R. 655 related to the City watershed proposal.
- Participated in radio interviews with KACI.

Councilor Runyon reported:

- Met with military and Veterans Affairs representatives while traveling in Washington, D.C.

CONSENT AGENDA

Councilor McGlothlin asked whether any property owners associated with the nuisance abatement assessment resolutions were present and wished to speak. No one requested to speak.

It was moved by Randall and seconded by McGlothlin to approve the Consent Agenda as presented.

The motion carried 5 to 0, Randall, McGlothlin, Richardson, Wring, and Runyon voting in favor; none opposed; none absent.

Items approved on the consent agenda were:

- A) Approval of the April 27, 2026 Regular City Council Meeting Minutes
- B) Approval of the April 30, 2026 Special City Council Meeting Minutes
- C) Resolution No. 26-013 Assessing the Cost of Nuisance Abatement
- D) Resolution No. 26-014 Assessing the Cost of Nuisance Abatement
- E) Resolution No. 26-015 Approving an Addendum to the Lease Agreement with Meadow Outdoor Advertising
- F) Authorization of a Project Change Order with Ajax Northwest Associated with the First Street Project

ACTION ITEMS

Adoption of the 2025 Water Management and Conservation Plan

Public Works Director Dale McCabe reviewed the staff report and provided an overview of the 2025 Water Management and Conservation Plan required by the Oregon Water Resources Department (OWRD).

Council discussion and additional information provided included:

- The plan must be updated every ten years and incorporated into the City Comprehensive Plan.
- OWRD approved the final order for the plan on April 2, 2026.
- The City is required to submit additional reporting related to water loss because current unaccounted-for water exceeds the State benchmark of 10%.



- Staff had already begun evaluating potential causes of water loss, including aging transmission infrastructure, system meters, and transmission lines between the Wicks Water Treatment Plant and City reservoirs.
- Adoption of the plan supports eligibility for future grant and low-interest loan funding opportunities related to major infrastructure projects.
- Future projects identified in the plan included replacement of the Wicks Water Treatment Plant, replacement of transmission lines between the treatment plant and the City, and future expansion of Aquifer Storage and Recovery (ASR) capacity.
- Staff discussed current ASR operations and long-term storage capacity planning.
- Council discussion emphasized the importance of long-term infrastructure planning and maintaining future water capacity for the community.
- Staff clarified that current and projected system capacity analyses accounted for industrial development and long-term community growth.
- City Manager Klebes discussed the City's long-term water planning efforts, including ASR systems, treatment plant replacement planning, transmission line replacement, water conservation planning, and H.R. 655 watershed planning efforts.
- Water Division Manager Jerry Anderson reported the City's residential and commercial meter replacement program remained on schedule and additional leak detection equipment had recently been added to assist with identifying system leaks.
- Regulatory Compliance Manager Jill Hoyenga clarified OWRD administrative rules require plan updates every ten years and additional five-year progress reporting.

It was moved by Richardson and seconded by Wring to adopt the 2025 Water Management and Conservation Plan with final order in its entirety.

The motion carried 5 to 0, Richardson, Wring, McGlothlin, Randall, and Runyon voting in favor; none opposed; none absent.

DISCUSSION ITEMS

Wastewater Facilities Master Plan Update

Public Works Director Dale McCabe introduced representatives from Consor Engineering to provide an update on the Wastewater Facilities Master Plan process.

Austin Rambin and Patrick Davis, Consor Engineering, presented an overview of the wastewater treatment plant evaluation and capital improvement planning process associated with the DEQ-required wastewater facilities master plan update. (see attached slides)

Discussion and presentation highlights included:

- The plan evaluates wastewater treatment plant infrastructure and operational needs over a 20-year planning horizon.
- Population growth projections and future loading estimates were developed using Portland State University population forecasts and anticipated future service area demands.
- The wastewater treatment plant was described as currently operating successfully and meeting permit requirements, though portions of the system were aging, nearing



capacity, or lacking operational redundancy.

- New permit requirements related to ammonia treatment and Columbia River discharge standards were identified as major drivers for future improvements.
- Key infrastructure concerns identified included secondary treatment capacity limitations, outfall rehabilitation requirements, lack of operational primary treatment, limited solids processing redundancy, and influent and effluent pumping constraints during peak storm events.
- Recommended near-term projects included secondary treatment upgrades, effluent flow improvements, influent pump station electrical improvements, storm sewer disconnection work, and pump redundancy improvements.
- Midterm projects included construction of a new administration building, primary clarifier installation, thickening equipment upgrades, dewatering system installation, and ultraviolet system improvements.
- Long-term projects included digester improvements, influent and effluent wet well expansion, secondary clarifier improvements, and future SCADA and automation upgrades.
- Consultants discussed the importance of operational redundancy to allow maintenance and operational flexibility while maintaining permit compliance.
- Preliminary planning-level estimates presented included approximately \$14 million in near-term projects, approximately \$50 million in midterm projects, and approximately \$30 million in long-term projects.
- Council discussion included odor control, SCADA system lifecycle planning, treatment plant operational reliability, biogas reuse opportunities, and long-term infrastructure replacement planning.
- Consultants and staff emphasized projects would be phased over approximately twenty years and were intended to maintain regulatory compliance, operational reliability, and long-term system capacity.

EXECUTIVE SESSION

The City Council recessed into Executive Session pursuant to ORS 192.660(2)(d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations and pursuant to ORS 192.660(2)(i) to review and evaluate the employment-related performance of the City Manager, City Attorney, and Municipal Judge.

Mayor Mays recessed Open Session at 6:58 p.m.

Mayor Mays reconvened Open Session at 9:07 p.m.

ADJOURNMENT

Being no further business, Mayor Mays adjourned the meeting at 9:08 p.m.

The Dalles Wastewater Facilities Master Plan

City Council Presentation

May 26, 2026



Austin Rambin, PE, Project Manager, Consor
Patrick Davis, PE, Project Engineer, Consor



1

Plan Acknowledgements

Significant Contributions were made by the following staff:

City of The Dalles

- Dale McCabe
- David Mills
- Steve Byers
- Jill Hoyenga

Consor

- Austin Rambin
- Patrick Davis
- Catherine Bacon
- Frederick Tack

Jacobs

- Oscar Farris
- Jeff Houchin



2

Overall Agenda



Overview
Purpose of the Plan
Existing System Description
Growth and Regulatory Drivers
Assessment Key Findings
Plant Analysis
Capital Improvement Plan
Next Steps
Questions

3

Purpose of Plan



- Establishes roadmap for 20-year planning horizon
- Develops flow and load projections
- Assesses existing treatment infrastructure
- Produces Capital Improvement Plan (CIP)
- Financial Analysis for implementation

4

Plan Chapters Overview



- | | |
|---|--------------------------------------|
| 1 | Introduction and Background |
| 2 | Existing Treatment Plant Description |
| 3 | Future Conditions |
| 4 | Capacity Evaluation |
| 5 | Liquid Stream Alternatives Analysis |
| 6 | Solids Stream Alternatives Analysis |
| 7 | Capital Improvement Plan |
| 8 | Financial Analysis |

5


High Level Takeaways




- Plant is operating successfully today
- Plant is in fair condition
- New permit requirements and growth shape future needs
- Some aging infrastructure nearing loading capacity and end of service life
- Limited redundancy in some critical processes


6

Service Area and System Description





- Plant serves the City and urban growth area
- Sewer system conveys flow to centralized plant downtown
- System supports residential, commercial, and industrial users
- Conventional Activated Sludge treatment



7

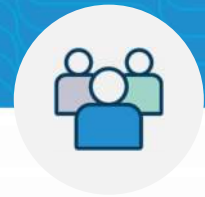
WWTP Unit Operations



The diagram shows the flow of wastewater through various treatment units. The Columbia River is at the top right. The Pump Station is an orange box. Headworks is a blue box. Primary Treatment is a large orange box. Thickening is a blue box. Digesters are two blue circular tanks. UV Disinfection is a blue box. Aeration Basin is a large orange box. Clarifiers are two large orange circular tanks. A legend at the bottom indicates that orange boxes represent the Liquids Stream and blue boxes represent the Solids Stream.

8

Growth Drivers



Google Earth
Image © 2025 Airbus

Population

Growth Rate	0.6%
2025 Estimate	16,193
2045 Estimate	18,931

 **consor**

9

Regulatory Drivers



- NPDES Permit Compliance
- Ammonia Removal Requirement
 - In new permit with compliance deadline
 - Drives treatment upgrades
- Columbia River Protection
 - TMDL updated for temperature
 - Mixing Zone Study underway
 - Outfall replacement required by 2030

 **consor**

10

Assessment Key Findings

Highest Risk Areas:

- Secondary Treatment Aeration Capacity
- Aging Outfall
- Lack of Primary Treatment
- Solids Thickening and Digestion Reliability
- Influent and Effluent Pumping (Peak Events)



11

WWTP Analysis



- Data Review
- Capacity Assessment
- Facility Evaluation
- Alternatives Analysis

12

Liquid Treatment Recommended Alternatives

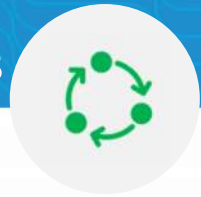


- Influent/Effluent Pumping – Rehabilitate/Expand Existing Assets
- Headworks – Minor Refurbishment
- Primary Treatment – Traditional Clarifiers
- Secondary Treatment – Process Intensification



13

Solids Treatment Recommended Alternatives



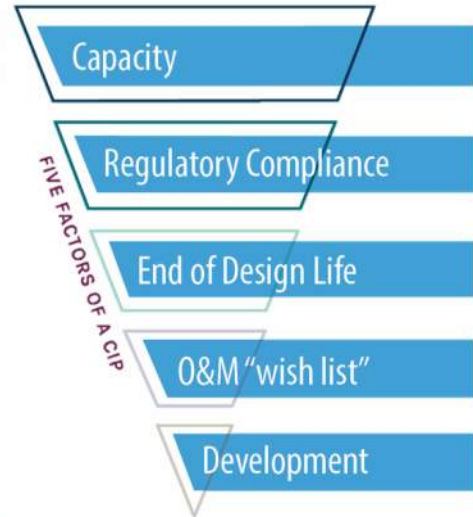
- Thickening – Replace Aging Equipment
- Digestion – Improve Digester Mixing, Heating, and Reliability
- Biogas – Utilize Biogas for Efficient Boiler Heating
- Dewatering – Install Belt Filter Presses



14

Capital Improvement Plan

- Combines findings from all analyses
- Develops planning level costs
- Organizes projects by priority and unit process



15

Near Term Projects (0-5 years)



Primary Projects

- Secondary Treatment Improvements
- Effluent Flow Improvements

Secondary Projects

- IPS Electrical Improvements
- Disconnect Storm Sewer
- RAS/WAS Pump Procurement



16

Mid Term Projects (5-10 years)



Primary Projects

- Thickening Equipment Upgrades
- Install Primary Clarifiers
- Dewatering System Installation

Secondary Projects

- IPS Pump Lifting Equipment
- Upsize EPS (Potential)
- UV Assessment & Improvements



17

Long Term Projects (10-20 years)



Primary Projects

- Digester Improvements
- IPS/EPS Wet Well Expansions

Secondary Projects

- Secondary Clarifier Improvements
- Mixed Liquor Flow Split Improvements
- SCADA & Automation Upgrades



18

Operations and Maintenance Projects



- Grit Classifier Refurbishment
- Hazardous Environment Sensors
- Plant Water System Improvements
- Secondary Clarifier Balance Investigation



19



20

Project Cost Estimating



- Class 5 Estimates
 - Preliminary and Conceptual
 - Wide Accuracy Range
 - Mid & Long Term To Be Refined
- Primary Drivers
 - Small Plant Site
 - Must Remain in Compliance
 - Construction Costs Escalating



21

WWTP Capital Improvement Plan – Near Term

Project ID	Project Name	Timeframe	Project Cost (Millions)
CIP-4.1	Temporary Secondary Treatment Upgrades	Near Term (0-5 years)	\$0.25M
CIP-4.2	Secondary treatment Upgrades	Near Term (0-5 years)	\$12.4M
CIP-9.1	Outfall Improvements	Near Term (0-5 years)	TBD
CIP-1.6	Effluent Gate Improvements	Near Term (0-5 years)	\$0.75M
CIP-1.1	IPS Electrical System Evaluation & Improvements	Near Term (0-5 years)	\$0.25M
CIP-5.4	RAS/WAS Pumping Redundancy Improvements	Near Term (0-5 years)	\$0.25M
Sub Total			\$13.9M

22

WWTP Capital Improvement Plan – Mid Term

Project ID	Project Name	Timeframe	Project Cost (Millions)
CIP-3.1 & 3.2	Primary Treatment Improvements	Mid Term (5 -10 years)	\$7.5M
CIP-3.3	Primary Sludge/WAS Holding Tank	Mid Term (5 -10 years)	\$1.8M
CIP-3.4 & 3.5	Thickening Equipment Upgrades	Mid Term (5 -10 years)	\$12.2M
CIP-0.3	Admin Building, Lab & Shop	Mid Term (5 -10 years)	\$5M
CIP-8.1	Install Dewatering Facilities	Mid Term (5 -10 years)	\$18M
CIP-1.2	New IPS & EPS Lifting Equipment	Mid Term (5 -10 years)	\$0.45M
CIP-1.5	Upsize EPS Pumps	Mid Term (5 -10 years)	\$6M
CIP-6.1	UV Assessment	Mid Term (5 -10 years)	\$0.25M
Sub Total			\$51.2M

23

WWTP Capital Improvement Plan – Long Term

Project ID	Project Name	Timeframe	Project Cost (Millions)
CIP-7.1	Digester No. 3 Improvements	Long Term (10 years+)	\$1.5M
CIP-7.2	Digester No. 1 Improvements	Long Term (10 years+)	\$4.6M
CIP-7.3	Digester No. 2 Improvements	Long Term (10 years+)	\$2.4M
CIP-7.4	Digester Gas Handling Improvements	Long Term (10 years+)	\$4M
CIP-1.3	IPS & EPS Wet Well Expansion	Long Term (10 years+)	\$13M
CIP-1.7	Water Main Project	Long Term (10 years+)	\$0.2M
CIP-5.3	RAS/WAS Pump Station Lifting Equipment	Long Term (10 years+)	\$0.2M
CIP-4.3	Mixed Liquor Flow Split Improvements	Long Term (10 years+)	\$0.8M
CIP-5.2	Secondary Clarifier Stilling Well Improvements	Long Term (10 years+)	\$0.5M
CIP-0.4	Automation & Electrical Improvements	Long Term (10 years+)	\$2M
Sub Total			\$29.2M

24

Next Steps

- Finalize Outfall Assessment & Refine Costs
- Continue Financial Planning Efforts
- Rate & SDC Study Council Workshop
- Prepare Draft Plan for City and DEQ Review
- Address Comments and Finalize Plan
- City Adoption of Facilities Plan

25



26

PUBLIC WORKS AGREEMENT

Contractor	Hage Electric & Construction Services, Inc.
Consideration	\$ 287,975.00
Effective Date	June 9, 2026
Substantial Completion	August 28, 2026
Final Completion	September 25, 2026 (may be revised only by <i>Change Order</i> under OAR 137-049-0910)
Project/Services	Project No. 2026-008 (Electrical Improvements (Water System Emergency Generators))

This PUBLIC WORKS AGREEMENT (**Agreement**) is entered by the City of The Dalles, an Oregon municipal corporation (**City**) and Hage Electric, an Electrical (**Contractor**), for Contractor’s provision of public improvement work for the City’s *Water System Emergency Generators Project* (**Project**) and related electrical improvements at five City water-system facilities.

