

LEGAL/POLICY REQUIREMENTS:

The OLWS Board proposes formation of a joint water and sanitary authority to take place pursuant to ORS 450.600. The procedures for formation are prescribed in ORS Chapter 198. Because the new joint authority would be located within the jurisdiction of Metro, the Metro Code regarding major boundary changes is also applicable. The formation of a joint water and sanitary authority would be considered a “major boundary change” under the Metro Code.

PUBLIC/GOVERNMENTAL PARTICIPATION:

This request comes from OLWS. The territory of the new joint authority is proposed to be identical to the existing OLWS territory, which includes some properties that are located within Milwaukie and Gladstone. The City Councils for the cities of Milwaukie and Gladstone have each adopted a resolution approving the proposed Order and consenting to the formation of the proposed joint authority. The County has a substantive role in the formation of the new joint authority. Metro, the State Department of Revenue, and the Secretary of State each have administrative roles in the formation process.

OPTIONS:

The Board can adopt the proposed Order Initiating Formation of a Joint Water and Sanitary Authority and call for a public hearing at its Business Meeting scheduled for October 21, 2021. Alternatively, the Board can take no action.

RECOMMENDATION:

Staff recommends the Board adopt the proposed Order Initiating Formation of a Joint Water and Sanitary Authority and call for a public hearing at its Business Meeting scheduled for October 21, 2021.

ATTACHMENTS:

- i. Staff Report
- ii. Letter of Request from the Oak Lodge Water Services District
- iii. Proposed Order Initiating Formation of a Joint Water and Sanitary Authority
- iv. Map of proposed boundaries for the new joint water and sanitary authority
- v. Legal description of the proposed boundaries for the new joint water and sanitary authority
- vi. Resolution adopted by the City of Milwaukie City Council approving the proposed Order
- vii. Resolution adopted by the City of Gladstone City Council approving the proposed Order

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact
Jeffrey Munns at 503-742-5984

October 12, 2021

Clackamas County
Attn: Board of County Commissioners
2051 Kaen Road
Oregon City, OR 97045

RE: Request for Clackamas County to Initiate Formation of a Joint Water and Sanitary Authority

Dear Honorable Clackamas County Board of Commissioners:

The mission of the Oak Lodge Water Services District ("District") is to maintain the long-term viability of the District's assets in order to continue providing cost-effective, reliable service. The District's Board of Directors has been exploring the formation of a Joint Water and Sanitary Authority to better achieve that mission.

As a Joint Water and Sanitary Authority, Oak Lodge Water Services will be able to continue serving all customers in our watershed and waste-shed, including our existing customers in Milwaukie and Gladstone. The District currently serves areas inside those cities because it is more economic for customers and prevents the cities from having to make expensive investments in infrastructure. The District has been in close communication with both cities. Milwaukie considered and adopted a resolution providing formal consent to the formation of a Joint Water and Sanitary Authority at their City Council meeting on September 7, 2021. Gladstone adopted a similar resolution on September 14, 2021.

The most straightforward process for forming a Joint Water and Sanitary Authority is by order of the County's Board of Commissioners using the procedures in ORS Chapter 198. Oak Lodge Water Services has prepared a proposed order for the Board's consideration and now asks the County Board to start that process through adoption of the proposed order.

Our proposal is for the County to create a Joint Water and Sanitary Authority that has a boundary identical to the District's current boundary. Our proposal is also for the County to make a final decision that includes a dissolution of the current District when the new Joint Water and Sanitary Authority is formed and a governing body is elected for the new entity. Those actions together will result in a transfer of all the District's assets and obligations to the Joint Water and Sanitary Authority while maintaining identical levels of service to customers before, during, and after the transfer. The end result is a change in

the governance structure of the District without the need to make any other changes to the District's services or the District's service areas.

The specific process the District is proposing is set forth in ORS 198.835. That process ultimately involves three actions by the County's Board of Commissioners: (1) the adoption of an initial order to state its intent to form a Joint Water and Sanitary Authority; (2) a hearing to take public input on the proposal and to make a preliminary determination on formation; and (3) a final hearing and decision to form a Joint Water and Sanitary Authority and take action to dissolve the District.

There is a ministerial process at Metro as part of this overall effort that will parallel the County process. The timeline that we are proposing would culminate in an election of the first governing body for the new entity during the March 2022 election.

Even though this is a decision of the Board of County Commissioners, Oak Lodge Water Services is committed to preparing all of the documents necessary to develop the various background material and proposed orders that the statutes require, and we will continue to have our District staff and legal counsel work with County staff and legal counsel during each step of this process. We thank you for your consideration of our proposal.

