

**Memorandum of Understanding
among
City of Newport (“City”),
and
Central Lincoln People’s Utility District (“CLPUD”)**

- A. This Memorandum of Understanding is between CLPUD and the City. Both entities are units of local government, organized and operated under the laws of the State of Oregon. Oregon Revised Statutes, Chapter 190 specifically authorizes agreements between units of local government for any and all functions and activities that any party to the Agreement may perform.

Recitals

- A. CLPUD is the public power provider for the City and its residents. CLPUD owns and operates a power distribution system including a 69kV sub-transmission system. During a vulnerability risk assessment, CLPUD identified the “L1” line between its substation at Steensen road (SS 109) and its substation at NE 8th street (SS 101) in Newport as critical infrastructure. If this line was lost, during time periods of peak load, CLPUD may not have the capability to ensure adequate voltage to the residents of the City. CLPUD finds that it is desirous to establish some certainty as to the location of another route for a 69kV sub-transmission line around the City. This would add a redundant sub-transmission loop and minimize the critical nature of the L1 line. CLPUD seeks to join SS 109 with its substation at NE 36th street (SS 108) in Newport by constructing a new a 69 kV sub-transmission line, referred to as the “L9” line alignment. (See Exhibit A)
- B. The City supports CLPUD’s efforts to improve the redundancy of its power distribution system and desires to reach an agreement upon the location of a new sub-transmission line in the Newport area. The City is undertaking efforts to improve the resiliency of its infrastructure, and this project falls in line with that objective. Further, City recognizes the installation of an additional sub-transmission loop provides capacity for additional electrical load to meet the needs of the community as it grows and develops, and that this is the type of strategic investment by a public partner called for in the Greater Newport Area Vision 2040 plan.
- C. The City owns properties north of Newport, Oregon containing the Big Creek Reservoirs (“Reservoirs”) and its watershed (“Watershed”). The purpose of the Reservoirs is to store water for delivery to the nearby water treatment facility. The Reservoirs and Watershed are also managed for recreational use.
- D. CLPUD seeks, and City is amenable to, the construction of a 69kV sub-transmission line along a route that contains the Reservoirs and Watershed. CLPUD and City, collectively referred to as “Parties,” recognize that the Watershed contains second-growth timber and understory vegetation, which has ecological, recreational, and monetary value. Further, the forest canopy and understory naturally regulate water

temperate and filter run-off, improving water quality. The Parties understand that care must be taken to minimize impacts to all resources within the Watershed given its sensitive nature.

- E. The Parties further understand that the Reservoirs proper are sensitive to contaminants of any kind and that care must be taken to reduce impact to these waterbodies and their water sources during construction and maintenance of the 69kV sub-transmission line. The City has plans to replace the dams that contain the Reservoirs in the near future, to address the seismic limitations of the existing dams. The Parties agree that the alignment of a new 69kV sub-transmission line must not interfere with, and will ideally complement, City's plans to replace the reservoir dams.
- F. Support structures for the 69kV sub-transmission line will be of a wooden, H-Structure design, in accordance with CLPUD specifications. The support structures at agreed upon water crossings will be of an H-pole or Three-pole steel design (See Exhibit B). Clearances over waterways will be constructed to agreed-upon heights by the Parties, and all clearances will adhere to National Electric Safety Code ("NESC") requirements.
- G. CLPUD seeks to construct this 69 kV sub-transmission line once approved final right-of-way (ROW) alignment is agreed upon and an easement agreement is executed. The easements for the ROW will address all CLPUD-owned facilities contained within the defined alignment and any appurtenant uses, such as maintenance roads, that may fall outside the formal easement area.
- H. The requested ROW will be 75 feet on both sides of an agreed upon and surveyed centerline. This width allows for reduced exposure to wind fallen trees and proper conductor spacing. ROW will be cleared of trees and tall brush where clearances must be reached to comply with the NESC. Other areas, especially when spanning a canyon, need only be cleared to allow those clearances to be reached. In areas that must be cleared for the ROW, CLPUD commits to replant the area with understory flora. CLPUD also commits to refrain from the use of herbicides and insecticides in creating and maintaining the ROW on the City property described herein, and will coordinate with non-profit entities engaged in watershed enhancement on opportunities to use harvested trees to improve stream habitat.
- I. CLPUD will also need to construct access roads to reach the line structures. These access roads are generally 12-15ft wide, not including ditches and excavated side-slopes. Access roads are generally dirt except in areas determined as critical by CLPUD or City, in which case they may have need of gravel or other mutually acceptable surface material. Every attempt is to be made to take the shortest path to each structure so as to minimize the impact of access roads, and the only roads to be placed on City property are those needed to access lines or structures on City property. CLPUD will construct and maintain access roads and structure landings to meet best management practices to control erosion, sediment transport and reduce the impact of these areas within the Watershed. An easement agreement will spell out the terms of use and maintenance requirements for the access roads, which may include provisions that would allow the City to use the roads to carry out its responsibilities within the Watershed. This memorandum is limited to the portions of the L9 line alignment that would be constructed and maintained on the City's property