WHEREAS, the City requires performance of certain public improvements/works described in the City’s *Invitation to Bid* (including all addenda) for the Project (**ITB**), attached to and made part of this Agreement as its **Exhibit A**; and

WHEREAS, Contractor desires to perform those certain public improvements/works and related and incidental services pursuant to the compensation and conditions set forth in Contractor’s successful bid (attached to and made part of this Agreement as its **Exhibit B**) as provided herein.

NOW, THEREFORE, in consideration of both the provisions set forth herein and other good and valuable consideration, the receipt and sufficiency of which is here acknowledged, the Parties agree:

A. Contractor’s Duties

1. Scope of Work. Contractor agrees, at its expense, to furnish all labor, equipment, materials, expertise, tools, supplies, insurance, licenses, reference and background data and information, including subcontractors approved under this Agreement, and provide any equipment necessary to perform all tasks solicited by **Exhibit A** (the **Work**)—as modified pursuant to the terms of this Agreement and applicable law—consistent with Contractor’s bid prices included as **Exhibit B**. The Parties agree the Work shall be interpreted broadly to the City’s benefit: Contractor agrees to perform all subordinate tasks not explicitly referenced in the Work but necessary to fully and effectively perform those specifically listed tasks.

2. Examination. Contractor agrees it examined the Project site and the contract documents connected with the solicitation for this Work prior to its submittal of its bid. The Parties agree Contractor’s submission of a bid for this Agreement’s award is expressly considered prima facie evidence Contractor made such an examination and is satisfied as to the conditions to be encountered in its performance of the Work and as to the requirements of the contract documents. Contractor agrees to protect itself in the unit



prices or the lump sum proposed on the Work. Contractor agrees its failure to visit or thoroughly familiarize itself with the labor, equipment, and material required, the difficulty of the conditions involved, or the scope of the project or the Work shall neither relieve Contractor of its obligation to complete the Work and perform under this Agreement for the price proposed nor entitle Contractor to a price adjustment.

3. Insurance and Indemnity.

a. Insurance. Contractor agrees, at its expense, to carry and maintain in effect throughout this Agreement's term at least the following coverage policies:

- (i) **Commercial General Liability.** Commercial general liability insurance written on an occurrence basis, including contractual liability and products-completed operations coverage, with limits not less than \$1,000,000 each occurrence, \$2,000,000 general aggregate, and \$2,000,000 products-completed operations aggregate.
- (ii) **Automobile Liability.** Automobile liability insurance covering owned, hired, and non-owned vehicles used in connection with the Work, with limits not less than \$1,000,000 combined single limit per accident.
- (iii) **Workers' Compensation and Employer's Liability.** Workers' compensation coverage as required by Oregon law. Employer's liability insurance shall have limits not less than \$500,000 each accident, \$500,000 disease each employee, and \$500,000 disease policy limit.
- (iv) **Installation Floater / Inland Marine.** To the extent Contractor has City-owned generators, owner-furnished equipment, materials, or equipment in Contractor's care, custody, or control, Contractor shall maintain installation floater, inland marine, or equivalent property coverage in an amount not less than the replacement cost of the covered property.

b. Certificates, Endorsements, and Policies.

- (i) **Generally.** Prior to commencement of any Work, Contractor agrees to provide the City with certificates of insurance and copies of the required endorsements as described in this subsection. Contractor agrees to provide copies of any insurance policy contemplated by this Agreement promptly upon the City's request. Contractor agrees to provide the City thirty (30) days' written notice before cancelling, modifying, or materially reducing any insurance policy contemplated by this Agreement and further agrees its failure to notice the City of cancellation, modification, or reduction to any insurance policy contemplated by this Agreement is, at the City's sole discretion, grounds for immediate termination of this Agreement.
- (ii) **Additional Insured.** Contractor shall name the City of The Dalles, its officers, officials, employees, agents, and volunteers as additional insureds on the commercial general liability and automobile liability policies for claims arising



out of or related to the Work, including ongoing operations and completed operations where applicable.

- c. Primary and Noncontributory; Waiver of Subrogation. Contractor's insurance shall be primary and noncontributory with respect to the City. Contractor shall require its insurers to waive rights of subrogation against the City to the extent permitted by law.
- d. Subcontractor Insurance. Contractor agrees to require its subcontractors performing Work under this Agreement to carry and maintain in effect throughout this Agreement's term coverages, limits, and endorsements no less protective than those required of Contractor under this Agreement, including Additional Insured status, primary and non-contributory wording, and waiver of subrogation in favor of the City. Contractor further agrees to require those subcontractors to provide Contractor with certificates of insurance as evidence of coverage and (upon City's request) provide the City with certificates of insurance for any subcontractor performing Work under this Agreement. The Parties agree this subsection survives the expiration or sooner termination of this Agreement.
- e. Workers' Compensation. Contractor agrees it is solely responsible for maintaining proper and adequate Workers' Compensation coverage. If Contractor's insurance does not cover each and every subcontractor, certificates of insurance issued on policies covering each and every subcontractor shall be filed with the City prior to commencement of the Work, including any subcontract operations. Contractor shall provide the City with evidence it is either a self-insured employer or a carrier-insured employer for Workers' Compensation pursuant to ORS Chapter 656 prior to commencing any Work.
- f. Indemnity. To the fullest extent permitted by Oregon law, including ORS 30.140, Contractor agrees to indemnify, defend, and hold harmless the City, its officers, agents, and employees against all liability, loss, and costs (including attorney fees) arising from actions, suits, claims, or demands to the extent caused by the negligent acts or omissions or willful misconduct of Contractor (including Contractor's officers, agents, employees, and subcontractors) in the performance of this Agreement; provided, however, in no event does Contractor agree to such indemnification, defense, or holding harmless for the City's own negligence or fault beyond the extent permitted by ORS 30.140.

4. Payments and Retainage.

- a. Prompt Payment. Contractor agrees to promptly pay as due all persons supplying labor or materials for the prosecution of services or Work arising from this Agreement: if Contractor (including subcontractors) fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to Contractor (including subcontractors), the City may pay such a claim and charge the amount of its payment against funds actually or expectedly due from Contractor plus a non-waivable *nine (9%) percent* interest commencing at the end of the ten-day period within which payment is due under ORS 279C.580(4), unless payment is subject to a



good faith dispute as defined in ORS 279C.580. The Parties agree payment of any claim in this manner shall not relieve Contractor or its surety from any obligations with respect to any unpaid claims. Any person supplying labor or materials in connection with this Agreement may file a complaint with the Construction Contractors Board against Contractor (including subcontractors) stemming from Contractor's (including subcontractors') failure, neglect, or refusal to promptly pay them as due, unless payment is subject to a good faith dispute as defined in ORS 279C.580, only if the person has not been paid in full and gives written notice of claim pursuant to ORS 279C.605 to Contractor and the City.

- b. Industrial Accident Fund. Contractor agrees to pay all contributions or amounts due the Industrial Accident Fund from the Contractor or subcontractors incurred in the performance of this Agreement.
- c. Labor Hours. Contractor agrees to pay all employees at least time and half pay for all overtime worked in excess of *forty (40) hours* in any one work week, except for excluded individuals pursuant to ORS 653.010 to 653.261 or 29 U.S.C. 201 to 209. Contractor further agrees to abide by all other restrictions governing labor hours on public contracts pursuant to ORS 279C.540 and 279C.545, including time limitations on claims for overtime.
- d. Medical Care. Contractor agrees to promptly pay as due all persons, co-partnerships, associations, or corporations furnishing medical, surgical, hospital care, or other needed care and attention incident to sickness or injury to Contractor's employees, or all sums which Contractor agrees to pay for such services, and all moneys and sums which Contractor collected or deducted from the wages of its employees pursuant to any law or contract for the purpose of providing or paying for such service.
- e. No Liens. Contractor shall not permit any lien or claim to be filed or prosecuted against the City on account of any Work (including labor or materials) furnished under this Agreement.
- f. Employee Withholdings. Contractor agrees to pay to the Oregon Department of Revenue all sums withheld from its employees pursuant to ORS 316.167.
- g. Retainage. The Parties agree retainage shall be withheld and released in accordance with ORS 279C.550 to 279C.580, as follows:
 - (i) **Retainage Generally**. Contractor agrees the City may reserve as retainage from any progress payment an amount not to exceed *five (5%) percent* of the payment. As Work progresses, the City may reduce the retained amount and may eliminate retainage on any remaining monthly payments after *fifty (50%) percent* of the Work is completed if, in the City's opinion, such Work is progressing satisfactorily. The Parties agree elimination or reduction of retainage is allowed only upon Contractor's written application, which application must include Contractor's surety's written approval; provided, however, when the Work is *ninety-seven and one-half (97.5%) percent*



completed, the City may, at its discretion and without Contractor's application, reduce the retained amount to *one hundred (100%) percent* of the value of the Work remaining to be done. Upon receipt of Contractor's written application, the City agrees to respond (in writing) within a reasonable time.

- (ii) **Form of Retainage.** In accordance with ORS 279C.560 and any applicable administrative rules, unless the City finds in writing accepting a bond, security, or other instrument described in options (a) or (c) below poses an extraordinary risk not typically associated with the bond, security, or instrument, the City agrees to approve Contractor's written request:
- (a) to be paid amounts which would otherwise have been retained from progress payments where Contractor has deposited with the City bonds, securities, or other instruments specified in ORS 279C.560 or in a custodial account or other mutually-agreed account satisfactory to the City, with an approved bank or trust company, to be held in lieu of the cash retainage for the City's benefit. Interest or earnings on the bonds, securities, or other instruments shall accrue to the Contractor. The Contractor agrees to execute and provide such documentation and instructions respecting the bonds, securities, and other instruments as the City may require to protect its interests. To be permissible, the bonds, securities, and other instruments must be of a character approved by the City Attorney;
 - (b) retainage be deposited in an interest-bearing account in a bank, savings bank, trust company, or savings association for the City's benefit, with interest from such account accruing to the Contractor; or
 - (c) the Contractor be allowed, with the City's approval, to deposit a surety bond for the City's benefit, in a form acceptable to the City Attorney, in lieu of all or a portion of funds retained or to be retained. Such bond and any proceeds therefrom shall be made subject to all claims and liens in the manner and priority as set forth for retainage under ORS 279C.550 to ORS 279C.625. Where the City has accepted Contractor's election of any of the options above, the City may recover from Contractor any additional costs incurred through such election by reducing Contractor's final payment. Where the City has agreed to Contractor's request to deposit a surety bond under this option (c), Contractor agrees accept like bonds from its subcontractors and suppliers from which Contractor has required retainage to support the Work.

If the City accepts bonds, securities, or other instruments deposited as provided in options (a) and (c), the City agrees to reduce the moneys held as retainage in an amount equal to the value of the bonds, securities, and other instruments and pay the amount of the reduction to Contractor in accordance with ORS 279C.570.

- (iii) **Interest.** The retainage held by the City shall be included in and paid to Contractor as part of the final payment of the Contract Price. The City agrees to



pay Contractor interest at the rate of *one and one-half* (1.5% per month) *percent per month* on the final payment due Contractor, with interest commencing *thirty* (30) *days* after the Work has been completed and accepted and running until the date Contractor must notify the City in writing it considers the Work complete, and the City agrees, within *fifteen* (15) *days* after receiving the written notice, to either accept the Work or notify Contractor of Work yet to be performed. If the City does not within the time allowed notify Contractor of Work yet to be performed to fulfill its contractual obligations, the interest provided by this subsection shall commence to run *thirty* (30) *days* after the end of the 15-day period.

- (iv) **Contractor's Retainage.** If Contractor pays a subcontractor in full, including the amount Contractor withheld as retainage, the City agrees to pay Contractor (out of the amount the City withheld from Contractor as retainage) a sum equal to the amount of retainage Contractor paid its subcontractor. Contractor agrees to notice the City in writing when it pays a subcontractor in full under this subsection and the City agrees to pay Contractor the amount due Contractor under this subsection within *fifteen* (15) *days* after it receives notice. The City agrees to pay interest on the amount due Contractor at the rate of *one* (1% per month) *percent per month* commencing *thirty* (30) *days* after the City receives Contractor's notice of full payment to the subcontractor.
- (v) **Subcontractor Retainage.** If Contractor elects to reserve a retainage from any progress payment due any subcontractor or supplier, Contractor agrees such retainage shall not exceed *five* (5%) *percent* of the payment and such retainage withheld from subcontractors and suppliers shall be subject to the same terms and conditions stated in this Agreement as applicable to the City's retainage from any progress payment due Contractor; provided, however, if (in accordance with ORS 279C.560) Contractor has deposited bonds, securities, or other instruments or has elected to have the City deposit accumulated retainage in an interest-bearing account, Contractor agrees to comply with ORS 701.435 respecting the deposit of bonds, securities, or other instruments by subcontractors and suppliers and the sharing of interest earnings with subcontractors and suppliers.