Sincerely,



Paul Gornick, President

On behalf of the Oak Lodge Water Services District Board of Directors



Outreach And Public Information Completed

- 11.26.18: Clackamas Review article “Oak Lodge consolidation saving \$711K a year” shared plans to pursue converting the District’s governmental structure to an Authority.
- 01.21.20: Board of Directors Meeting – Thelma Haggemiller requested Board seek Authority status.
- 02.18.20: Board of Directors Meeting – Authority discussion prompted by public comment.
- 06.16.20: Board of Directors Meeting – Authority discussion prompted by public comment.
- 12.02.20: Mark Knudson, Board Treasurer, presented a District update to the Oak Grove Community Council, which included information about becoming an Authority.
- 12.07.20: Board Members, Ginny Van Loo and Susan Keil, presented a District update at the North Clackamas Chamber of Commerce Public Policy meeting, which included information about becoming an Authority.
- 03.09.21: Mark Knudson, Board Treasurer, presented a District update at the Rotary Club of Milwaukie meeting, which included information about becoming an Authority.
- 05.18.21: Paul Gornick, Board President, included Authority information in the Clackamas County Voter’s Pamphlet.
- 08.03.21: Jason Rice, District Engineer, Paul Gornick, Board President and Mark Knudson, Board Treasurer, introduced the topic of an Authority at the City of Milwaukie City Council Work Session.
- 08.17.21: Board of Directors Meeting – Authority discussion prompted by public comment.
- 09.03.21: Mark Knudson, Board Treasurer, and Sarah Jo Chaplen, General Manager, met with Joseph Edge, Oak Grove Community Council, President to discuss 09.22.21 presentation.
- 09.07.21: The City of Milwaukie City Council adopted a resolution supporting Oak Lodge Water Services becoming a Joint Water & Sanitary Authority.
- 09.14.21: The City of Gladstone City Council adopted a resolution supporting Oak Lodge Water Services becoming a Joint Water & Sanitary Authority.
- 09.21.21: Board of Directors Meeting – Authority discussion prompted by public comment.
- 09.22.21: Mark Knudson, Board Treasurer, presented at the Oak Grove Community Council meeting, which included an update about becoming an Authority.
- 09.28.21: Alexa Morris, Outreach and Communications Specialist, published Authority FAQ on District website.
- 09.28.21: Alexa Morris, Outreach and Communications Specialist, published District website link to Authority FAQ on District Facebook and Twitter accounts.
- 09.28.21: Alexa Morris, Outreach and Communications Specialist, made a submission with Authority information to the Citizen Informed and Aware eNewsletter.
- 09.29.21: Alexa Morris, Outreach and Communications Specialist, deployed a special informational email to 5,209 customers. The District has roughly 9,100 accounts and some customers have multiple accounts due to having both business and residential accounts, or such services as fire lines.
- 10.01.21: Citizen Informed and Aware eNewsletter was published.



Outreach And Public Information Planned

- All Customer Mailing of a letter to provide updates on schedule for public hearings to be held by Clackamas County.
- Customer Email to provide same updates as above.
- Expand Authority FAQ section on the District website.
- November/December 2021 Customer Newsletter included in all Customers' Bills which is about 9,100 accounts. Some customers have multiple accounts due to having both business and residential accounts, or such services as fire lines.
- November/December 2021 Customer Newsletter also distributed by email.
- District Facebook and Twitter accounts to provide updates.
- Mark Knudson, Board Treasurer, will present at the December 2021 at the Oak Grove Community Council meeting.
- Jennings Lodge CPO will be setting meetings in the Fall, presentation date TBD.
- Jennings Lodge CPO will deploy information through their list-serv to provide updates on schedule for public hearings to be held by Clackamas County.
- Friends of Jennings Lodge will deploy information through their list-serv to provide updates on schedule for public hearings to be held by Clackamas County.
- Continue to offer to present to any group who requests it.
- Dedicated Staff person to answer all customer questions. Contact: Alexa Morris, Outreach and Communications Specialist, alexa@olwsd.org or by phone at (503) 353-4219.

Version 1 sent to Clackamas County on October 11, 2021

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of the Initiation of
Formation of a Joint Water and
Sanitary Authority



PROPOSED

Order No. _____

This matter coming regularly before the Board of County Commissioners, and it appearing that initiation of the formation of a joint water and sanitary authority is proper; and

Whereas, a county board may by order initiate the formation of a district to be located entirely within that county pursuant to ORS 450.600 and ORS 198.835; and

Whereas, the Clackamas County Board of Commissioners intends by this Order to initiate the formation of a joint water and sanitary authority, to be located entirely within Clackamas County; and

Whereas, the name of the proposed joint water and sanitary authority shall be the Oak Lodge Water Services Authority and the boundaries of the same shall be as set forth in this Order; and

Whereas, duly executed resolutions from the cities of Milwaukie and Gladstone accompany this Order as required by ORS 198.835; and

Whereas, a public hearing shall be held between 30 and 45 days from the date of this Order, pursuant to ORS 198.800(1)(b) and consistent with Metro Code 3.09.030; and

Whereas, it further appearing that it is in the best interest of the County to adopt this Order;

NOW THEREFORE, the Clackamas County Board of Commissioners does hereby order:

1. Intent to initiate formation of a joint water and sanitary authority.

Pursuant to ORS 450.600 and ORS 198.835, the Clackamas County Board of Commissioners hereby intends to form a new joint water and sanitary authority, to be

known as “**Oak Lodge Water Services Authority,**” with the boundaries as set forth in the attached “**Exhibit A**” and with duly adopted resolutions of the affected cities set forth in the attached “**Exhibit B,**” each such exhibit being incorporated herein by this reference. The principal act of the new joint water and sanitary authority shall be ORS 450.600.