containing the Reservoirs and Watershed. The Parties understand that rights-of-way from other property owners will be needed to complete the construction of the L9 sub-transmission line from SS 109 to SS 108.

- J. The Parties share the goal of determining a proper ROW alignment, and identifying the appropriate timing and costs of acquiring the ROW. CLPUD has allocated funds for purchasing ROW easements in the 2019/2020 fiscal year.

Terms

1) L9 Design Route Agreement

- a) CLPUD and the City agree that the conceptual alignment depicted on Exhibit A is the preferred location for the 69kV L9 sub-transmission line and proposed access roads, CLPUD will refine the alignment of the L9 sub-transmission line and access roads, with the benefit of City input using the process outlined in the following provisions. The final alignment of the L9 sub-transmission line and access roads may deviate from what is depicted on Exhibit A as a result of survey and field work; however, the Parties will strive to minimize such differences as much as possible. It is further understood that City Council approval of the final L9 sub-transmission line alignment will be required before easements are signed and executed.
- b) Once this Memorandum of Understanding is executed, CLPUD will retain a surveyor to prepare a scaled drawing of the L9 sub-transmission line alignment illustrating the centerline and perimeter boundary of the proposed easement. Surveyor will further stake the centerline and flag the boundary of the proposed route in the field, and depict field staking on the survey map. CLPUD will notify the City when the survey is complete and stakes are set so the Parties can walk the alignment and make any mutually agreed upon adjustments. CLPUD will then work with its surveyor to update the survey and prepare legal descriptions, copies of which will be provided to City for its review.

2) L9 Alignment Easement

- a) The City is willing to grant CLPUD an easement over its properties around the Reservoir and within the Watershed so that CLPUD may construct the 69kV L9 sub-transmission line.
- b) CLPUD will prepare a draft easement document to present to the City for its review. This easement draft will contain the legal description of the approved right-of-way and will describe the rights and responsibility of CLPUD regarding the construction and maintenance of the L9 sub-transmission line.
- c) The Parties will collaborate on any revisions needed to the easement documents. It is CLPUD's desire that the easement be perpetual in nature. CLPUD further desires that it be given access over the City's property to construct and maintain the sub-transmission line in a manner acceptable to City.

- d) Once the Parties are in agreement with the ROW alignment and legal descriptions, CLPUD will have the right-of-way appraised by a MAI designated appraiser, licensed in the State of Oregon. The contributory value of timber within the easement area must be addressed in the appraisal. A copy of the appraisal report will be provided to the City for its review, and any comments provided by the City will be shared with the appraiser who may, at their sole discretion, elect to modify the appraisal.
- e) If the City disagrees with the evaluation performed by CLPUD's appraiser then it shall, at its expense, retain a MAI designated appraiser, licensed in the State of Oregon, to perform a separate appraisal with the price of easements being the average of the two appraisals.
- f) Once a price of the right-of-way and terms of the easement are established, CLPUD shall finalize the survey and prepare the easement documents. A copy of the final documents shall be provided to the City for its review and comment. Once the City completes its review and its comments have been addressed, the proposed right-of-way dedications shall be presented to the Newport City Council for approval.
- g) CLPUD shall be responsible for all costs attributed to the acquisition of the rights-of-way unless otherwise specified above.