5. Prevailing Wage Rates, Retainage, and Bonds.

- a. Prevailing Wage Rates. Contractor agrees to comply with the prevailing wage provisions of ORS 279C.800 through 279C.870. The Oregon Bureau of Labor and Industries (**BOLI**) determines and publishes the existing Oregon prevailing wage rates in its publication *Prevailing Wage Rates for Public Works Contracts in Oregon*. Contractor agrees to pay workers performing Work not less than the specified minimum hourly wage rate according to ORS 279C.838 and ORS 279C.840, and further specifically agrees to include this requirement in any subcontracts relating to the Work or this Agreement.
- b. Certification and Prevailing Wage Retainage. Contractor (including subcontractors) agrees to submit written certified statements to the City on the form prescribed by



BOLI's Commissioner in OAR 839-025-0010 certifying compliance with wage payment requirements and accurately setting out Contractor's (including subcontractors') weekly payroll records for each worker performing Work. Contractor (including subcontractors) agree to preserve the certified statements for a period of *six (6) years* from the Completion Date. Contractor agrees the City will retain *twenty-five (25%) percent* of any amount earned by the Contractor under this Agreement until the Contractor has filed the certified statements required by ORS 279C.845(7). The City agrees to pay Contractor the amount retained within *fourteen (14) days* after Contractor files the required certified statements, regardless of whether subcontractors failed to file certified statements.

- c. Contractor's Prevailing Wage Retainage. Contractor agrees to retain *twenty-five (25%) percent* of any amount earned by a first-tier subcontractor under this Agreement until the subcontractor files with the City the certified statements required by ORS 279C.845. Before paying any amount retained, Contractor agrees to verify the first-tier subcontractor filed the certified statement. Within *fourteen (14) days* after the first-tier subcontractor files the required certified statement, Contractor agrees to pay the subcontractor any amount retained.
- d. Bonds. Before starting any Work under this Agreement, and using the forms of bonds attached to and made part of the solicitation document for Project No. 2026-008 (and thus this Agreement) where applicable, Contractor (including its sureties) agrees:
 - (i) to file a **public works bond** with the Construction Contractors Board in the amount of \$30,000 and consistent with ORS 279C.836, unless Contractor or its subcontractors are eligible to elect not to so file or are otherwise exempt from filing pursuant to ORS 279C.836(4), (7), (8), or (9), and further specifically agrees to include this requirement in any subcontracts relating to the Work or this Agreement;
 - (ii) to execute and deliver to the City Manager a **performance bond** in an amount equal to the full contract price conditioned on the faithful performance of this Agreement in accordance with its plans, specifications, and conditions; and
 - (iii) to execute and deliver a **payment bond** in an amount equal to the full contract price, solely for the protection of claimants under ORS 279C.600.

6. Other.

- a. Solicitation. Contractor agrees to each and every obligation or restriction imposed by the solicitation document for Project No. 2026-008 and this Agreement, all as if incorporated here; Contractor further specifically agrees such obligations or restrictions are supplemental to its duties under this Agreement. In the event of a conflict between any provision of the solicitation document for this Agreement and this Agreement, the Parties agree to attempt to reconcile the apparently conflicting provisions so as to harmonize them; if the Parties fail to reasonably harmonize such provisions, the terms of this Agreement control.



- b. Final Inspection and Acceptance. Upon completion, Contractor agrees to notice the City in writing it completed the Work so the City can undertake a final inspection. The City agrees to inspect the Work (and all records generated by Contractor relating to the Work) within *fifteen (15) days* of its receipt of Contractor's completion notice. The City agrees to either accept the work or notice Contractor of any defects or remaining performance necessary to fully complete the Work. The City agrees to provide Contractor its final acceptance of the Work once it determines all of the Work has been performed satisfactorily.
- c. Drug Testing. Contractor agrees to demonstrate to the City it has an employee drug testing program is in place before it commences performance of this Agreement.
- d. Environmental Compliance. Contractor agrees to abide all applicable ordinances, rules, and regulations dealing with the prevention of environmental pollution and the preservation of natural resources impacting the performance of this Agreement, including (without limitation) ORS Chapters 459 (Solid Waste Management), 459A (Reuse and Recycling), 465 (Hazardous Waste and Hazardous Material I), 466 (Hazardous Waste and Hazardous Materials II), 467 (Noise Control), 468 (Environmental Quality Generally), 468A (Air Quality), and 468B (Water Quality), the associated Oregon Administrative Rules promulgated by Oregon Department of Environmental Quality, plus all other reasonably similar or relevant local, state, or federal laws.
- e. Tax Currency. Contractor agrees (and by executing this Agreement, certifies under penalty of perjury) it is, to the best of its knowledge, not in violation of any tax laws described in ORS 305.380.

B. City's Duties

1. Compensation.

- a. Total. The City agrees to compensate Contractor for the Work in an amount not to exceed **\$287,975.00** to be paid check.
- b. Progress Payments. The City agrees to make progress payments upon Contractor's completion of the Work and delivery of an invoice detailing the Work, subject to the City's approval and no more frequently than monthly. Payment shall be made only for Work actually completed as of the invoice date. The City shall pay Contractor interest on its progress payments (not including retainage) commencing *thirty (30) days* after receiving Contractor's invoice or *fifteen (15) days* after payment is approved by the City, whichever is earlier. The Parties agree ORS 279C.570(2) determines the rate of interest charged to the City for this subsection's purpose.
- c. Satisfaction. Contractor agrees the City's payment of an invoice releases the City from any further obligation to compensate Contractor for the Work (including expenses) incurred as of the invoice date. The Parties agree payment shall not be considered acceptance or approval of the Work or waiver of any defects therein.



- d. Public Budgeting. The City certifies sufficient funds are available and authorized for expenditure to finance the costs of this Agreement during the current fiscal year. The Parties agree appropriations for future fiscal years are subject to budget approval by the City Council.
- e. Other Duties. The City agrees to reasonably satisfy any commitments it made in this Agreement's solicitation.

C. General Conditions

1. Time. The Parties agree time is of the essence to this Agreement's performance: Contractor's prosecution of the Work shall begin without undue delay on or after the Effective Date and shall be completed before or on the Completion Date, all as subject to Section C(8); provided, however, the Parties agree Contractor will not perform any on-site Work prior to the City's issuance of a *Notice to Proceed*, which the City agrees to send once Contractor submits all required information and documentation pursuant to this Agreement. Adjustments to Contract Time or the Completion Date shall be made only by Change Order issued under the Contract's changes provisions and OAR 137-049-0910. For purposes of this Agreement:
 - a. Contract Time means the period from *Notice to Proceed* until *Final Acceptance*;
 - b. Completion Date means the outside calendar date for *Final Completion* stated on the face sheet, as may be revised only by Change Order under OAR 137-049-0910; and
 - c. Change Order and Amendment have the meanings given those terms by OAR 137-049-0910 (as may be amended or superseded).

2. Termination/Modification. This Agreement's term expires naturally upon the Parties' full performance or on the Completion Date (whichever first) unless sooner modified pursuant to this Agreement. The Parties agree the City may terminate this Agreement with *seven (7) days'* notice and Contractor may terminate this Agreement with *thirty (30) days'* notice, both without penalty. The City agrees to compensate Contractor for all approved services rendered prorated to the date the City notices its intent to terminate. The Parties agree termination of this Agreement is subject to ORS 279C.655. The Parties agree this Agreement may be modified only by (a) Change Order for changes to the Work (including any change to Contract Time, the Completion Date, or Contract Price) or (b) amendment for changes to non-Work terms, in each case consistent with OAR 137-049-0910. Any Change Order that revises the Completion Date automatically adjusts this Agreement's term and expiration to match.

3. Full Integration/Conflict. This Agreement, together with the Contract Documents listed on the face sheet, is the entire agreement between the Parties on this matter and supersedes all prior statements. If a conflict exists, the order of precedence stated in the Contract Documents controls. Any change to Contract Time, the Completion Date, or Contract Price must be made by Change Order and changes to non-Work terms may be made by amendment, all as consistent with OAR 137-049-0910.



4. Independent Contractor. The Parties agree Contractor is an *independent contractor* as defined by ORS 670.600(2) and as interpreted by regulations promulgated by BOLI. Neither the terms of this Agreement nor the course of its performance by the Parties shall be construed as implicating an employer-employee relationship. Contractor expressly warrants its exclusive agency free from City direction and control over the means and manner of completing the Work.
5. Assignment/Delegation. The Parties agree no Party shall assign or transfer an interest or duty under this Agreement without the other Party's written consent and any attempted assignment or delegation without written consent shall be invalid.
6. Subcontractors.
 - a. List. Contractor agrees to provide the City with a list of proposed subcontractors within *ten (10) days* of this Agreement's mutual execution and before awarding any subcontract connected with the Work or this Agreement, and shall not retain any subcontractor the City reasonably objects to as incompetent or unfit.
 - b. Responsibility. Contractor agrees it is as fully responsible to the City for its subcontractors' and employees' (whether directly or indirectly employed) negligent acts and omissions as it is for its employees' negligent acts and omissions.
 - c. Registration. Contractor agrees (and by executing this Agreement, certifies) all subcontractors performing Work under this Agreement will be registered with the Construction Contractors Board in accordance with ORS 701.035 to 701.055 before they commence any Work.
 - d. No Privity. Contractor agrees all of its subcontracts under this Agreement shall provide the Work performed under the subcontract shall be performed according to the terms of this Agreement; whether stated in the subcontract, Contractor agrees to remain solely responsible for the administration of the subcontract, including (without limitation) the performance of the subcontracted Work, progress of the subcontracted Work, payment for accepted subcontracted Work, and disputes and claims for additional compensation regarding all subcontracted Work. The Parties agree nothing in this Agreement is intended to or shall create any contractual privity between the City and any subcontractor.
 - e. Mandatory Construction Contract Clauses. Contractor agrees to include in each subcontract for property or services it enters with a first-tier subcontractor (including a material supplier) for the purpose of performing a *construction* contract to support the Work:
 - (i) a payment clause obligating Contractor to pay the first-tier subcontractor for satisfactory performance under the subcontract within *ten (10) days* out of amounts the City pays to Contractor under this Agreement;



- (ii) a clause requiring Contractor to provide a first-tier subcontractor with a standard form the first-tier subcontractor may use as an application for payment or as another method by which the subcontractor may claim a payment due from Contractor;
 - (iii) a clause requiring Contractor, except as otherwise provided in this subsection, to use the same form and regular administrative procedures for processing payments during the entire term of the subcontract. Contractor may change the form or the regular administrative procedures Contractor uses for processing payments if the Contractor (a) notifies the subcontractor in writing at least *forty-five (45) days* before the date on which Contractor makes the change and (b) includes with the written notice a copy of the new or changed form or a description of the new or changed procedure; and
 - (iv) an interest penalty clause obligating Contractor, if Contractor does not pay the first-tier subcontractor within *thirty (30) days* after receiving payment from the City, to pay the first-tier subcontractor and interest penalty on amounts due in each payment the Contractor does not make in accordance with the payment clause included in the subcontract under Section C(6)(e)(i). Contractor or its first-tier subcontractor is not obligated to pay an interest penalty if the only reason Contractor or its first-tier subcontractor did not make payment when payment was due is neither received payment from the City or Contractor when payment was due. The interest penalty (a) applies to the period beginning on the day after the required payment date and ends on the date on which the amount due is paid and (b) is computed at the rate specified in ORS 279C.515(2).
- f. Mandatory Payment Clause. Contractor agrees to include in each subcontract it enters with a first-tier subcontractor for the purpose of performing *any* contract to support the Work a clause requiring the first-tier subcontractor to include a payment clause and an interest penalty clause conforming to the standards of Section C(6)(e) in each of the first-tier subcontractor's subcontracts and to require each of its first-tier subcontractor's subcontractors to include such clauses in the first-tier subcontractors' subcontracts with each lower-tier subcontractor or supplier.
7. Enforceability. The Parties agree all disputes connected with this Agreement or its performance shall be heard in the Circuit Court of the State of Oregon for the County of Wasco and any resolutions shall be construed under the laws of the State of Oregon. If any provision of this Agreement is held invalid and unenforceable, the remaining provisions shall be valid and binding upon the Parties.
8. Liquidated Damages. Contractor agrees to prosecute the Work vigorously to completion and consistent with Section C(1). Contractor agrees delays in its performance under this Agreement will cause the City to sustain damages, increase risk to, inconvenience, and interfere with the public and commerce, and increase costs to taxpayers; accordingly, because the City finds it unduly burdensome and difficult to demonstrate the exact dollar value of such damages, Contractor specifically agrees to be subject to the provisions of Section 00180.85(b) of the applicable *City of The Dalles Standard*



Specifications for Construction – General Conditions and pay the City (not as a penalty but as liquidated damages) the amounts determined by that Section 00.180.85(b) for each day the Work remains incomplete after the expiration of the contract time or adjusted contract time applicable to that Work. The Parties further agree any such damages paid pursuant to this subsection constitute payment in full only of damages incurred by the City due to Contractor's failure to complete the Work on time.

9. Waiver. The Parties agree a Party's failure to insist upon strict adherence to a provision of this Agreement on any occasion shall not be considered a waiver of the Party's rights or deprive the Party of the right to thereafter insist upon strict adherence to the provision or any other provision of this Agreement.
10. Force Majeure. The Parties agree neither Party shall be held responsible for delay in the performance of this Agreement caused by circumstances beyond their control and making performance commercially impracticable, illegal, or impossible. The City may terminate this Agreement upon written notice after determining such delay will unreasonably prevent successful performance of this Agreement.

Continues on next.



11. Notices. All notices required or permitted to be given under this Agreement shall be deemed given and received *two (2) days* after deposit in the United States Mail, certified or registered form, postage prepaid, return receipt requested, and addressed:

To the City: City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

To Contractor: Shannon Garrett
Hage Electric & Construction Services, Inc.
3701 Klindt Dr.
The Dalles, OR 97058

IN WITNESS WHEREOF, the Parties duly execute this **PUBLIC WORKS AGREEMENT** this ____ day of _____, 2026.