2. Call for public hearing. A public hearing on the proposal is hereby called for **[DATE/TIME/PLACE].**

DATED this ____ day of _____, 2021

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

EXHIBIT A
Map and Legal Description

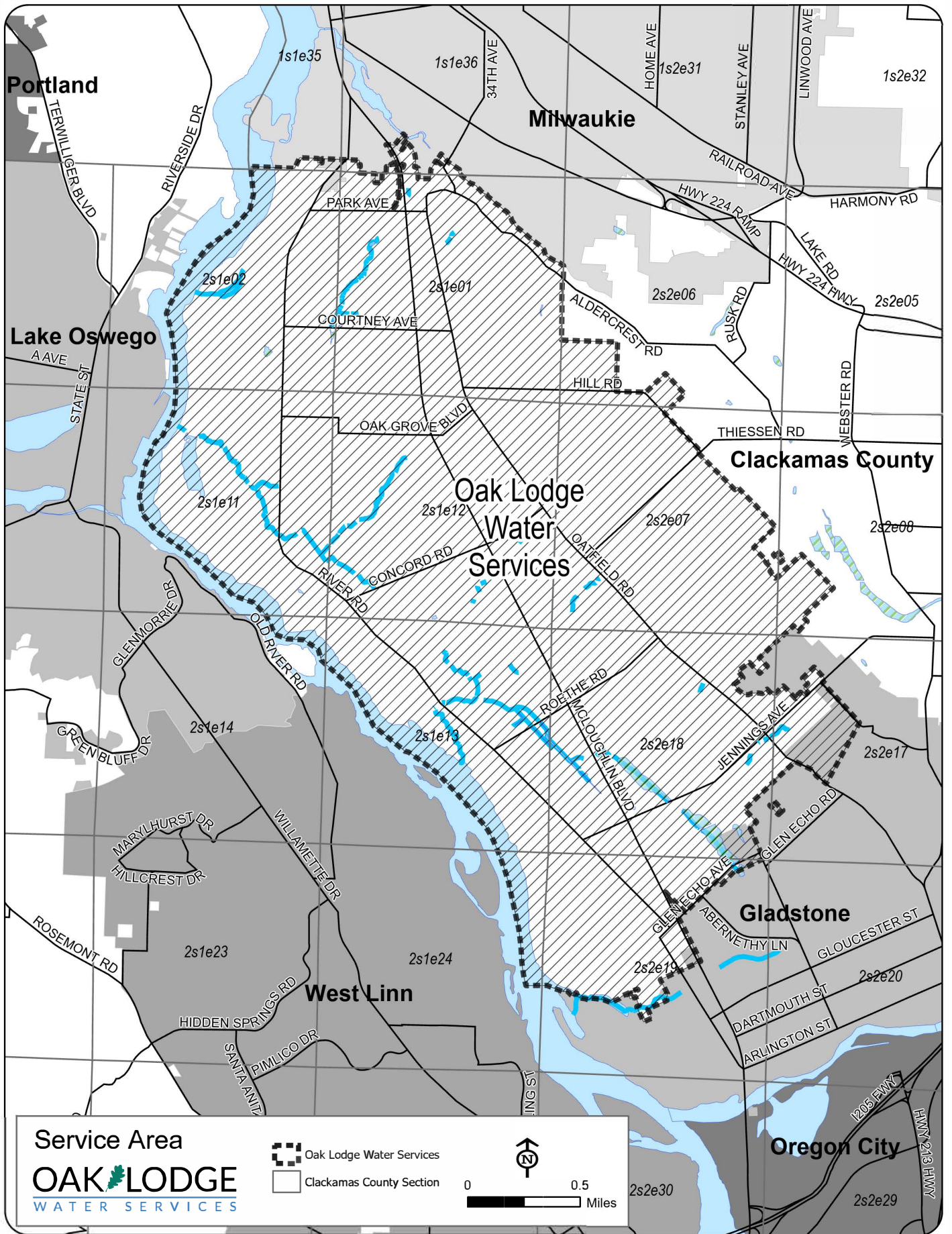


Exhibit A

Oak Lodge Water Services District Boundary

9-16-2021

Beginning at the Northwest corner of the Orin Kellogg Donation Land Corner (DLC) No. 55 and the Southeast corner of the Joseph Kellogg DLC No 47, said point is also a point on the range line between Range 1 East and Range 2 East of the Willamette Meridian (WM);

1. Thence North along said range line and the East line of said DLC No. 47, 1750 feet, more or less, to a point on the centerline of Kellogg Creek;
2. Thence Northwesterly along the center of Kellogg Creek, 3,450 feet, more or less, to the most Southerly corner of CEDARCROFT, Plat No. 2616, a duly recorded subdivision in Clackamas County, Oregon;
3. Thence North $57^{\circ} 47' 48''$ West along the Southwesterly line of said CEDARCROFT, 261.07 feet to the most Westerly corner of Lot 5 of said CEDARCROFT and a point on the Easterly right-of-way line of SE Oatfield Road (County Road No. 34);
4. Thence Westerly across SE Oatfield Road, 60 feet, more or less, to the most Southerly corner of Tract "H", COGSWELLS FIRST ADDITION, Plat No. 154, a duly recorded subdivision in Clackamas County, Oregon;
5. Thence Northwesterly along the Southwesterly line of said Tract "H", 200 feet, more or less, to the most Westerly corner of said Tract "H", said point also being the most Northerly corner of a parcel of land conveyed to Erich P. Reich in Instrument No. 69-18486, Clackamas County Deed Records;
6. Thence South $29^{\circ} 41'$ West along the Northwesterly line of said Reich Tract, 192.54 feet to the most Westerly corner of said Reich Tract;
7. Thence South $53^{\circ} 08'$ East along the Southwesterly line of said Reich Tract, 182.0 feet to the Westerly right-of-way line of SE Oatfield Road;
8. Thence Southwesterly along said right-of-way line of SE Oatfield Road, 20.0 feet, more or less, to the most Northerly Northeast corner of Lot 13, FILBERT KNOLL, Plat No. 751, a duly recorded subdivision in Clackamas County, Oregon;
9. Thence North $52^{\circ} 55'$ West along the Northerly line of said FILBERT KNOLL, 180.67 feet to the most Northerly corner of said FILBERT KNOLL;
10. Thence South $28^{\circ} 13'$ West along the Northwesterly line of said FILBERT KNOLL, 233.02 feet to an angle point in the Westerly line of said FILBERT KNOLL;
11. Thence South $1^{\circ} 00'$ East along the Westerly line of said FILBERT KNOLL, 211.35 feet to the Northeast corner of that tract of land conveyed to H. Louise Pinney in Book 291, Page 595, Clackamas County Deed Records;