3) Schedule

- a) The Parties will work in good faith to complete their respective responsibilities under this Memorandum of Understanding (MOU) so that the rights-of-way and easements are in place by June 30, 2020.

4) Non-Binding MOU

- a) Notwithstanding anything that might be interpreted to the contrary in this MOU above, this MOU is not intended to create a binding agreement between the Parties, but instead shows good faith and intent to proceed. The Parties acknowledge that this MOU is intended solely to set out an expression of the principal terms of a future easement, with such easement subject to each party's discretionary approval. By executing this MOU, the Parties agree to move forward in good faith to negotiate and draft an easement for the purposes set out herein. Only a fully executed easement will be a binding obligation between the Parties. CLPUD understands any future easement negotiated between the Parties will be subject to the approval of City's governing body, the Newport City Council. CLPUD further understands that the Newport City Council, in its complete discretion, may accept or reject the negotiated easement.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum on the dates shown hereunder.

City of Newport by

Central Lincoln People's Utility District by

Signature: Dean Sawyer

Printed Name/Title:

DEAN SAWYER, MAYOR

169 SW Coast Hwy
Newport, Oregon 97365

Date: 4/21/2020

Signature: Randy Grove

Printed Name/Title:

Randy Grove, General Manager

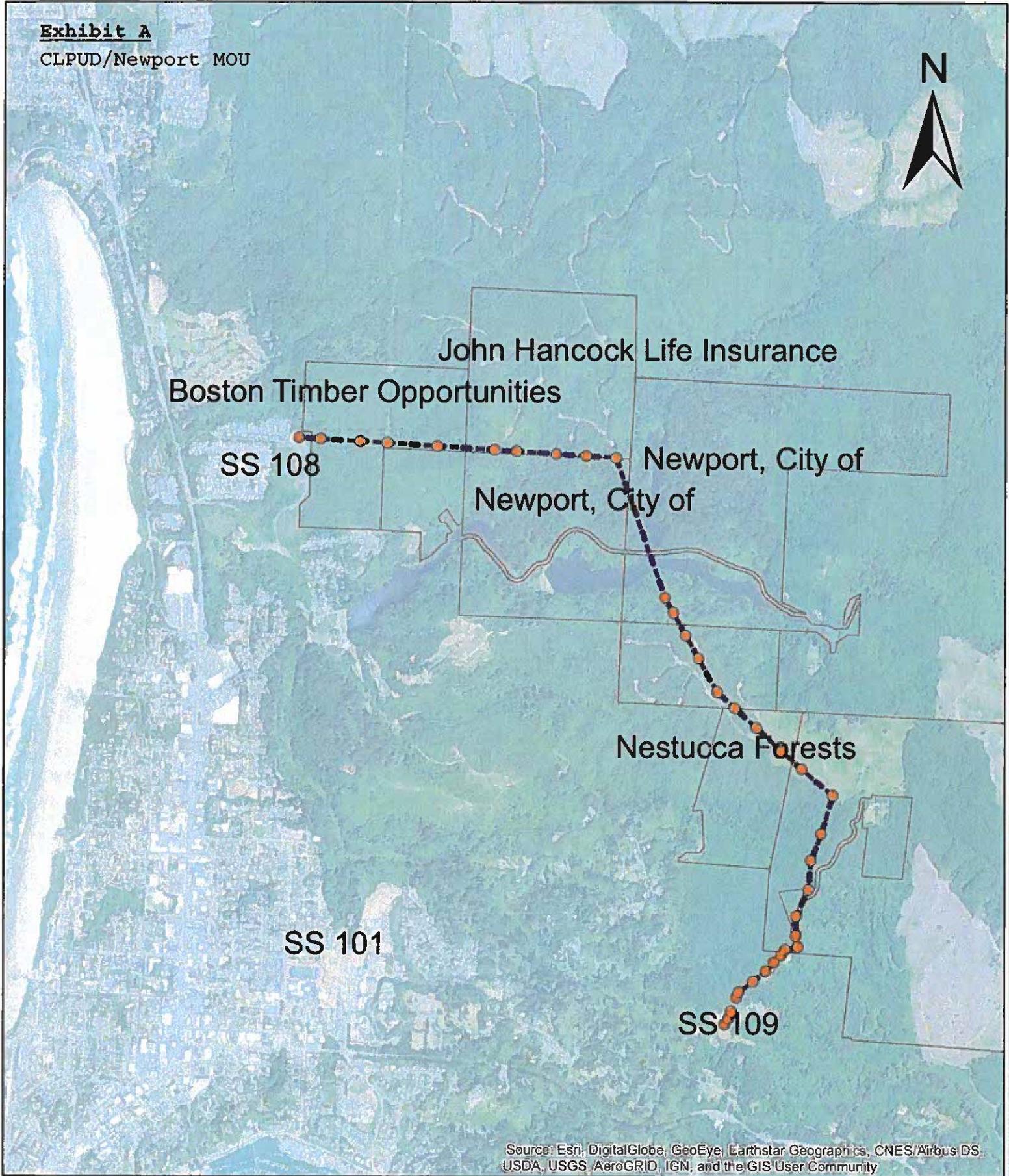
2129 N Coast Hwy
Newport, Oregon 97365

Date: 5/5/2020

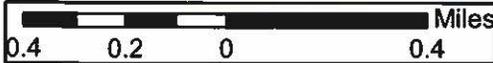
CENTRAL LINCOLN PUD - PROPOSED L9 TRANSMISSION LINE

Exhibit A

CLPUD/Newport MOU

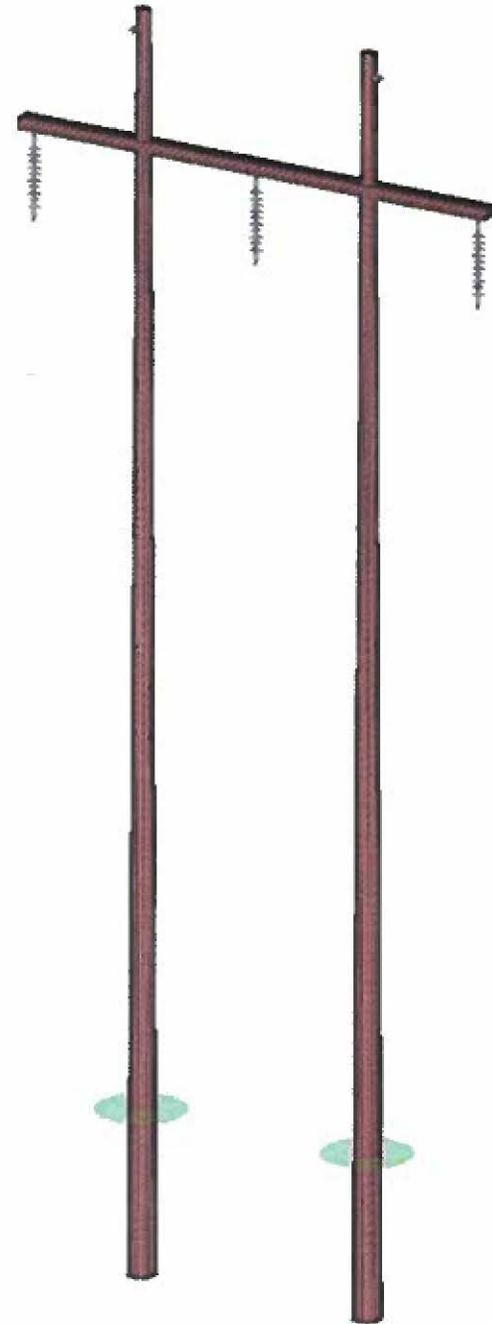
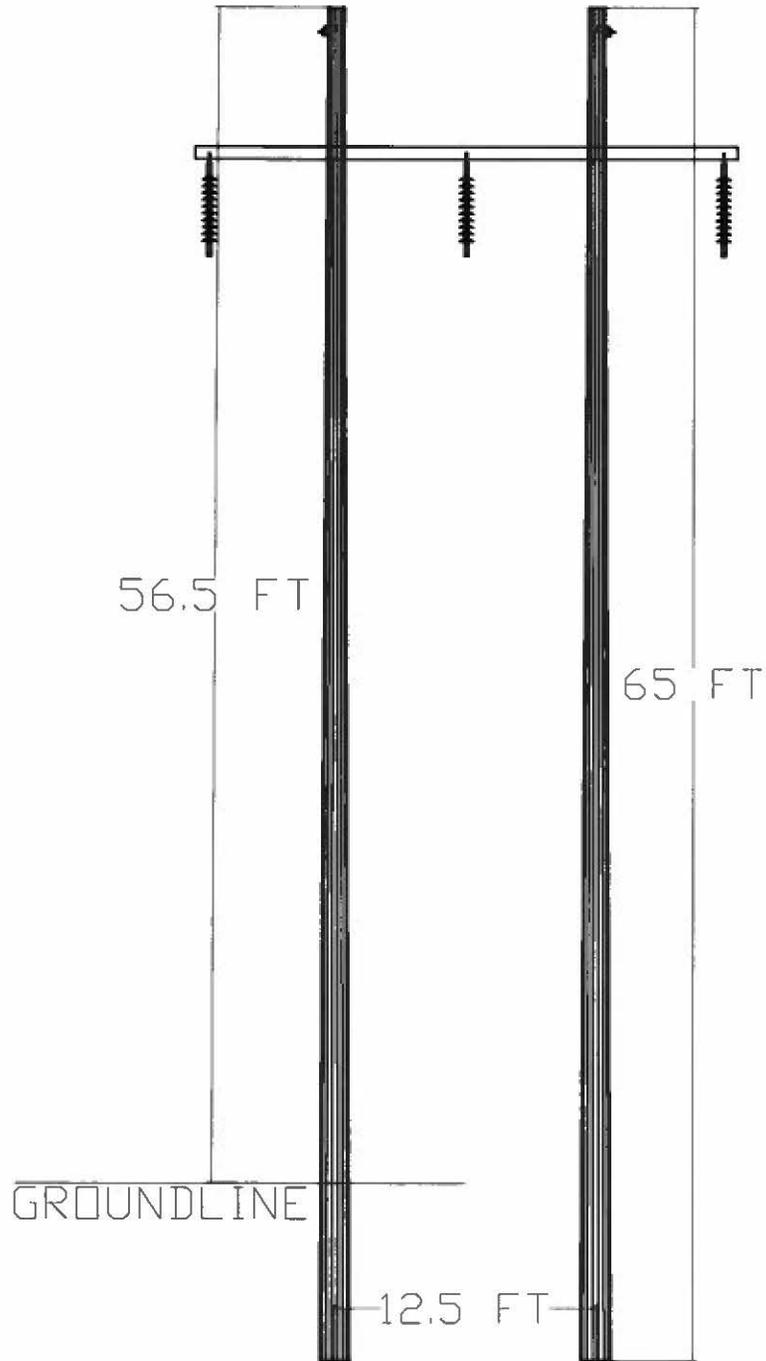


Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community



Prepared By: Hunter Templeton Date: 1/16/2020

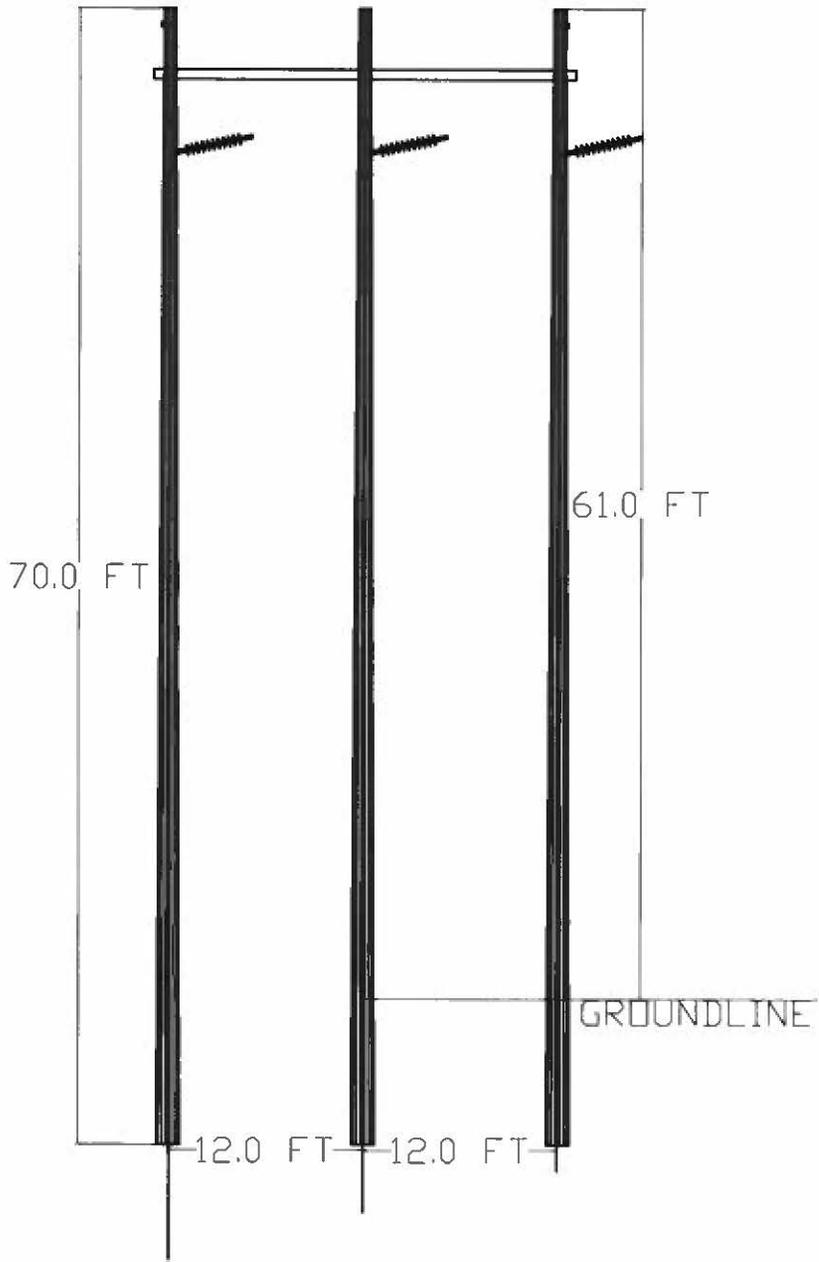
CENTRAL LINCOLN PEOPLE'S UTILITY DISTRICT



DESIGNED BY HUNTER TEMPLETON	DATE
CAD BY	
CHECKED BY	
APPROVED	

CENTRAL LINCOLN PUD
TYPICAL H - STRUCTURE
65 FT. WOOD POLES

SHEET
SCALE



DOWN GUYS
(IF NEEDED)