CITY

CONTRACTOR

Matthew B. Klebes, City Manager

Shannon Garrett, President

ATTEST:

Amie Ell, City Clerk

Approved as to form:

Jonathan M. Kara, City Attorney





City of The Dalles
 1215 W 1st Street
 The Dalles, OR 97058
 541-296-5401

Requisition Order

Date: _____

Requisition Order No. _____

Vendor: _____

Ship To: _____

Item Description	Quan.	Unit Price	Item Total	City Account #	Project Code
subtotal					
freight					
Total					

David Mills
 Requested by

Department Approval
 (required over \$5,000)

City Manager Approval
 (required over \$25,000)



Bid/Quote Report
City of The Dalles
Public Works

Date _____

Requisition# _____

Items to be purchased

(required for purchases of \$5,000 or more)

Company/Contact person	Bid/Quote	Responsive yes/no

Please turn in copy of bid/quotes with this form to send to finance.

MASTER LEASE AGREEMENT

AVIATION MAINTENANCE TRAINING HANGAR COLUMBIA GORGE REGIONAL AIRPORT *Dallesport, Washington*

1. **PARTIES AND EFFECTIVE DATE.** This Master Lease Agreement (**Agreement**) is entered into as of the last date of signature below (**Effective Date**), by and between:
 - 1.1 **Landlord.** City of The Dalles, a municipal corporation of the State of Oregon, and Klickitat County, a municipal corporation of the State of Washington, acting solely in their joint and proprietary capacity as co-owners of the Columbia Gorge Regional Airport (collectively, **Landlord**).
 - 1.2 **Tenant.** Columbia Gorge Community College District, a community college district duly formed and operating pursuant to Oregon law (**Tenant**).
 - 1.3 **Landlord's Representative.** Landlord designates the Airport Manager (or successor position) as Landlord's on-site representative for day-to-day administration of this Agreement (including coordination of access, rules, and operational matters). The Airport Manager's authority does not include amendment of this Agreement unless expressly authorized in writing by both co-owner governing bodies or their duly authorized officers.

2. **RECITALS, PURPOSE, AND MASTER LEASE STATUS.**
 - 2.1 **Public Ownership and Operation.** The Airport is jointly owned and operated by City of The Dalles and Klickitat County.
 - 2.2 **Project Background.** Landlord is constructing an aviation workforce training hangar and related infrastructure improvements at the Airport as part of the "Aviation Workforce Training Facility and Airport Infrastructure" Project (**Project**).
 - 2.3 **EDA Award and Federal Interest.** The Project is funded in part by a United States Economic Development Administration (**EDA**) financial assistance award and the Airport property (or portions thereof) is subject to federal requirements, including (without limitation) recorded federal interest instruments such as an EDA mortgage or covenant (**Award Documents**).
 - 2.4 **WSDOT Aviation CARB Loan and State Requirements.** The Project is also funded in part by a Washington State Department of Transportation (**WSDOT**) Aviation Division Community Aviation Revitalization Board (**CARB**) loan agreement and related state requirements (**CARB Loan Documents**).
 - 2.5 **Tenant's Program Purpose.** Tenant intends to use the Premises for purposes consistent with Landlord's EDA grant application, including for Tenant's small airplane repair and maintenance training and other incidental aviation-related educational purposes (**Program**).

2.6 **Master Lease.** This Agreement is intended to serve as (a) the “Master Lease” for the Airplane Repair and Maintenance Training Center/hangar funded by EDA and (b) the initial operating lease to Tenant, subject to the approvals and conditions stated in this Agreement.

3. **DEFINITIONS.** As used in this Agreement:

3.1 **Airport.** The leased premises are located at the Columbia Gorge Regional Airport (**Airport**), 45 Airport Way, Dallesport, Washington 98617.

3.2 **Award Documents** means the EDA financial assistance award (including all amendments and specific award conditions), all applicable EDA regulations incorporated by reference, and any recorded instrument evidencing the federal interest (including the EDA mortgage/covenant) and all requirements that flow down to lessees, occupants, and operators of the federally-assisted property.

3.3 **CARB Loan Documents** means the WSDOT Aviation/CARB loan agreement and all exhibits, assurances, and incorporated requirements (including audit/records access and nondiscrimination requirements), and any recorded instrument evidencing the State’s interest, to the extent applicable.

3.4 **Premises** means the aviation maintenance workforce training hangar facility being constructed at the Airport (the **Training Hangar**), comprising approximately **14,000 square feet** (including approximately 3,000 square feet of classroom / office / storage / support space and approximately 10,500 square feet of hangar floor area), together with: (a) the associated pedestrian and vehicle access areas serving the Training Hangar and the parking area(s) depicted on **Exhibit A** as part of the Premises; (b) the apron/ramp area immediately adjacent to the Training Hangar that is reasonably necessary for aircraft movement in and out of the Training Hangar; (c) utility laterals and connections serving the Training Hangar; and (d) any other areas specifically identified on the Premises Plan attached to and made part of this Agreement as its **Exhibit A**. The Premises expressly exclude all other portions of the Airport not specifically included in **Exhibit A**. Notwithstanding the foregoing, Landlord retains the right to temporarily restrict access to or use of the access and parking areas within the Premises as reasonably necessary for safety, security, emergency response, maintenance, construction, or compliance with applicable law or the Award Documents, CARB Loan Documents, or Airport Federal Obligations, and Landlord shall use reasonable efforts to minimize disruption to Tenant.

3.5 **Exhibit A (Premises Plan)** means the site plan and/or drawings depicting the Training Hangar and the leased footprint, apron/ramp interface, access, and any included parking areas. Landlord shall provide a draft **Exhibit A** to Tenant for review. Tenant shall deliver any written objections identifying material inaccuracies or deficiencies within ten (10) business days after receipt. Absent timely written objection identifying a material inaccuracy or deficiency, **Exhibit A** shall be deemed accepted. **Exhibit A** shall be accepted and attached before this Agreement becomes effective under Section 8.1.

- 3.6 **Commencement Date** means the date Tenant first occupies or uses any portion of the Premises for Tenant's operations (including installation of Tenant's equipment and furnishings), but only after (a) the Training Hangar has received a temporary or permanent certificate of occupancy (or equivalent authorization for lawful occupancy) from the applicable authority having jurisdiction, and (b) Landlord has delivered possession to Tenant.
- 3.7 **Rent Commencement Date** means the Commencement Date, unless the Parties expressly agree in writing to a short rent-abatement "move-in" period (not to exceed thirty (30) days) for equipment installation and program set-up.
- 3.8 **Term** means the initial term described in Section 5.1 plus any valid extension under Section 5.2.

4. **LEASE GRANTED.**

- 4.1 **Lease.** Landlord leases to Tenant and Tenant leases from Landlord the Premises on the terms of this Agreement, subject to easements and encumbrances of record and the Award Documents and CARB Loan Documents.
- 4.2 **No Conveyance of Title.** This Agreement is a lease only. Tenant acquires no ownership interest in the Premises or Airport.
- 4.3 **Common Use of Airport Facilities.** Tenant has nonexclusive rights of access to and use of Airport common areas intended for common use, subject to Airport rules and regulations and reasonable operational controls by Landlord.

5. **TERM AND OPTION TO EXTEND.**

- 5.1 **Initial Term.** The initial term is 20 years and commences on the Commencement Date and expires at 11:59 p.m. Pacific Time on the day immediately preceding the 20th anniversary of the Commencement Date unless sooner terminated or otherwise modified in accordance with this Agreement.
- 5.2 **Extension Option.** Provided Tenant is not in default beyond any applicable notice and cure period at the time of exercise and at the start of the extension term, Tenant has one option to extend the Term for 10 additional years (**Extension Term**). Tenant shall exercise the option by delivering written notice to Landlord not less than 365 days prior to the expiration of the initial term. If properly exercised, the Extension Term will be on the same terms and conditions as this Agreement, except that Base Rent during the Extension Term will be determined under Section 6.4 (*Extension Term Rent Review*), and CPI adjustments will continue under Section 6.2 after such Base Rent is set.
- 5.3 **Time of Essence for Option.** Time is of the essence for exercise of the option.

6. **RENT AND PAYMENT.**

- 6.1 **Base Rent.** Beginning on the Rent Commencement Date, Tenant shall pay Landlord monthly rent in the amount of **\$6,051.00 per month (Base Rent)**.
- 6.2 **CPI adjustments each July 1.** The Parties intend the monthly rent to be subject to annual escalations each July 1 during the Term based on the United States Bureau of Labor Statistics Consumer Price Index for *All Urban Consumers (CPI-U)*, *Seattle-Tacoma-Bellevue, WA, All items*, or any successor index (**CPI**). The CPI Adjustment and resulting rent shall be calculated and certified annually by the City's Finance Director as the Airport's fiscal agent or such successor or designee as Landlord may designate in writing. The Finance Director's determination shall be final and binding on the Parties absent manifest error.
- (a) **Method.** On each July 1 during the Term (**Adjustment Date**), the Base Rent shall be adjusted by multiplying the Base Rent in effect immediately prior to the Adjustment Date by a fraction, the numerator of which is the arithmetic average of the monthly CPI index values for the twelve (12) months ended March 31 immediately preceding the Adjustment Date, and the denominator of which is the arithmetic average of the monthly CPI index values for the twelve (12) months ended March 31 of the preceding year. If the Bureau of Labor Statistics revises the CPI index or changes its base reference period, the Finance Director shall apply a conversion factor published by the Bureau to maintain continuity. If the CPI is discontinued and no successor index is designated by the Bureau, the Finance Director shall select a comparable nationally published inflation index intended to reflect inflation affecting the region, and shall apply it in a manner consistent with this Section. The Finance Director's selection and application shall be final and binding absent manifest error. The Finance Director shall provide Tenant written notice of each adjusted Base Rent amount, together with the CPI values and calculation used, no later than thirty (30) days before the Adjustment Date. Tenant may request supporting documentation and, if Tenant identifies a computational error, shall notify the Finance Director in writing within thirty (30) days after receipt of the notice. The Finance Director shall review and respond within fifteen (15) days. If the Parties are unable to resolve a dispute over the calculation within thirty (30) days after Tenant's written notice of error, either Party may submit the dispute to a mutually agreed certified public accountant, whose determination of the correct mathematical application of this formula shall be final and binding. The cost of the accountant shall be borne by the Party whose calculation is not sustained (or shared equally if the accountant's result differs from both Parties' positions).
- (b) **No Decreases.** CPI Adjustments will not reduce Base Rent below the Base Rent in effect immediately prior to the July 1 adjustment date.
- (c) **Proration for Partial Year.** If the Rent Commencement Date occurs after July 1, the first CPI Adjustment will occur on the first July 1 following the Rent Commencement Date.

6.3 **Payment Timing and Place.**

- (a) **Due Date.** Base Rent is due in advance on the first day of each month.

- (b) Fiscal Agent/Payee. All rent checks shall be made payable to “City of The Dalles” as fiscal agent for Landlord unless Landlord provides written direction otherwise.
- (c) Payment Address. Landlord will provide a written payment address and may change it by written notice.

6.4 **Extension Term Rent Review.**

- (a) Purpose. The Parties acknowledge that the Award Documents require “adequate consideration” for leases of federally-assisted property and that long-term CPI adjustments may not always track commercial rental value. Accordingly, Base Rent will be reviewed and reset at the start of the Extension Term as follows.
- (b) Reset Process. Landlord will provide Tenant a proposed Extension Term Base Rent supported by a written market rental opinion (e.g., a broker opinion of value or an appraisal) for comparable aviation training or aviation hangar facilities, taking into account the permitted use restrictions in this Agreement, no later than 365 days before the initial term expires or other time mutually agreed.
- (c) Dispute Process. If Tenant disputes Landlord’s proposed Extension Term Base Rent within 30 days after receipt, the Parties will meet and confer. If not resolved within 30 additional days, the Parties will jointly select a Washington-licensed commercial real estate appraiser experienced with aviation and industrial properties in the Columbia River Gorge region (if possible, and—if not—the Portland Metropolitan Area) to determine fair market rent for the Premises for the permitted use. The appraiser’s determination will be final absent manifest error. The Parties will share the appraiser’s cost equally.
- (d) Floor. In no event will the Extension Term Base Rent be less than the Base Rent in effect on the last month of the initial term.

6.5 **Late Charges and Interest.**

- (a) Late Fee. If Landlord does not receive Base Rent within 10 calendar days after it is due, Tenant shall pay a late charge equal to 5% of the overdue amount.
- (b) Interest. Any Base Rent and other amounts due that remain unpaid 30 days after due shall accrue interest at 1.0% per month (or the maximum allowed by law, if less) from the due date until paid.

6.6 **FAA-Directed or Compliance-Required Rent Adjustment.**

- (a) Federal Control. Tenant acknowledges Landlord may receive direction from FAA (or another federal agency with jurisdiction over Airport federal obligations) requiring Landlord to adjust consideration for use of Airport property to maintain compliance with Airport Federal Obligations.

- (b) **Unilateral Adjustment.** If Landlord receives written direction requiring adjustment of any rent or other consideration under this Agreement, Landlord may implement an adjustment consistent with such direction without penalty. Landlord will provide Tenant a copy of the written direction and a calculation of the adjustment.
- (c) **Cooperation.** The Parties will cooperate in good faith to implement the minimum adjustment necessary for compliance, including considering whether additional non-rent consideration (e.g., documented public-benefit training outcomes) is acceptable to the agency.
- (d) **Excuse.** If the agency-directed adjustment requires an increase in Base Rent exceeding 10% of the rent in effect immediately prior to the adjustment and no compliant alternative can be implemented after good faith efforts for 90 days, Tenant may terminate this Agreement upon 120 days' advance written notice (unless termination is prohibited by the Award Documents, in which case the Parties will pursue a compliant amendment as the sole remedy).

6.7 **No Additional Rent or Cost Pass-Through.** Except for (a) Base Rent as adjusted only under Sections 6.2, 6.4, and 6.6, and (b) Tenant's obligations expressly stated in this Agreement for utilities and services (Section 9), maintenance and repairs (Section 10 and Section 11), insurance (Section 13), taxes (Section 15), and reimbursement obligations arising from Tenant default or Tenant-caused damage, Landlord shall not charge Tenant any additional rent, common area charges, operating expense pass-throughs, capital cost pass-throughs, assessments, or other recurring charges for the Premises. For clarity, Tenant is not responsible for the costs of constructing the Training Hangar except as expressly stated in this Agreement.