12. Thence South 88° 39' West along the North line of said Pinney tract, 295.1 feet to a point on the Easterly line of Lot 3, Block 58, MILWAUKIE HEIGHTS, Plat No. 111, a duly recorded subdivision in Clackamas County, Oregon;
13. Thence North 1° 00' West along the Easterly line of said MILWAUKIE HEIGHTS, 260.0 feet, more or less, to the Northeast corner of Lot 2, Block 58 of said MILWAUKIE HEIGHTS;
14. Thence North 73° 14' West along the Northerly line of said Lot 2 and the extension thereof, 81.0 feet, more or less, to the Southeast corner of Lot 15, Block 55 of said MILWAUKIE HEIGHTS and a point on the Westerly line of Whitcomb Drive;
15. Thence Northerly along the Easterly line of said Block 55 and the Westerly line of said Whitcomb Drive, 621.60 feet to the most Northerly corner of Lot 1 in said Block 55;
16. Thence Southwesterly along the Northwesterly line of said Block 55, 200.0 feet to the most Westerly corner of Lot 2 of said Block 55;
17. Thence Northwesterly across Short Street (AKA 26th Avenue), 60.0 feet to the most Southerly corner of Lot 22, Block 56 in said MILWAUKIE HEIGHTS;
18. Thence Northeasterly along the Southeasterly line of said Block 56, 330.0 feet, more or less, to the most Easterly corner of said Block 56;
19. Thence Northwesterly along the Northeasterly line of said Block 56, 150.0 feet to the most Northerly corner of Lot 20 of said Block 56;
20. Thence Southwesterly along the Northwesterly line of said Lot 20, 330.0 feet, more or less, to the most Westerly corner of said Lot 20 and a point on the Northeasterly right-of-way line of Lakewood Drive;
21. Thence Westerly across SE McLoughlin Blvd (US 99E), 200.0 feet, more or less, to the intersection of the centerline of SE Sparrow Street (formerly 5th Street) and the Easterly right-of-way line of the abandoned Portland Traction Company Railroad;
22. Thence Southerly along the Easterly right-of-way line of said Portland Traction Company Railroad, 1,640 feet, more or less, to the North right-of-way line of SE Park Avenue;
23. Thence Westerly along the North right-of-way line of SE Park Avenue, 50 feet, more or less, to the Westerly right-of-way line of said Portland Traction Company Railroad;
24. Thence Northerly along the Westerly line of said Portland Traction Company Railroad, 1,190 feet, more or less, to the Easterly right-of-way line of SE 27th Avenue (formerly 11th Avenue);

25. Thence South along the Easterly right-of-way line of SE 27th Avenue, 70.0 feet, more or less, to a point that is East, 60.0 feet from a point on the Westerly right-of-way line of SE 27th Avenue that is 12.5 feet South from the Northeast corner of Lot 3, Block 47 of said MILWAUKIE HEIGHTS;
26. Thence West, 60.0 feet to a point on the Westerly right-of-way line of SE 27th Avenue, said point also being on the Easterly line of said Lot 3 and 12.5 feet South of the Northeast corner of said Lot 3;
27. Thence South along the Easterly line of said Block 47, 62.5 feet to a point on the Easterly line of Lot 5 of said Block 47 that is 25.0 feet South of the Northeast corner of said Lot 5;
28. Thence West parallel with and 25.0 feet South of the North line of said Lot 5, 100.0 feet to a point on the West line of said Lot 5 that is 25.0 feet South of the Northwest corner of said Lot 5;
29. Thence South along the West line of Lots 5, 7, and 9, of said Block 47, 125.0 feet to the Southwest corner of said Lot 9, which is also the Northeast corner of Lot 12 of said Block 47;
30. Thence West along the North line of said Lot 12, 100 feet to the Northwest corner of said Lot 12 and a point on the Easterly right-of-way line of SE 26th Avenue (formerly 10th Avenue);
31. Thence South along the Easterly right-of-way line of SE 26th Avenue, 260.0 feet to the Southwest corner of Lot 6, Block 46 of said MILWAUKIE HEIGHTS;
32. Thence West, 60.0 feet to the Northeast corner of Lot 7, Block 45 of said MILWAUKIE HEIGHTS, and a point on the Westerly right-of-way line of SE 26th Avenue;
33. Thence West along the North line of said Lot 7, 100.0 feet to the Northwest corner thereof, which point is also the Southeast corner of Lot 6 of said Block 45;
34. Thence North along the East line of Lots 6, 4, and 2 of said Block 45 and the Northerly extension thereof, 210.0 feet to the Southeast corner of Lot 12, Block 44 of said MILWAUKIE HEIGHTS and a point on the Northerly right-of-way line of SE Dove Street (formerly 7th Street);
35. Thence West along the Northerly right-of-way line of SE Dove Street, 370.0 feet to the Northeast corner of the intersection of SE Dove Street and SE 24th Avenue (formerly 8th Avenue);
36. Thence North along the Easterly right-of-way of SE 24th Avenue, 150.0 feet to an angle point in said right-of-way line;
37. Thence East, 10.0 feet to the Southwest corner of Lot 6, Block 37 of said MILWAUKIE HEIGHTS;