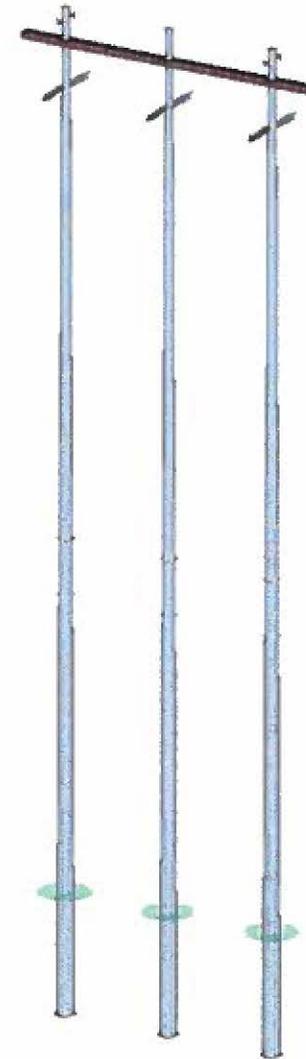
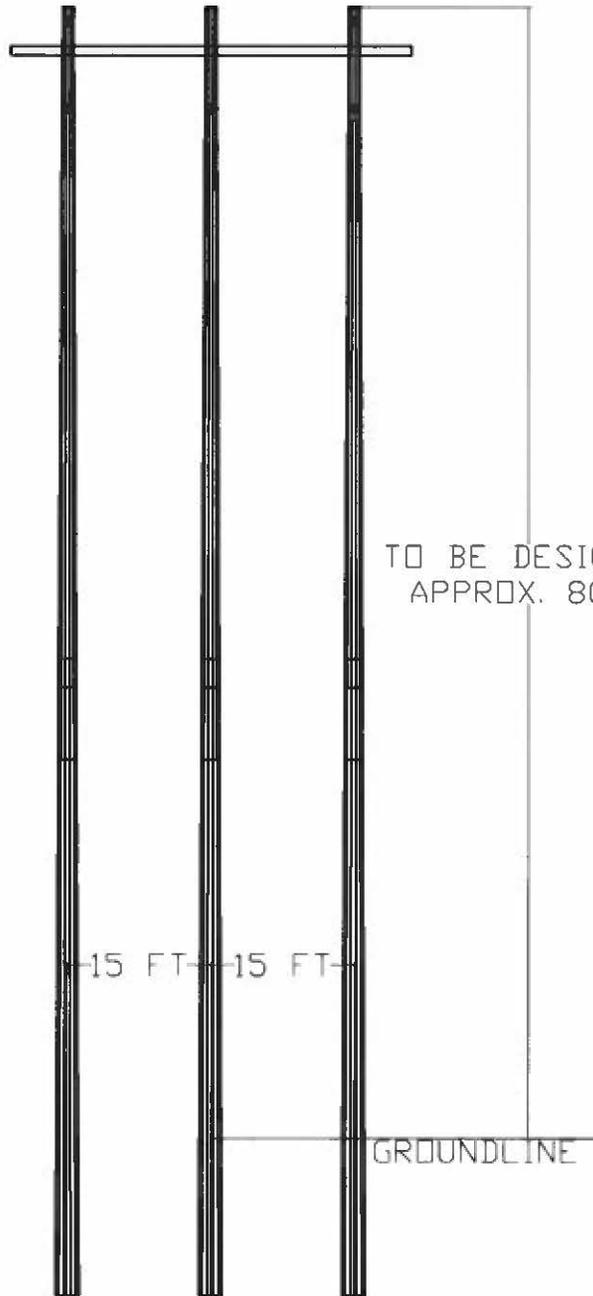


DESIGNED BY	HUNTER TEMPLETON	DATE	
CAD BY			
CHECKED BY			
APPROVED			

CENTRAL LINCOLN PUD
TYPICAL 3 POLE WOOD STR
70 FT WOOD POLES

SHEET	
SCALE	

NOTE : STEEL
STRUCTURES ARE
BUILT TO DESIGN
SPECIFICATIONS. THIS
IS JUST TO SHOW
TYPICAL DIMENSIONS



DESIGNED BY HUNTER TEMPLETON	DATE
CAD BY	
CHECKED BY	
APPROVED	

SHEET
SCALE