7. **USE AND RESTRICTIONS.**

- 7.1 **Permitted Use.** Tenant shall use the Premises for purposes consistent with Landlord's EDA grant application, including for Tenant's small airplane repair and maintenance training and other incidental aviation-related educational purposes (**Permitted Use**). The Permitted Use includes classroom instruction, hands-on training in aircraft inspection / repair / maintenance, storage of training tools and equipment, administrative offices directly supporting the Program, and other aviation-related educational uses that are incidental to the Program.
- 7.2 **No Unrelated Use.** Tenant shall not use the Premises for non-aviation, non-educational, or unrelated purposes without Landlord's prior written consent and, where required, prior written approval from EDA and/or WSDOT Aviation.
- 7.3 **No Residential Use.** No portion of the Premises may be used for residential purposes.
- 7.4 **Compliance with Law and Permits.** Tenant shall comply with all applicable federal, state, and local laws and regulations and shall obtain and maintain all permits and approvals applicable to the Program and Tenant's operations in the Premises. Without limiting the foregoing, Tenant shall comply with Airport rules and regulations and all operational, safety, security, and regulatory directives issued by the Airport Manager.

7.5 Continuous Program Operation.

- (a) Program Continuity. Tenant shall operate the Program and Permitted Use in good faith as an active aviation maintenance training program during the Term.
- (b) Temporary Suspension. Tenant may temporarily suspend operations for reasonable causes (e.g., academic calendar cycles, scheduled maintenance, force majeure, or safety-related shutdowns) provided that any suspension exceeding 180 consecutive days requires Landlord's written consent (and, if required, EDA/WSDOT approval).
- (c) Extended Cessation as Default Risk. If Tenant ceases the Program or Permitted Use for more than 180 consecutive days without the approvals required by this Section 7.5, Tenant accepts and agrees that such cessation constitutes a material breach of this Agreement due to the grant/loan compliance risks to Landlord.

7.6 Fueling. All aircraft fueling at the Airport must be provided by the authorized and designated aviation fuel provider established by the Airport Manager. Tenant shall not store bulk fuel or operate fueling services from the Premises unless expressly approved in writing by Landlord and all required regulators.

7.7 Noise/Odor Acknowledgment. Landlord acknowledges that aircraft maintenance training may produce noise and odors inherent to aviation maintenance activity and that such impacts, when compliant with applicable law and handled in a workmanlike manner, will not constitute a nuisance as between Landlord and Tenant.

7.8 Accessibility and Code Compliance Allocation.

- (a) Base Building Compliance at Delivery. Landlord shall deliver the Premises on the Commencement Date with the Training Hangar constructed in accordance with the building, fire, life-safety, and accessibility codes and standards required for issuance of the certificate of occupancy for the Training Hangar, including the base building accessible elements that are part of the Training Hangar and any accessible route and accessible parking serving the Premises that are shown on **Exhibit A**.
- (b) Tenant Operations and Program Accessibility. Tenant is responsible for compliance with accessibility and nondiscrimination requirements applicable to Tenant's operations and delivery of the Program within the Premises, including reasonable modifications in policies and procedures, auxiliary aids and services, and accessible arrangement and use of furniture, equipment, classrooms, and instructional spaces.
- (c) Tenant Alterations and Installations. Tenant is responsible for code and accessibility compliance for Tenant's alterations, improvements, equipment installations, and interior configuration of the Premises, and for any upgrades required solely as a result of Tenant's alterations, installations, configuration, or Program operations, including any increase in occupant load, change in egress demand, or change in use or occupancy classification from that reflected in the certificate of occupancy for the Training Hangar, even if such activities are otherwise consistent with the Permitted

Use. For clarity, Landlord is not responsible for upgrades triggered solely by Tenant's use intensity, schedules, or interior configuration decisions within the Premises.

- (d) Landlord Work and Common Elements. Landlord is responsible for structural and base building code compliance within the scope of Landlord's obligations under Section 10.2 (*Landlord Maintenance*), including maintenance and repair of base building accessible elements that are part of the Training Hangar, except to the extent damage or noncompliance is caused by Tenant or Tenant's employees, agents, students, contractors, or invitees.
- (e) No Limitation of Legal Obligations. This Section allocates responsibilities as between the Parties only and does not limit or waive any legal obligation of either Party under applicable accessibility or nondiscrimination laws.

8. **FEDERAL AND STATE COMPLIANCE.**

- 8.1 ***Condition Precedent***. This Agreement is not effective and Tenant shall not occupy the Premises unless and until Landlord has obtained all approvals required by the Award Documents and CARB Loan Documents for leasing the Premises to Tenant, including written EDA approval of this Agreement as a "Master Lease" and/or an individual lease (as applicable) and written WSDOT Aviation approval (if required).
- 8.2 ***Incorporation by Reference***. The Award Documents and CARB Loan Documents are incorporated by reference to the extent they impose requirements on lessees / operators / occupants of the Premises or to the extent Tenant's compliance is necessary to prevent Landlord default.
- 8.3 ***Tenant Noninterference Covenant***. Tenant shall not take, permit, or omit any action that would cause Landlord to be in violation of the Award Documents or CARB Loan Documents or that would jeopardize funding eligibility, repayment status, or compliance obligations tied to the Premises.
- 8.4 ***Adequate Consideration Acknowledgment***. Tenant acknowledges that (a) EDA requires leases of federally-assisted property to provide "adequate consideration" and (b) Landlord is relying on this Agreement—including Base Rent and Tenant's additional covenants—as part of Landlord's compliance demonstration. Tenant agrees to cooperate reasonably with Landlord in providing documentation required by EDA to support adequate consideration determinations (e.g., acknowledgments of restrictions on use and the public-benefit nature of the Program), provided Tenant is not required to disclose protected student information or other legally protected data.
- 8.5 ***Federal and State Access***.
 - (a) Access. Tenant shall permit reasonable entries and inspections of the Premises by Landlord and by EDA/WSDOT and their duly authorized representatives to the extent required by the Award Documents or CARB Loan Documents, subject to reasonable coordination for safety and security.

- (b) Records. Tenant shall maintain records reasonably necessary for Landlord to demonstrate ongoing compliance with Award Documents and CARB Loan Documents as they relate to Tenant's use of the Premises (e.g., basic program operation confirmations, facility use logs, equipment inventories if required, and nondiscrimination compliance documentation).
- (c) Retention. Unless a longer period is required by the Award Documents, CARB Loan Documents, or applicable law, Tenant shall retain such records for at least 6 years after expiration or earlier termination of this Agreement and longer if required due to an active audit, litigation hold, or unresolved audit finding.

8.6 **Performance Reporting Support**. Tenant shall provide Landlord, no more frequently than once per year unless otherwise required by EDA or WSDOT, a brief written certification that: (a) Tenant is using the Premises for the Permitted Use and (b) Tenant is in compliance with the nondiscrimination and environmental compliance provisions of this Agreement. Tenant shall also provide Program-level outcome information reasonably requested by Landlord for EDA/WSDOT reporting (e.g., number of students served, credentials awarded, and workforce outcomes in aggregate form), provided that any student-level disclosures must comply with applicable privacy laws.

8.7 **Nondiscrimination and Prohibited Activities**. Tenant shall not discriminate in its employment practices or Program operations on any basis prohibited by applicable law, including federal and state nondiscrimination requirements applicable to federally- or state-assisted projects. Tenant shall not use the Premises for inherently religious activities prohibited by applicable federal law in federally assisted facilities.

8.8 **Subordination to EDA Mortgage and State Interests**.

- (a) EDA Mortgage. Tenant acknowledges that the Premises and/or underlying Airport property is subject to an EDA mortgage or covenant recorded in Klickitat County (**EDA Mortgage**). This Agreement is subordinate, junior, and inferior to the EDA Mortgage, and Tenant shall (upon request) timely execute commercially reasonable subordination documentation required by EDA consistent with the Award Documents.
- (b) State Interests. Tenant acknowledges that the Premises and/or underlying Airport property may be subject to recorded state interests or restrictions associated with the CARB Loan Documents. Tenant shall (upon request) timely execute commercially reasonable acknowledgments or subordination documentation required by WSDOT Aviation to confirm Tenant's obligations under this Agreement and applicable CARB Loan Documents.

8.9 **Third-Party Beneficiaries**. EDA and WSDOT Aviation are intended third-party beneficiaries of Section 7.5 (*Continuous Program Operation*), Section 8 (*Federal and State Compliance*), Section 12 (*Environmental*), and Section 13 (*Insurance*) solely to the extent necessary for enforcement of applicable grant/loan compliance obligations. Otherwise, nothing in this Agreement, whether express or implied, is intended to or shall confer upon any person or entity other than the parties hereto any legal or

equitable right, benefit, remedy, claim, or cause of action under or in respect of this Agreement.

8.10 ***FAA and Other Federal Obligations.*** Tenant acknowledges the Airport is or may be subject to federal obligations administered by the Federal Aviation Administration (**FAA**), including airport grant assurances and related requirements (**Airport Federal Obligations**). This Agreement shall be interpreted and applied to preserve the Airport's compliance with Airport Federal Obligations. Tenant understands and accepts that all rights conferred to Tenant through this Agreement are subordinate at all times to the Airport Federal Obligations. Tenant shall comply with Airport Federal Obligations to the extent they apply to Tenant's use, occupancy, operations, and activities on the Premises. Tenant shall not take, permit, or omit any action that would cause Landlord to be in violation of Airport Federal Obligations. If Landlord reasonably determines a change to this Agreement or Tenant's operations is necessary to maintain compliance with Airport Federal Obligations, the Parties shall cooperate in good faith to implement the minimum changes necessary for compliance. If a required change materially alters Tenant's rights or obligations, Landlord will use commercially reasonable efforts to obtain any available FAA guidance or approval in writing and to minimize adverse impacts on Tenant while maintaining compliance.

8.11 ***Nondiscrimination and Federal Compliance.***

- (a) Federal Compliance. Tenant agrees to comply with all applicable nondiscrimination requirements tied to federal assistance benefiting the Airport, including Title VI and applicable DOT/FAA nondiscrimination requirements, as amended from time to time, so that no person shall, on the grounds prohibited by applicable law, be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in any activity conducted on or benefiting from federal assistance.
- (b) Covenant. Tenant covenants and agrees that in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with 49 CFR Part 21 and all other requirements imposed pursuant to applicable nondiscrimination laws and regulations, as amended.
- (c) Breach. In the event of breach of the nondiscrimination covenants in this Section, Landlord shall have the right to terminate this Agreement and to re-enter and repossess the Premises and the facilities thereon, provided that any termination premised on 49 CFR Part 21 shall not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
- (d) Express Conditions of Tenant Agreements. Tenant shall include nondiscrimination obligations consistent with this Section in any permitted agreements allowing third-party use of the Premises.

9. UTILITIES AND SERVICES.

9.1 **Tenant Responsibility.** Tenant shall pay (on Tenant's own account) for all utilities and services used or consumed in the Premises, including electricity, water/sewer (if separately billed), garbage, internet/telephone, and any specialized services required for the Permitted Use.

9.2 **Metering.**

- (a) Separate Metering Intent. Landlord intends the Premises to be separately metered for electricity and any other utilities that are reasonably capable of separate metering.
- (b) Interim Allocation if Not Separately Metered. If separate metering for any utility serving the Premises is not in place at the Commencement Date or is later unavailable due to outage or repair, Landlord shall provide Tenant written notice identifying the affected utility and the interim allocation methodology Landlord will apply. Any allocation methodology must be reasonable and based on the best information reasonably available (e.g., square footage served, documented equipment loads, occupancy schedules, or other objective measures).
- (c) No Tenant Obligation to Serve Third Parties. Tenant shall not be required to submeter, bill, collect, or remit utility charges for any third party or for any other Airport space.
- (d) Expansion or Adjacent Occupancy. If Landlord expands the Training Hangar or permits occupancy of any adjacent space in a manner that causes shared utility service with the Premises, Landlord shall be responsible for implementing separate metering, landlord-controlled submetering, or a reasonable allocation methodology that does not require Tenant to act as a utility provider or billing agent for any third party.
- (e) Support and Dispute Resolution. Upon Tenant's reasonable request, Landlord shall provide the documentation reasonably available to support any allocation methodology. The Airport Manager shall make a final determination of allocation disputes acting reasonably and in good faith.

10. MAINTENANCE, REPAIRS, AND OPERATING STANDARD.

10.1 **Tenant Maintenance (Modified Triple-Net).** At Tenant's sole cost, Tenant shall maintain the Premises in a clean, safe, and orderly condition and shall perform routine and non-structural maintenance and repairs necessary to keep the Premises in good working order, including:

- (a) housekeeping/janitorial and waste disposal;
- (b) interior surfaces, interior doors, locks, and hardware;
- (c) hangar doors and operators (routine service and adjustments, and Tenant is responsible for misuse or negligent damage);

- (d) HVAC servicing and filter changes (excluding major capital replacement unless due to Tenant's misuse or negligence);
- (e) plumbing fixtures and non-structural plumbing repairs serving the Premises;
- (f) fire extinguishers within the Premises and routine inspection and maintenance of Tenant-controlled fire safety equipment;
- (g) pest control as needed due to Tenant's operations; and
- (h) any other routine maintenance reasonably associated with Tenant's day-to-day operations.

10.2 **Landlord Maintenance.** Landlord shall be responsible for structural components and major building systems as delivered, including foundation, structural framing, exterior walls, and roof, and major capital replacement of base building systems not caused by Tenant, subject to available public budgeting and procurement requirements and subject to the limitations in the Award Documents/CARB Loan Documents. After receiving Tenant's written notice of a condition within Landlord's responsibility under this Section 10.2, Landlord shall investigate, commence, and complete repairs within a reasonable time, taking into account the nature and severity of the condition, safety considerations, availability of parts and contractors, and Landlord's public budgeting and procurement requirements. If Landlord fails to commence repair within 60 days after Tenant's written notice, Tenant may, with Landlord's prior written approval of the scope, contractor, and estimated cost (not to be unreasonably withheld), initiate reasonable non-structural repairs necessary to address the noticed condition and offset reasonable, documented, and undisputed costs against Base Rent; provided, however, Tenant may not perform structural work, work affecting Airport operations, or work requiring EDA, WSDOT, FAA, Landlord, or other governmental approval unless all required approvals are first obtained. Landlord shall keep Tenant reasonably informed of status and anticipated schedule, and shall prioritize conditions that materially affect safe occupancy or materially impair the Premises' usability for the Permitted Use.