38. Thence North along the West line of said Lot 6, 50.0 feet to the Northwest corner of thereof;
39. Thence West 30.0 feet to the centerline of said 24th Avenue;
40. Thence North along the centerline of said 24th Avenue (now vacated under City of Milwaukie Ordinance 77-780, Instrument No. 77-20890, Clackamas County Deed Records), 100.0 feet to a point on the Southerly right-of-way line of SE Lark Street (formerly 6th Street);
41. Thence West along the Southerly right-of-way line of SE Lark Street, 875.0 feet, more or less, to Northeast corner of that tract of land conveyed to Ernest Aebi in Book 329, Page 232, Clackamas County Deed Records;
42. Thence South along the Easterly line of said Aebi tract, 100.0 feet to the Southeast corner thereof;
43. Thence West along the Southerly line of said Aebi tract, 100.0 feet to the Southwest corner thereof and the most Westerly Northwest corner of that tract of land conveyed to Donald Bumpus and Faye Bumpus in Instrument No. 93-94056, Clackamas County Deed Records;
44. Thence North along the Westerly line of said Aebi tract, 100.0 feet to the Northwest corner thereof and a point on the South right-of-way line of the aforementioned SE Lark Street;
45. Thence West along the South right-of-way line of said SE Lark Street and its Westerly extension across the Southern Pacific Railroad right-of-way, 430 feet, more or less, to the Westerly right-of-way line of said railroad;
46. Thence Southerly along the Westerly right-of-way line of said railroad, 274 feet, more or less, to the Southeast corner of a tract of land conveyed to Eric A. Schilling and Marie J. Hoskins in Instrument No. 2007-098527, Clackamas County Deed Records;
47. Thence West along the Southerly line of said Schilling and Hoskins tract, 412 feet, more or less, to the low water line of the Willamette River;
48. Thence Southerly along the low water line of the Willamette River, 25,000 feet, more or less, to the most Southerly corner of Tract "A" of RIVERCOVE, Plat No. 801, a duly recorded subdivision in Clackamas County, Oregon;
49. Thence South 43° 23' West along the Southwesterly extension of the Southeasterly line of said Tract "A", 20.0 feet, more or less, to the most Westerly corner of that tract of land described as Parcel 2 in that tract of land conveyed to Cornell V. Saftencu in Instrument No. 2005-050728, Clackamas County Deed Records;

50. Thence South 26° 00' East along the Southwesterly line of said Saftencu tract, 106.84 feet to the most Southerly corner thereof, which point is also the most Westerly corner of Lot 40, ROBINWOOD RIVIERE, Plat No. 1943, a duly recorded subdivision in Clackamas County, Oregon;
51. Thence South 69° 20' 11" East along the Southerly line of said Lot 40, 83.56 feet to an angle point;
52. Thence South 82° 42' 56" East continuing along the Southerly line of said Lot 40, 80.00 feet to another angle point;
53. Thence South 74° 43' 26" East continuing along the Southerly line of said Lot 40, 90.00 feet to another angle point;
54. Thence North 57° 04' 19" East continuing along the Southerly line of said Lot 40, 80.00 feet to another angle point;
55. Thence South 84° 15' 56" East continuing along the Southerly line of said Lot 40, 280.00 feet to another angle point;
56. Thence South 70° 11' 56" East continuing along the Southerly line of said Lot 40, 185.00 feet to a point on the division line of Peter M. Rinearson DLC;
57. Thence North 63° 34' 19" East along said division line and the Southeasterly boundary of said Lot 40, 220.0 feet, more or less, to the most Southerly corner of a tract of land conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division in Instrument No. 74-6136, Clackamas County Deed Records and then to the City of Gladstone in Instrument No. 92-30263, Clackamas County Deed Records;
58. Thence North 43° 26' East along said Southeasterly boundary of said Lot 40 and the Northwesterly line of said City of Gladstone tract, 103.16 feet, more or less, to the most Southwesterly corner of a tract of land conveyed as a Triangular Lot to Nancy Jo Towle and Carl E. Poston, an undivided one-third (1/3rd) interest in Instrument No. 2002-30122, Clackamas County Deed Records, said point also being an angle point in the Northwesterly line of said City of Gladstone tract;
59. Thence North 64° East along the Northwesterly line of said City of Gladstone tract, 390.0 feet, more or less, to the most Northerly corner thereof, said point also being on the Southwesterly boundary of MELDRUM ACRES, Plat No. 504, a duly recorded subdivision in Clackamas County, Oregon;
60. Thence South 46° 40' East along the Southwesterly line of said MELDRUM ACRES, 37.0 feet, more or less, to the most Easterly corner of said City of Gladstone tract and a point on the division line of Peter M. Rinearson DLC No. 41, said point also being the most Southerly corner of said MELDRUM ACRES;