10.3 **Tenant Damage.** Tenant shall promptly repair any damage to the Premises or adjacent common areas caused by Tenant or Tenant's employees, agents, students, contractors, or invitees (ordinary wear and tear excepted).

10.4 **Inspections.**

- (a) Landlord Access. Landlord may enter the Premises upon reasonable advance notice (except in emergencies) to inspect, perform Landlord's maintenance obligations, or ensure compliance with this Agreement.
- (b) Coordination. Entry and work will be coordinated to minimize interference with Tenant's program.

10.5 Standard of Care. Tenant shall operate in a safe and workmanlike manner consistent with prudent aviation maintenance training practices and Airport operational safety requirements.

11. ALTERATIONS AND IMPROVEMENTS.

11.1 **Landlord Consent Required**. Tenant shall not make material alterations or additions to the Premises without Landlord's prior written consent (which Landlord may condition on required EDA/WSDOT approvals and proof of permits/insurance). Non-structural interior changes reasonably necessary for classroom configuration or Program equipment installation are permitted if **(a)** code-compliant, **(b)** do not affect structural or life-safety systems, and **(c)** Tenant provides advance notice and as-built documentation if requested.

11.2 **Permits and Code Compliance**. Tenant is responsible for permits and compliance for Tenant alterations and Tenant equipment installations.

11.3 **No Liens**. Tenant shall not permit any mechanic's, materialman's, or other lien to attach to the Premises or Landlord's property. If any lien arises from Tenant's work, Tenant shall promptly discharge it by payment, bonding, or other lawful means.

11.4 **Ownership of Improvements**. Unless Landlord requires removal at surrender, all improvements affixed to the Premises become Landlord's property upon expiration or termination—without compensation—except Tenant's personal property and trade fixtures that Tenant may remove if removal does not damage the Premises (and Tenant repairs any damage at its sole expense).

12. ENVIRONMENTAL.

12.1 **General Compliance**. Tenant shall comply with all applicable environmental laws and shall not commit waste.

12.2 Hazardous Substances Restrictions.

(a) Prohibition on Releases. Tenant shall not cause or permit any hazardous substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises or into the Airport stormwater system, except as permitted under applicable law for the Permitted Use and managed in strict compliance with law and best practices.

(b) Spill Response. Tenant shall **(i)** maintain appropriate spill response materials and procedures for its operations, **(ii)** promptly notify the Airport Manager of any release or suspected release, and **(iii)** take immediate response actions as required by law.

(c) Washington DOE Stormwater. If Tenant's operations expose pollutant-generating materials, processes, or products to stormwater, Tenant shall comply with Washington Department of Ecology requirements at its sole cost (including evaluation of whether coverage under an industrial stormwater general permit is required).

- 12.3 **Environmental Indemnity.** Tenant shall indemnify and hold Landlord harmless from environmental claims, penalties, and cleanup costs arising from hazardous substances introduced by Tenant or Tenant's agents, contractors, employees, students, or invitees, except to the extent caused by Landlord's sole negligence or willful misconduct or by pre-existing contamination not introduced by Tenant.
- 12.4 **Pre-Existing Conditions.** Tenant has no liability for hazardous substances present on, under, or within the Premises prior to Tenant's occupancy, except to the extent Tenant exacerbates such conditions.
- 12.5 **Customary Quantities and Safety Data Sheets.** Tenant may use, handle, and store on the Premises only hazardous substances typically used in the customary, prudent, and safe conduct of the Permitted Use, and only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall maintain safety data sheets for hazardous substances used or stored on the Premises in a location demonstrably known and reasonably accessible to the Airport Manager for emergency response purposes.
- 12.6 **Removal.** Upon expiration or earlier termination of this Agreement, Tenant shall remove at its sole cost all Tenant-introduced hazardous substances from the Premises and shall leave the Premises in compliance with applicable environmental laws (ordinary wear and tear excepted).

13. INSURANCE.

- 13.1 **Tenant Insurance.** Throughout the Term, Tenant shall maintain at least the following insurance coverages and policies (through commercial carriers or a governmental risk pool) with insurers rated at least A-/VII by A.M. Best or otherwise reasonably acceptable to Landlord:
- (a) Commercial General Liability: \$2,000,000 per occurrence and \$2,000,000 general aggregate.
 - (b) Umbrella/Excess Liability: limits sufficient so that CGL and umbrella totals at least \$5,000,000 per occurrence/aggregate.
 - (c) Automobile Liability: \$2,000,000 combined single limit for owned, hired, and non-owned vehicles used in connection with Tenant's operations at the Airport.
 - (d) Workers' Compensation: statutory, with employer's liability as customary.
 - (e) Property/Contents: insurance for Tenant's personal property, equipment, and trade fixtures at replacement cost.
 - (f) Aviation-Related Coverage: if Tenant's operations include aircraft custody or aircraft maintenance activities that create aviation-specific risk beyond standard CGL, Tenant shall maintain aviation liability and/or hangarkeepers liability at limits reasonably required by Landlord based on Tenant's scope of activity,.

13.2 **Additional Insureds.** Landlord (City of The Dalles, Klickitat County), the Airport Board (if applicable), and the Airport Manager, including their respective officers, employees, and agents shall be named as additional insureds on Tenant's liability policies. Policies shall provide at least 30 days' prior written notice to Landlord of cancellation, modification, or reduction.

13.3 **Certificates.** Tenant shall provide certificates of insurance prior to occupancy and upon renewal.

13.4 **Waiver of Subrogation.** To the extent permitted by the Parties' insurance, each Party waives subrogation against the other for losses covered by insurance.

14. **INDEMNIFICATION.**

14.1 **Tenant Indemnity.** To the extent permitted by law, Tenant shall indemnify, defend, and hold harmless Landlord and Landlord's officers, agents, employees, and volunteers from claims, damages, losses, and expenses (including reasonable attorney fees incurred by Landlord) arising from Tenant's use or occupancy of the Premises or Tenant's operations, except to the extent caused by Landlord's sole negligence or willful misconduct.

14.2 **Landlord Indemnity.** To the extent permitted by law, Landlord shall indemnify and hold harmless Tenant from claims arising from Landlord's activities on the Premises or Landlord's breach of this Agreement, except to the extent caused by Tenant's negligence or willful misconduct.

14.3 **No Waiver of Immunities.** Nothing in this Agreement is intended to waive any immunities, defenses, limitations, or protections available to any Party under applicable law.

15. **TAXES.**

15.1 **Personal Property Taxes.** Tenant shall pay all taxes and assessments (if any) on Tenant's personal property and trade fixtures.

15.2 **Leasehold Excise/Other Taxes.** If any leasehold excise tax, possessory interest tax, or similar tax is imposed due to Tenant's lease or use, Tenant shall pay it unless exempt by law.

16. **ASSIGNMENT, SUBLETTING, AND SHARED USE.**

16.1 **Consent Required.** Tenant shall not assign this Agreement, sublease the Premises, or permit occupancy by any third party without Landlord's prior written consent and without any approvals required by the Award Documents or CARB Loan Documents.

16.2 **Limited Shared Use.** Tenant may allow use of classroom space for incidental aviation-related educational programming by partners (including other public educational

institutions) without creating a sublease, provided: (a) Tenant remains in control; (b) such use is consistent with the Permitted Use; (c) such use does not materially increase risk; and (d) Tenant provides advance notice to the Airport Manager for scheduling and security coordination.

16.3 **No Security Interest.** Tenant shall not encumber Tenant's leasehold interest.

16.4 **Flow-Down and User Identification.** Tenant shall ensure that all persons and entities using the Premises under Tenant's control (including contractors, partners, and any permitted users) comply with Tenant's obligations under Section 7 (*Use and Restrictions*), Section 8 (*Federal and State Compliance*), Section 12 (*Environmental*), Section 13 (*Insurance*), and Section 20 (*Airport Rules and Federal Aviation Requirements*) to the extent applicable. Upon Landlord's reasonable request, Tenant shall timely provide Landlord basic identifying information for recurring third-party users whose activities are conducted on the Premises (e.g., entity name and general purpose of access), provided Tenant is not required to disclose protected student information.

17. DEFAULT, NOTICE AND CURE, AND REMEDIES.

17.1 **Events of Default.** Each of the following is a default by Tenant:

- (a) Rent Nonpayment: failure to pay Base Rent within 10 days after written notice of delinquency.
- (b) Insurance: failure to maintain required insurance.
- (c) Unauthorized Use: use inconsistent with Section 7 or Section 8.
- (d) Extended Cessation: cessation of the Permitted Use beyond the limits in Section 7.5 without required approvals.
- (e) Other Breach: failure to perform any other material obligation that is not cured within 30 days after written notice, provided that if the breach cannot reasonably be cured within 30 days then Tenant shall not be in default if Tenant commences cure within 30 days and diligently prosecutes cure to completion.

17.2 **Landlord Remedies.** Upon Tenant default, Landlord may pursue any remedies available at law or equity, including termination of this Agreement and recovery of damages, subject to compliance with the Award Documents/CARB Loan Documents and any required agency approvals.

17.3 **Grant/Loan Compliance Priority.** If Landlord reasonably determines that Tenant's default or conduct creates a material risk of Landlord noncompliance with the Award Documents or CARB Loan Documents, Landlord may require and Tenant shall abide expedited cure measures reasonably tailored to address the compliance risk.

18. CASUALTY AND DESTRUCTION.

18.1 **Damage and Repair.** If the Premises is damaged by fire or other casualty, Landlord shall determine whether to repair and/or rebuild, subject to the Award Documents and CARB Loan Documents and available funding and/or insurance.

18.2 **Rent Abatement.** If casualty damage materially interferes with Tenant's use of the Premises for the Permitted Use, Base Rent will be abated proportionally during the period of material interference to the extent and for the period that (a) Tenant is unable to use the affected portion and (b) the casualty is not caused by Tenant's negligence or willful misconduct.

18.3 **Termination.** If Landlord elects not to rebuild or Landlord determines rebuilding is not feasible within a reasonable time considering funding constraints, Landlord may terminate this Agreement upon written notice. In such event, Tenant shall remove its personal property and surrender the Premises, and neither Party shall have further obligation except those that expressly survive.

19. CONDEMNATION. If all or a material portion of the Premises is taken by condemnation or other governmental taking such that the Premises cannot reasonably be used for the Permitted Use, this Agreement shall terminate as of the date Tenant is required to surrender possession. Any awards will be distributed as required by law and the Award Documents and/or CARB Loan Documents. Tenant may pursue relocation assistance rights if applicable.

20. AIRPORT RULES AND FEDERAL AVIATION REQUIREMENTS.

20.1 **Rules and Regulations.** Tenant shall comply with Airport rules, regulations, minimum standards (if applicable), and reasonable operational directives for safety, security, and efficient Airport operations.

20.2 **Security.** Tenant shall comply with any Airport security requirements imposed by FAA or other controlling authorities and with access control procedures established by the Airport Manager.

20.3 **Landlord's Development Rights.** Landlord reserves the right to further develop or improve the Airport and surrounding areas, provided Landlord uses commercially reasonable efforts to avoid unreasonable interference with Tenant's use of the Premises. If development materially interferes for an extended period, the Parties will meet in good faith and confer on reasonable mitigation.

20.4 **Airport Development and Operational Control.** Landlord reserves the right to further develop or improve the Airport as it sees fit and to direct and control activities at the Airport as necessary for safe, secure, and efficient operation, compliance with law, and compliance with Airport Federal Obligations, provided Landlord will use commercially reasonable efforts to avoid unreasonable interference with Tenant's use of the Premises for the Permitted Use.

- 20.5 **Subordination to Federal Agreements.** This Agreement is subordinate to the provisions and requirements of any existing or future agreement between Landlord and the United States, and to any other federal obligations affecting the development, operation, or maintenance of the Airport. In the event of a conflict between this Agreement and such obligations, such obligations will control, and the Parties will cooperate to implement the minimum changes necessary for compliance.
- 20.6 **Right of Flight and Noise.** There is reserved to Landlord, its successors, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises. This public right of flight includes the right to cause in said airspace noise inherent in the operation of aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on the Airport.
- 20.7 **Part 77 Notice and Airspace Protection.** Tenant shall comply with the notice and review requirements of 14 CFR Part 77 in the event Tenant plans any construction, installation, or alteration of any building, structure, antenna, equipment, or object on the Premises that may implicate Part 77 notice requirements. Tenant shall not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Premises, that exceeds established height contours or otherwise creates an obstruction or hazard, as determined by Landlord or FAA. In the event of breach, Landlord may enter the Premises and remove or abate the offending condition at Tenant's expense, subject to reasonable notice where practicable and except in emergencies.
- 20.8 **No Hazards and Noninterference.** Tenant shall not use the Premises in any manner that might interfere with the landing and taking off of aircraft from the Airport or otherwise constitute a hazard. If Tenant's activities create a hazard or interference as reasonably determined by Landlord or FAA, Landlord may require immediate cessation of the hazardous activity and may take reasonable measures to abate the hazard at Tenant's expense if Tenant fails to promptly do so.
- 20.9 **No Exclusive Right.** Nothing in this Agreement shall be construed to grant or authorize the granting of an exclusive right at the Airport within the meaning of applicable federal law or Airport Federal Obligations. Landlord retains the right to permit other aeronautical activities and services at the Airport consistent with law and Airport Federal Obligations.
- 20.10 **National Emergency and Federal Takeover.** This Agreement and all provisions hereof are subject to whatever rights the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, and taking over of the Airport during time of war or national emergency.

21. SURRENDER AND HOLDOVER.

- 21.1 **Surrender.** Upon expiration or earlier termination, Tenant shall surrender the Premises in good condition (ordinary wear and tear excepted), broom clean, and shall remove Tenant's personal property and trade fixtures as permitted.

21.2 **Holdover.** Any holdover without Landlord's written consent is a material breach. If Landlord consents to temporary holdover, Tenant shall pay holdover rent equal 150% of the then-current monthly Base Rent (prorated daily) plus any actual additional costs incurred by Landlord.

22. NOTICES. All notices required or permitted to be given under this Agreement shall be deemed given and received two (2) days after deposit in the United States Mail, certified or registered form, postage prepaid, return receipt requested, and addressed.

To City:

City Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058

To County:

Board of County Commissioners
Klickitat County
115 W. Court Street, Mail Stop 201
Goldendale, WA 98620

Copy to Landlord Representative:

Airport Manager
Columbia Gorge Regional Airport
45 Airport Way
Dallesport, WA 98617

To Tenant:

President (or designee)
Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, OR 97058

23. GOVERNING LAW AND VENUE.

23.1 **Governing Law.** This Agreement shall be governed by the laws of the State of Washington and without regard to conflict-of-law rules except to the extent federal law preempts state law or where the Award Documents impose federal requirements. Notwithstanding the foregoing, nothing in this Agreement shall be construed to require Tenant to act beyond its authority under ORS Chapter 341 or other applicable Oregon law governing community college districts. If any provision would exceed Tenant's lawful authority, the Parties shall promptly amend this Agreement to preserve, to the maximum extent practicable, the allocation of risk and the compliance obligations under the Award Documents, CARB Loan Documents, and Airport Federal Obligations.

23.2 **Venue.** Exclusive venue for actions arising out of this Agreement shall be Klickitat County Superior Court, Washington, or (if federal jurisdiction exists) the United States District Court for the Eastern District of Washington.

24. MISCELLANEOUS.

24.1 **Severability.** If any provision is held invalid, the remainder will remain in effect, provided the essential purposes can still be achieved.

24.2 **Full Integration.** This Agreement (including exhibits) is the entire agreement regarding the Premises and supersedes prior discussions and nonbinding letters of understanding, except that this Agreement is subject to required EDA/WSDOT approvals under Section 8.1.

24.3 **Amendments.** Amendments must be in writing and signed by authorized representatives of all Parties and must comply with the Award Documents/CARB Loan Documents approval requirements.

24.4 **Counterparts.** This Agreement may be executed in counterparts and by electronic signatures, each of which is deemed an original.

24.5 **Authority.** Each Party represents it has authority to enter into this Agreement.

24.6 **Survival.** Sections addressing indemnity, environmental obligations, audit/records, and any obligations that by their nature should survive will survive expiration or termination.

24.7 **No Partnership.** Nothing in this Agreement shall be interpreted or construed to create an association, agency relationship, joint venture, or partnership among the parties.

24.8 **Force Majeure.** Neither Party shall be liable for any failure or delay in performing its obligations under this Agreement (other than the obligation to pay money) to the extent such failure or delay results from causes beyond the Party's reasonable control and without the Party's fault or negligence, including acts of God, fire, flood, earthquake, volcanic eruption, epidemic or pandemic, severe weather, war, terrorism, civil unrest, government action or order (including quarantine, embargo, or sanctions), strike or labor dispute (other than among the affected Party's own employees if the Party has the ability to settle), power failure or utility interruption not caused by the affected Party, or disruption of transportation or supply chains (each, a "Force Majeure Event"). The affected Party shall provide the other Party written notice of the Force Majeure Event as soon as reasonably practicable, describing the event, the obligations affected, and the expected duration. The affected Party shall use commercially reasonable efforts to mitigate the effects of the Force Majeure Event and to resume performance as soon as practicable. Performance obligations (other than payment of money) shall be suspended for the duration of the Force Majeure Event, and deadlines affected by the event shall be extended day-for-day for the period of delay. Termination under this paragraph shall not give rise to liability of either Party to the other except for

obligations that accrued before the Force Majeure Event and obligations that expressly survive termination. For clarity, Force Majeure Events do not excuse Tenant's obligation to pay Base Rent except to the extent Tenant is entitled to rent abatement under Section 18 (*Casualty*) or another express provision of this Agreement.

Signature page on next.

IN WITNESS WHEREOF, the Parties bind themselves to this **MASTER LEASE AGREEMENT** as of the Effective Date.

CITY OF THE DALLES,
an Oregon municipal corporation

BOARD OF COUNTY COMMISSIONERS
Klickitat County, a Washington municipal corporation

Matthew B. Klebes, City Manager

Chair

Commissioner

Commissioner

ATTEST:

ATTEST:

Amie Ell, City Clerk

LeeAnn Burgin, Clerk of the Board

Approved as to form:

Approved as to form:

Jonathan M. Kara, City Attorney

Rebecca N. Cranston, Prosecuting Attorney

Date

Date

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT

Dr. Kenneth Lawson, President

Date



AGENDA STAFF REPORT

AGENDA ITEM #10A

MEETING DATE: June 8, 2026

TO: Honorable Mayor and City Council

FROM: Brita Meyer, Finance Director

SUBJECT: Resolution No. 26-020 Establishing the Service Continuity Reserve Fund Under ORS 294.346 and Providing for Its Purpose, Funding, Use and Review

BACKGROUND: This resolution establishes a new Service Continuity Reserve Fund to accumulate and hold moneys to finance the cost of maintaining and adjusting existing General Fund services due to sudden revenue or expenditure changes and changing economic conditions. This Fund will avoid or mitigate abrupt service disruption while the City evaluates and implements longer-term fiscal adjustments.

BUDGET IMPLICATIONS: The budget for FY26/27, as approved by the Budget Committee, includes the anticipated Service Continuity Reserve Fund.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation: *Move to adopt Resolution No. 26- Establishing the Service Continuity Reserve Fund Under ORS 294.346 and Providing for Its Purpose, Funding, Use and Review***
2. Council could elect to assign the funds approved by the Budget Committee for the Service Continuity Reserve Fund to a different purpose than proposed. This would require changes to the approved budget for FY26/27.

ATTACHMENTS:

- Resolution No. 26-020 Establishing the Service Continuity Reserve Fund Under ORS 294.346 and Providing for Its Purpose, Funding, Use and Review

RESOLUTION NO. 26-020

**A RESOLUTION ESTABLISHING THE SERVICE CONTINUITY RESERVE FUND
UNDER ORS 294.346 AND PROVIDING FOR ITS PURPOSE, FUNDING, USE, AND REVIEW**

WHEREAS, ORS 294.346 authorizes a municipal corporation, by resolution, to establish one or more reserve funds to hold moneys to be accumulated and expended for the purposes specified in ORS 280.050; and

WHEREAS, ORS 280.050 authorizes the financing of the cost of any service, project, property, or equipment that the City has lawful power to perform, construct, or acquire, and of repairs, improvements, maintenance, and replacement thereof; and

WHEREAS, the City Council finds it prudent to establish a purpose-specific reserve fund to help maintain continuity of existing General Fund services during material revenue disruptions or extraordinary operating cost increases outside the City's control while the City evaluates and implements longer-term fiscal adjustments; and

WHEREAS, the City Council intends this Fund to be construed and administered to provide the maximum lawful flexibility consistent with its stated purpose and applicable law and in support of the public health, safety, and welfare.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES RESOLVES AS FOLLOWS:

Section 1 Fund Established. The City Council hereby establishes, under ORS 294.346, a reserve fund to be known as the **Service Continuity Reserve Fund (Fund)**. The City Manager shall create and ensure the maintenance of the Fund in the City's accounting records and budget documents consistent with Local Budget Law.

Section 2 Fund Purpose and Intent.

- A. **General Fund Services.** As used in this Resolution, General Fund services means City services, functions, or activities funded in whole or in part from the General Fund.
- B. **Purpose.** The purpose of the Fund is to accumulate and hold moneys to finance the cost of maintaining, stabilizing, preserving, or orderly adjusting existing General Fund services and service levels then in effect during a Qualifying Event so as to avoid or mitigate abrupt service disruption while the City evaluates and implements longer-term fiscal adjustments.
- C. **Intent.** The Fund is intended to provide temporary bridge funding and related one-time transition support. Nothing in this Resolution **(i)** authorizes use of the Fund to permanently finance a structural operating deficit or **(ii)** limits the City's authority to maintain contingencies, unappropriated ending fund balances, or other reserves otherwise permitted by law.

Section 3. Funding.

- A. **Initial Funding.** In Fiscal Year 2026-2027, an initial amount of **\$2,750,000** shall be credited to the Fund from the General Fund, as provided in the adopted budget.
- B. **Additional Funding.** Subject to applicable law and lawful budget action, the City Council may credit to the Fund additional lawful transfers, allocations made through the budget process, interest earnings, reimbursements, recoveries, taxes, charges, grants, or other revenues not otherwise restricted by law or contract, as the City Council determines and consistent with this Resolution.
- C. **Interest and Earnings.** Unless otherwise determined by the City Council and permitted by law, interest and other earnings attributable to the Fund shall remain in the Fund.
- D. **Designated Crediting Period.** The City Council may, by resolution or budget action, limit the crediting of particular taxes, charges, or revenues to the Fund to a designated period.
- E. **No System Development Charges.** Notwithstanding any other provision of this Resolution, system development charges shall not be credited to the Fund.

Section 4 Qualifying Events. As used in this Resolution, *Qualifying Event* means one or more of the following actual or reasonably projected events (established by written City Council findings based on credible financial, contractual, regulatory, or operational information) that materially threaten continuity of existing General Fund services or service levels:

- A. an actual or reasonably projected material reduction, loss, interruption, phase-down, nonrenewal, termination, or adverse change in one or more major ongoing General Fund revenue sources or revenue streams, including franchise, contract, tax, fee, reimbursement, intergovernmental, or similar recurring revenues.
- B. a substantial reduction, delay, interruption, or loss of state, federal, regional, or other intergovernmental revenues materially supporting existing General Fund services.
- C. a substantial decline in recurring General Fund revenues caused by an economic downturn or other external fiscal disruption outside the City’s control.
- D. an extraordinary, nonrecurring operating cost increase or emergency-response cost outside the City’s control that materially threatens continuity of existing General Fund services or service levels. For an event under this subsection D, the City Council shall also find that available General Fund contingency is exhausted, unavailable, or clearly inadequate, or that reliance on contingency alone would materially impair prudent General Fund operations for the remainder of the fiscal year.
- E. other comparable external fiscal or operating disruption outside the City’s control if the City Council expressly finds that the event is similar in kind and effect to the other events listed in this Section 4.

Section 5 Authorized and Prohibited Uses.

- A. **Authorized Uses.** Money in the Fund may be used only for lawful expenditures directly and primarily related to maintaining, stabilizing, preserving, or orderly adjusting existing General Fund services and service levels then in effect during a Qualifying Event, including one-time transition costs reasonably necessary to avoid or mitigate abrupt service disruption while the City evaluates and implements longer-term fiscal adjustments.
- B. **Prohibited Uses.** Money in the Fund shall not be used for capital construction, program expansion, new recurring commitments, routine or seasonal cash-flow needs unrelated to a Qualifying Event, or any purpose unrelated to maintaining, stabilizing, preserving, or orderly adjusting existing General Fund services during a Qualifying Event.

Section 6 Administrative Recommendation and City Council Action for Use of Fund.

- A. **Written Recommendation.** Before the City Council considers any appropriation from or transfer out of the Fund, the City Manager or designee, after consultation with the Finance Director, shall provide a written recommendation identifying, at minimum:
 - 1. the Qualifying Event;
 - 2. the amount requested;
 - 3. the specific existing General Fund services or activities to be supported or stabilized;
 - 4. why other available resources, including General Fund contingency if applicable, are insufficient, unavailable, or inappropriate; and
 - 5. the expected duration of the requested support.
- B. **Actual Utilization.** Money in the Fund may be appropriated directly from the Fund, transferred to the General Fund or another City fund, or used to reimburse the General Fund or another City fund for eligible expenditures lawfully incurred, so long as the receiving fund or reimbursed expenditure uses the money solely for a purpose authorized by this Resolution.
- C. **Restriction.** No expenditure, reimbursement, or transfer may be made from the Fund except pursuant to lawful appropriation in an adopted budget, supplemental budget, or otherwise as authorized by law.

Section 7 Target Balance and Replenishment. The City Council may establish and revise, by this Resolution, a subsequent resolution, or annual budget action, a target balance and replenishment approach for the Fund:

- A. **Target Balance.** The City’s policy target for the Fund is an amount equal to 30% of annual General Fund operating expenditures for the then-current fiscal year, excluding contingency, unappropriated ending fund balance, one-time capital expenditures, and other nonrecurring expenditures identified by the City Council. In establishing or revising the target balance, the City Council may include recurring interfund transfers the City

Council determines are necessary to maintain existing General Fund services or current service levels.

- B. **Annual Funding and Replenishment.** Through the annual budget process, the City Council may credit available General Fund revenues to the Fund in such amounts, and on such schedule, as the City Council determines appropriate to establish, maintain, increase, or restore the Fund.
- C. **Replenishment After Use.** If money is appropriated from or transferred out of the Fund, the City Council intends to begin replenishing the Fund through the annual budget process as soon as reasonably practicable.
- D. **Nonbinding Target.** The target balance and replenishment approach in this section are statements of fiscal policy only. They do not create an independent appropriation, do not require any particular annual transfer or replenishment schedule, and do not limit the City Council's authority to modify this section, the target balance, or the replenishment approach by later resolution or lawful budget action.

Section 8 Budget Treatment. Unless otherwise lawfully appropriated, transferred, or expended, amounts credited to the Fund shall be accumulated from year to year and budgeted as reserved for future expenditure.

Section 9 Review and Abolition. Consistent with ORS 294.346, the City Council shall review the Fund and determine whether it will be continued or abolished not less frequently than every tenth anniversary of this Resolution's effective date. If the City Council determines by resolution that the Fund is no longer necessary, there shall be transferred to the General Fund (or another City fund that the City Council determines appropriate) any unexpended balance in the Fund that is not required to be held for subsequent expenditure for the purposes for which the Fund was established, all as provided by ORS 294.346.