61. Thence South 64° West along the Southeasterly line of said City of Gladstone tract and said Division Line of Peter M. Rinearson DLC, 126.12 feet to a 5/8 inch iron rod marking a point on said Division Line that bears North $64^{\circ} 00' 00''$ East, 1214 feet from the Southwest end of said Division Line;
62. Thence South $26^{\circ} 11' 00''$ East, 15.00 feet to the most Northerly corner of that tract described as the "Rectangular Lot" conveyed to Nancy Jo Towle and Carl E. Poston in Instrument No. 2002-80122, Clackamas County Deed Records;
63. Thence South 64° West along the Northwesterly line of said Towle and Poston tract, 130.00 feet to the most Westerly corner thereof;
64. Thence Southeasterly along the Southwesterly line of said Towle and Poston tract, 100.0 feet to the most Southerly corner thereof;
65. Thence Northeasterly along the Southeasterly line of said Towle and Poston tract, 130.0 feet to the most Easterly corner thereof, and a point on the Southwesterly line of Lot 3, RINEARSON CREEK, Plat No. 4163, a duly recorded subdivision in Clackamas County, Oregon;
66. Thence South $26^{\circ} 00' 00''$ East along the Southwesterly line of said RINEARSON CREEK, 230.42 feet to the Southwest corner of Lot 9 of said RINEARSON CREEK;
67. Thence South $64^{\circ} 00' 00''$ West along the Northwesterly line of Tract "B" of said RINEARSON CREEK, 67.25 feet to the most Westerly corner thereof;
68. Thence South $26^{\circ} 00' 00''$ East along the Southwesterly line of said Tract "B", 390.91 feet to the most Southerly corner thereof;
69. Thence North $63^{\circ} 50' 10''$ East along the Southeasterly line of said Tract "B", 210.58 feet to the most Easterly corner thereof;
70. Thence North $25^{\circ} 54' 44''$ West along the Northeasterly line of said Tract "B", 222.80 feet to the most Southerly corner of that tract of land described as Parcel I in Instrument No. 2013-001526, a corrected legal description in Clackamas County Deed Records, said point also being the most Westerly corner of that tract of land conveyed to Janet Kent Trust in Instrument No. 92-51378, Clackamas County Deed Records;
71. Thence Northeasterly along the Northwesterly line of said Kent Trust tract, 496.07 feet to the Southeast corner of Tract "A" of RINEARSON ESTATES, Plat No. 4126, a duly recorded subdivision in Clackamas County, Oregon;
72. Thence North $26^{\circ} 12' 16''$ West along the Easterly line of said Tract "A", 35.65 feet to an angle point in said Easterly line of Tract "A";
73. Thence North $09^{\circ} 40' 15''$ East along said Easterly line of Tract "A" and the Easterly line of Lot 8 of said RINEARSON ESTATES, 129.90 feet to an angle point in the Easterly line of said Lot 8;

74. Thence North 28° 37' 45" West along the Easterly line of said RINEARSON ESTATES, 349.27 feet to the most Northerly corner thereof;
75. Thence continuing North 28° 37' 45" West along the extension of the Easterly line of said RINEARSON ESTATES, 15.0 feet, more or less, to the Southeasterly line of the aforementioned MELDRUM ACRES;
76. Thence Northeasterly along said Southeasterly line of said MELDRUM ACRES, 470.0 feet, more or less, to the most Easterly corner thereof;
77. Thence Northeasterly across SE River Road, 62-feet, more or less, to the most Southerly corner of Partition Plat 2016-045, Clackamas County Plat Records and a point on the division line of the Peter N. Rinearson and wife Donation Land Claim (DLC);
78. Thence North 64°17' 28" East along the Southeasterly line of said Partition Plat 2016-045 and said division line of the Peter N. Rinearson and wife DLC, 510.0 feet, more or less, to the Easterly right-of-way line of SE McLoughlin Blvd (US99E);
79. Thence Northwesterly along the Easterly right-of-way line of said SE McLoughlin Blvd., 1,785.0 feet, more or less, to the Southwesterly right-of-way line of SE Mildred Street;
80. Thence Southeasterly along the Southwesterly right-of-way line of said SE Mildred Street, 627.0 feet to the centerline of SE Glen Echo Avenue;
81. Thence North 43° 23' East along the centerline of said SE Glen Echo Avenue, 1,078.0 feet, more or less, to the intersection with the Northeasterly right-of-way line of SE Addie Street;
82. Thence South 46° 37' East along the Northeasterly right-of-way of SE Addie Street, 125.0 feet to the most Southerly corner of that tract of land conveyed to Alice M. Freeman in Instrument No. 94-42206, Clackamas County Deed Records;
83. Thence Northeasterly parallel with and 100.0 feet distant from the Southeasterly right-of-way line of SE Glen Echo Avenue, 490.0 feet, more or less, to the most Easterly corner of that tract of land conveyed to Don J. Cozart and Marilyn J. Cozart in Book 581, Page 119, Clackamas County Deed Records and a point on the Northeasterly line of Block 10, MELDRUM, Plat No. 228, a duly recorded subdivision in Clackamas County, Oregon, said point also being on the Southwesterly right-of-way line of a 50.0 foot wide unnamed and unimproved street;
84. Thence Southeasterly along the Westerly right of way line of said 50 foot wide unnamed street, 52 feet, more or less, to a point on the Westerly extension of the Southerly line of MASON ESTATES, Plat No. 3567, a duly recorded subdivision in Clackamas County, Oregon;