Section 10 Construction and Severability. This Resolution shall be construed to provide the maximum lawful flexibility consistent with its stated purpose and applicable law. If any section, sentence, clause, or phrase of this Resolution is held invalid or unenforceable, the remainder of this Resolution shall remain in full force and effect to the fullest extent permitted by law.

Section 11 Effective Date. This Resolution shall be effective upon adoption.

PASSED AND ADOPTED THIS 8TH DAY OF JUNE, 2026,

Voting Yes	Councilors: _____
Voting No	Councilors: _____
Abstaining	Councilors: _____
Absent	Councilors: _____

AND APPROVED BY THE MAYOR THIS 8TH DAY OF JUNE, 2026.

Richard A. Mays, Mayor

ATTEST:

Amie Ell, City Clerk



AGENDA STAFF REPORT

AGENDA ITEM #11A

MEETING DATE: June 8, 2026

TO: Honorable Mayor and City Council

FROM: Brita Meyer, Finance Director

SUBJECT: Public Hearing on the Proposed Use of State Revenue Sharing Funds for FY26/27 and Consideration of Resolution No. 26-021 Declaring the City's Election to Receive State Revenues

BACKGROUND: State Revenue Sharing Law, ORS 221.770, requires cities to pass a resolution each year stating that they elect to receive State Revenue Sharing money during the next fiscal year. The law mandates public hearings are to be held: 1) before the Budget Committee to consider possible uses of the funds; and 2) before the City Council on the uses of the funds proposed by the Budget Committee or anyone else.

The City of The Dalles has traditionally used State Revenue Sharing funds to support activities in the General and Street Fund. The Budget Committee held a Public Hearing on May 11, 2026, to consider possible uses of the funds, and voted to recommend to the Council that they continue to use those funds to support the General Fund and Street Fund in FY26/27.

A Public Hearing on the proposed uses of State Revenue Sharing funds is scheduled before the City Council on June 8, 2026. The required Resolution (26-) electing to receive State Revenue Sharing funds in FY26/27 is included as an action item on the same agenda. The Resolution is not required to designate the uses of the funds, but only states the City's election to receive them.

BUDGET IMPLICATIONS: The budget for FY26/27, as approved by the Budget Committee includes the anticipated State Revenue Sharing funds as General Fund and Street Fund revenue.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation: Move to adopt Resolution No. 26- Declaring the City's Election to Receive State Revenues for Fiscal Year 2026/2027.**
2. Council could elect to assign the uses of State Revenue Sharing funds to a different purpose than proposed. This would require changes to the proposed budget for FY26/27.
3. Decline to receive State Revenues for Fiscal Year 2026/2027.

ATTACHMENTS:

- Resolution No. 26-021 Declaring the City's Election to Receive State Revenues

RESOLUTION NO. 26-021

A RESOLUTION DECLARING THE CITY OF THE DALLES' ELECTION TO RECEIVE STATE REVENUES FOR FISCAL YEAR 2026-2027

WHEREAS, State Revenue Sharing Law, ORS 221.770, requires cities to annually pass a resolution requesting State Revenue Sharing money; and

WHEREAS, the City's Budget Committee held the required Public Hearing on May 11, 2026, to consider possible uses of State Revenue Sharing funds in FY26/27; and

WHEREAS, the City Council held the required Public Hearing on June 08, 2026, to consider the uses of State Revenue Sharing funds in FY26/27 as proposed by the Budget Committee and others;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF THE DALLES, OREGON, AS FOLLOWS:

Section 1. Election to Receive State Revenues in FY26/27. Pursuant to ORS 221.770, the City hereby elects to receive State Revenues for the Fiscal Year 2026/2027.

Section 2. Effective Date. This Resolution shall be considered effective as of July 1, 2026.

Section 3. Expiration Date. This Resolution shall expire upon receipt and acceptance of the Audit for FY26/27.

PASSED AND ADOPTED THIS 8th DAY OF JUNE, 2026.

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 9th DAY OF JUNE, 2025.

SIGNED:

ATTEST:

Richard A. Mays, Mayor

Amie Ell, City Clerk

.....
I certify that a Public Hearing before the City of The Dalles Budget Committee was held on May 11, 2026, and a Public Hearing was held before the City of The Dalles City Council on June 08, 2026 giving citizens an opportunity to comment on use of State Revenue Sharing.

CERTIFIED BY:

Amie Ell, City Clerk



AGENDA STAFF REPORT

AGENDA ITEM #11B

MEETING DATE: June 8, 2026

TO: Honorable Mayor and City Council

FROM: Brita Meyer, Finance Director

SUBJECT: Public Hearing to Receive Testimony Regarding the Approved 2026-27 Fiscal Budget and Resolution 26- Adopting the FY26/27 Budget for the City of The Dalles.

BACKGROUND: The City Budget Committee reviewed the proposed budget on May 11 and May 12, 2026. They approved the budget with changes on May 12, 2026. The City Council will hold the required Public Hearing on the approved budget on June 8, 2026. Oregon Budget Law allows a governing body, prior to final adoption, to make changes to a Fund approved by the Budget Committee in amounts up to \$5,000 or 10% of the operating portion of that Fund, whichever is greater.

The operating portion includes the Personnel, Materials & Services, and Capital Outlay categories, but does not include Interfund Transfers, Contingencies, or Unappropriated amounts. If the changes the governing body wishes to make are greater than these limits allow, another Public Hearing must be held on June 22, 2026, with the required published notices, prior to adoption.

BUDGET IMPLICATIONS: At this time, a minor change has been made to the budget approved by the City of The Dalles Budget Committee. Grant revenue and expenditures in the Water Capital Reserve Fund were increased by \$146,187 after an amended grant award notice was sent out at the end of May. The fund remains balanced.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation: Move to adopt Resolution No 26- Adopting the Fiscal Year 2026-2027 Budget for the City of The Dalles, making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to take Such Action as Necessary to carry our the Adopted Budget.**
2. City Council could elect to make changes to the approved budget and direct staff to include those changes in the adopting resolution.

ATTACHMENTS:

- Resolution No 26-022 Adopting the Fiscal Year 2026-27 Budget for the City of The Dalles, Making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget

RESOLUTION NO. 26-022

A RESOLUTION ADOPTING THE FISCAL YEAR 2026-27 BUDGET FOR THE CITY OF THE DALLES, MAKING APPROPRIATIONS, AUTHORIZING EXPENDITURES, LEVYING TAXES, AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTION AS NECESSARY TO CARRY OUT THE ADOPTED BUDGET

WHEREAS, the City Budget Committee reviewed and acted on the proposed City budget, and on May 12, 2026, approved and recommended a balanced budget to the City Council; and

WHEREAS, in accordance with State Law, the City held a Public Hearing on the approved budget on June 08, 2026; and

WHEREAS, the City Council wishes to adopt the approved budget and carry out the programs identified in the budget;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. Clerical Changes. The City Council hereby authorizes City Staff to make the necessary clerical changes to the amended budget.

Section 2. Adoption of the Budget. The City Council of the City of The Dalles, Oregon, hereby adopts the budget for Fiscal Year 2026-2027 in the total of \$107,197,421 now on file in the office of the City Finance Director.

Section 3. Setting Appropriations. The amounts for the Fiscal Year beginning July 1, 2026 and for the purposes shown are hereby appropriated as follows:

GENERAL FUND (001)		
City Council Department		554,253
City Clerk Department		215,164
City Manager		478,623
Legal		672,955
Finance / Utility Billing / Judicial Department		1,192,150
Personnel Department		764,042
Planning Department / Economic Development Department		1,194,442
Police Department/ Codes Department		7,037,701
Technology Department		1,702,126
City Hall / Transportation Center Department		803,764
Animal Control Department		266,259
Special Payments		90,000
Interfund Transfers		4,327,351
Contingency		1,456,697
Debt Service		42,371
		TOTAL GENERAL FUND (001) *
		20,797,898

TOURISM PROMOTION FUND (002)			
	Materials & Services		997,590
	Interfund Transfers		750,544
		TOTAL TOURISM PROMOTION FUND (002)	1,748,134
LIBRARY FUND (004)			
	Library Department		2,291,116
	Interfund Transfers		492,875
	Contingency		337,000
		TOTAL LIBRARY FUND (004) **	3,120,991
STREET FUND (005)			
	Public Works Department		3,555,617
	Interfund Transfers		484,049
	Contingency		217,569
		TOTAL STREET FUND (005)	4,257,235
PUBLIC WORKS RESERVE FUND (009)			
	Public Works Department		1,127,000
		TOTAL PUBLIC WORKS RESERVE FUND (009)	1,127,000
UNEMPLOYMENT RESERVE FUND (010)			
	Personnel Services		76,281
		TOTAL UNEMPLOYMENT RESERVE FUND (010)	76,281
COMMUNITY BENEVOLENCE FUND - VIETNAM MEMORIAL (011)			
	Materials & Services		4,242
		TOTAL COMMUNITY BENEVOLENCE FUND (011)	4,242
TRANSPORTATION SYSTEM RESERVE FUND			
	Public Works Department		356,122
	Interfund Transfers		-
		TOTAL TRANSPORTATION SYSTEM RESERVE FUND (013)	356,122

SPECIAL GRANTS FUND (018)			
	Materials & Services		691,134
	Capital Outlay		6,303,859
	Interfund Transfers		
		TOTAL SPECIAL GRANTS FUND (018)	6,994,993
STATE OFFICE BUILDING FUND (021)			
	State Office Building Department		526,361
	Contingency		219,501
		TOTAL STATE OFFICE BUILDING FUND (021)	745,862
SPECIAL ASSESSMENTS FUND (036)			
	Materials & Services		293,862
	Capital Outlay		-
	Interfund Transfers		115,350
		TOTAL SPECIAL ASSESSMENTS FUND (036)	409,212
CAPITAL PROJECTS FUND (037)			
	Materials & Services		710,150
	Capital Outlay		7,199,692
	Debt Service		-
	Debt Service		-
		TOTAL WATER REVENUE BOND FUND (041)	-
FFCO 2008 BOND FUND (043)			
	Debt Service		-
	Interfund Transfers		-
		TOTAL FFCO 2008 BOND FUND (043)	-
2009 FFCO BOND FUND (044)			
	Debt Service		948,500
		TOTAL 2009 FFCO BOND FUND (044)	948,500

WATER FUND (51)			
	Interfund Transfers		2,957,522
	Contingency		543,496
		TOTAL WATER FUND (051)	9,741,434
WATER CAPITAL RESERVE FUND (053)			
	Public Works Department		7,822,077
	Debt Service		532,283
	Interfund Transfers		537,869
	Contingency		-
		TOTAL WATER CAPITAL RESERVE FUND (053)	8,892,229
WASTEWATER FUND (055)			
	Public Works Department		5,198,467
	Interfund Transfers		2,307,329
	Contingency		109,631
		TOTAL WASTEWATER FUND (055)	7,615,427
SEWER CAPITAL RESERVE FUND (056)			
	Public Works Department		1,976,873
	Interfund Transfers		7,130
		TOTAL SEWER CAPITAL RESERVE FUND (056)	1,984,003
SEWER PLANT CONSTRUCTION FUND (057)			
	Public Works Department		5,954,391
	Contingency		-
		TOTAL SEWER DEBT SERVICE FUND (058)	-
UTILITY REVENUE BOND (059)			
	Public Works Department		
	Debt Service		806,644
		TOTAL UTILITY REVENUE BOND (059)	806,644

AIRPORT FUND (061)		
	Airport Department	2,250,654
	Contingency	44,120
	Interfund Transfers	291,332
	TOTAL AIRPORT FUND (061)***	2,586,106
SPECIAL ENTERPRIZE ZONE FUND(022)		
	Special Enterprize Department	
	Materials & Services	12,037,531
	Interfund Transfers	100,000
	TOTAL SPECIAL ENTERPRIZE ZONE FUND (022)	12,137,531
AIRPORT DEBT SERVICE FUND (062)		
	Airport Department	-
	Debt Service	291,332
	TOTAL AIRPORT DEBT SERVICE FUND (062)	291,332
	TOTAL ALL FUNDS	99,754,299
	* An Unappropriated Ending Fund Balance has been set for the General Fund in the amount of:	2,085,370
	** An Unappropriated Ending Fund Balance has been set for the Library Fund in the amount of:	1,310,249
	** An Unappropriated Ending Fund Balance has been set for the Service Continuity Fund in the amount of:	2,750,000
	** An Unappropriated Ending Fund Balance has been set for the Special Enterprise Zone Fund in the amount of:	1,000,000
	** An Unappropriated Ending Fund Balance has been set for the State Office Building Fund in the amount of:	240,302
	*** An Unappropriated Ending Fund Balance has been set for the Airport Fund in the amount of:	48,785
	*** An Unappropriated Ending Fund Balance has been set for the 2009 FFCO Debt Service Fund in the amount of:	1,000
	*** An Unappropriated Ending Fund Balance has been set for the Utility Revenue Bond Fund in the amount of:	7,416
	TOTAL ADOPTED BUDGET	107,197,421

Section 4. Authority of City Manager. The City Council hereby authorizes the City Manager to take such action as is necessary and consistent with State Statutes and City Ordinances, including, but not limited to, entering into contracts to carry out the programs, projects and services identified in the adopted budget.

Resolution No. 26-022

Page 5 of 6

Section 5. Imposing and Categorizing the Tax. The City Council of the City of The Dalles, Oregon, hereby imposes the taxes provided for in this adopted budget in the General Fund at the rate of \$3.0155 per \$1,000 of assessed value for operations, and that these taxes are hereby imposed and categorized for tax year 2026-2027 upon the assessed value of all taxable property within the City of The Dalles as of 12:01 AM, July 1, 2026.

	Subject to General Government Limitation	Excluded from Limitation
TOTAL TAX IMPOSED	\$ 3.0155 per 1,000 of assessed value	0

Section 5. Certifying the Tax Levy. The City Finance Director or City Manager shall certify to the County Clerk and County Assessor, the tax levy made by this Resolution, and shall file with them and to the State of Oregon, copies of the budget as finally adopted.

PASSED AND ADOPTED THIS 8th DAY OF JUNE, 2026.

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 8th DAY OF JUNE, 2026.

SIGNED:

ATTEST:

Richard A. Mays, Mayor

Amie Ell, City Clerk