85. Thence North $62^{\circ} 08' 46''$ East across said unnamed street, 52.0 feet, more or less, to the most Southerly corner of Tract A, of said MASON ESTATES;
86. Thence North $62^{\circ} 08' 36''$ East along the Southerly line of said MASON ESTATES and its Northeasterly extension thereof, 612 feet to the Northeasterly right-of-way line of SE Portland Avenue;
87. Thence Northwesterly along said Northeasterly right-of-way line of Portland Avenue, 760.0 feet, more or less, to the most westerly corner of the access strip to Lot 2 LYNNE ESTATES, Plat No. 3122, a duly recorded subdivision on Clackamas County, Oregon, said point also being the most Southerly corner of the access strip to Lot 1;
88. Thence North $44^{\circ} 58' 39''$ East along the most Southeasterly line of said Lot 1 access strip and its Northeasterly extension, 208.90 feet to the Northeasterly line of Lot 2 and a point on the Southwesterly line of Lot 5, Block 3, MAYWOOD, Plat No. 164, a duly recorded subdivision in Clackamas County, Oregon;
89. Thence Northwesterly along the Southwesterly line of said Lot 5, 418.35 feet to a point on the centerline of SE Hull Avenue;
90. Thence Northeasterly along the centerline of said SE Hull Avenue, 1,630.0 feet, more or less, to a point on the centerline of SE Oatfield Road
91. Thence Southeasterly along said centerline of SE Oatfield Road, 940.0 feet, more or less, to a point on the Southwesterly extension of the Southeasterly line of OAKRIDGE NO. 1, Plat No. 1889, a duly recorded subdivision in Clackamas County, Oregon;
92. Thence North $26^{\circ} 16' 40''$ East along said extension and said Southeasterly line of said OAKRIDGE NO. 1 and the Southeasterly line of OAKRIDGE NO. 2, Plat No. 2028, a duly recorded subdivision in Clackamas County, Oregon and the Southeasterly line of Partition Plat No. 1996-81, a duly recorded plat in Clackamas County, Oregon, 1,633.75 feet, more or less, to a point on the Northeasterly right-of-way line of SE Valley View Road, County Road No. 2258;
93. Thence Northwesterly along said Northeasterly right-of-way of SE Valley View Road, 1,302.45 feet, more or less, to a point on the centerline of SE Jennings Avenue, County Road No. 1778;
94. Thence Northeasterly along said centerline of said SE Jennings Avenue, 106.0 feet, more or less, to a point on the Southeasterly extension of the Southwesterly line of Lot 1, Block 2, SHERWOOD FOREST, Plat No. 1380, a duly recorded subdivision in Clackamas County, Oregon;
95. Thence North $44^{\circ} 23' 50''$ West along said extension and the Southwesterly lines of Lots 1, 2, 3, and 4 of said Block 2, 398.70 feet, more or less, to the most Westerly corner of said Lot 4, said point also being the most Easterly corner of Lot 7 of said Block 2;

96. Thence South 45° 00' 31" West along the most Westerly Southeasterly line of said Block 2, 375.09 feet, more or less, to the most Westerly corner of Lot 1, McFEE'S ADDITION, Plat No. 2483, a duly recorded subdivision in Clackamas County, Oregon;
97. Thence Southeasterly along the Southwesterly line of said McFEE'S ADDITION, 183.00 feet, more or less, to the most Easterly corner of that tract of land conveyed to Housing Authority of the County of Clackamas in Instrument No. 81-12986, Clackamas County Deed Records;
98. Thence South 40° 48' 02" West along the Southeasterly line of said Housing Authority tract, 136.29 feet, more or less, to the most Southerly corner thereof, said point also being the most Westerly corner of that tract of land conveyed to Mari L. and William T. Davis III in Instrument No. 2001-054701, Clackamas County Deed Records;
99. Thence Southeasterly along the Southwesterly line of said Davis III tract 157.06 feet, more or less, to a point on the Northwesterly right-of-way line of the aforementioned SE Jennings Avenue;
100. Thence Southwesterly along the Northwesterly right-of-way line of said SE Jennings Avenue, 123.03 feet, more or less, to the most Southerly corner of Lot 1, SHADOW GREEN, Plat No. 1720, a duly recorded subdivision in Clackamas County, Oregon;
101. Thence North 44° 55' 11" West along the Southwesterly line of said Lot 1, 127.00 feet, to the most Westerly corner thereof, said point also being on the Southeasterly line of Lot 2 in said SHADOW GREEN;
102. Thence South 45° 30' 30" West along the Southeasterly line of said Lot 2 and the Northern most Southeasterly line of Lot 3 in said SHADOW GREEN, 87.00 feet to an angle point in said Southeasterly line;
103. Thence South 44° 55' 11" East along the Southern most Northeasterly line of said Lot 3, 32.00 feet, more or less, to the most Southerly Northeast corner of said Lot 3;
104. Thence South 45° 30' 30" West along the Southeasterly line of said Lot 3, 100.00 feet to the most Southerly corner of said Lot 3 and a point on the Northeasterly line of PAGODA PARK #1, Plat No. 1088, a duly recorded subdivision in Clackamas County, Oregon;
105. Thence North 44° 42' West along the Northeasterly line of said PAGODA PARK #1, 410.0 feet to the most Northerly corner thereof and a point on the Southeasterly line of Lot 17, Block 2, SHERWOOD FOREST NO. 2, Plat No. 1477, a duly recorded subdivision in Clackamas County, Oregon;
106. Thence South 45° 18' West along the Northwesterly line of said PAGODA PARK #1 and the Southeasterly line of said SHERWOOD FOREST NO. 2, 329.70 feet to the most Southerly corner thereof;

107. Thence North 45° 00' West along the Southwesterly line of said SHERWOOD FOREST NO. 2, 90.00 feet to an angle point;
108. Thence South 45° 01' West, 5.00 feet to a point;
109. Thence North 45° 00' West along the Southwesterly line of said SHERWOOD FOREST NO. 2 and the Northwesterly extension thereof, 123.91 feet to the most Northerly corner of a tract of land conveyed to Claudia Beth Ringler and Earl Dennis Ringler in Instrument No. 2013-020298, Clackamas County Deed Records as Parcel III, said point being 8.0 feet Northwesterly from the Southeasterly line of Lot 26, SHERWOOD FOREST NO. 3, Plat No. 1871, a duly recorded subdivision in Clackamas County, Oregon, when measured at right angles thereto;
110. Thence South 45° 00' 31" West parallel with the Southeasterly line of said SHERWOOD FOREST NO. 3, 157.83 feet to a point on the Southerly line of Lot 25 of said SHERWOOD FOREST NO. 3;
111. Thence Westerly along the Southerly line of said SHERWOOD FOREST NO. 3, 768.45 feet, more or less, to the most Westerly corner of Lot 18 of said SHERWOOD FOREST NO. 3;
112. Thence North 52° 36' 55" East along the Northwesterly lines of Lots 18, 17, and 16 of said SHERWOOD FOREST NO. 3, 262.52 feet to the most Northerly corner of said Lot 16;
113. Thence North 37° 32' 09" West along the Southwesterly lines of Lot 8 and 7 of said SHERWOOD FOREST NO. 3, 199.71 feet to the most Westerly corner of said Lot 7;
114. Thence North 52° 29' 14" East along the Northwesterly line of Lots 7, 6, and 5 of said SHERWOOD FOREST NO. 3, 330.46 feet to the most Northerly corner of said Lot 5;
115. Thence South 45° 35' 50" East along the Northeasterly line of said SHERWOOD FOREST NO. 3, 349.41 feet to the most Westerly corner of Lot 1, Block 7, SHERWOOD FOREST NO. 2;
116. Thence North 45° 01' 32" East along the Northwesterly lines of Lot 1, 2, and 3 of said Block 7, 242.00 feet to the most Southerly corner of Lot 5 of said Block 7;
117. Thence North 45° 35' 50" West along the Southwesterly lines of Lots 5, 6, and 7 of said Block 7, 270.00 feet to the most Westerly corner of said Lot 7 and a point on the Southeasterly line of McNARY MEADOWS, Plat No. 3751, a duly recorded subdivision in Clackamas County, Oregon;

118. Thence North 45° 01' 32" East along the Northwesterly line of said SHERWOOD FOREST NO. 2 and the Southeasterly lines of said McNARY MEADOWS, McCABE ESTATES, Plat No. 2954 and BREWSTER PARK, Plat No. 2902, all duly recorded subdivisions in Clackamas County, Oregon, 892.91 feet to the most Northerly corner of said SHERWOOD FOREST NO. 2, said point also being the most Westerly corner of Partition Plat No. 1995-56, a duly recorded plat in Clackamas County, Oregon;
119. Thence North 45° 04' 40" East along the Northwesterly line of said Partition Plat No. 1995-56, 184.93 feet to the most Northerly corner thereof;
120. Thence South 45° 35' 59" East along the Northeasterly line of said Partition Plat No. 1995-56, 180 feet to the most Southerly corner of that tract of land conveyed to Tony L. Sullivan and Brenda M. Sullivan in Instrument No. 95-14984, Clackamas County Deed Records;
121. Thence Northeasterly along the Southeasterly line of said Sullivan tract, 330.0 feet, more or less, to the most Easterly corner thereof;
122. Thence North 44° 55' West along the Northeasterly line of said Sullivan tract, 149.31 feet to the most Northerly corner thereof, said point also being the most Easterly corner of McNARY PREMIER ESTATES, Plat No. 3381, and the most Southerly corner of McNARY HEIGHTS, Plat No. 2936, both duly recorded subdivisions in Clackamas County, Oregon;
123. Thence North 45° 12' 06" East along the Southeasterly line of said McNARY HEIGHTS, 985.72 feet to the most Easterly corner thereof and a point on the Northeasterly line of the James McNary DLC No. 38;
124. Thence North 45° 00' 00" West along said Northeasterly line of the James McNary DLC, 1,095.05 feet, more or less, to the most Northerly corner of Partition Plat No. 1990-102, a duly recorded plat in Clackamas County, Oregon;
125. Thence South 46° 06' 19" West along the Northwesterly line of said Partition Plat No. 1990-102 and its Southwesterly extension on the centerline of SE Brownlee Road, 830.21 feet to a point on the Southeasterly extension of the Southwesterly line of that tract of land conveyed to Harvey J. Meyer and Sharylin A. Meyer in Instrument No. 72-26229, Clackamas County Deed Records;
126. Thence Northwesterly along said extension and the Southwesterly line of said Meyer tract, 110.45 feet to an angle point in said line;
127. Thence continuing Northwesterly along said Southwesterly line, 96.65 feet to the most Westerly corner thereof;
128. Thence Northeasterly along the Northwesterly line of said Meyer tract, 72.00 feet to the most Northerly corner thereof and a point on the Southwesterly line of Partition Plat No. 2006-101, a duly recorded plat in Clackamas County, Oregon;

129. Thence North 44° 12' 21" West along the Southwesterly line of said Partition Plat No. 2006-101, 223.38 feet to the most Westerly corner thereof;
130. Thence North 46° 02' 19" East along the Northwesterly line of said Partition Plat No. 2006-101, 33.56 feet to the most Easterly corner of that tract of land conveyed to Richard M. Jones and Joan F. Jones, co-Trustees of the Richard and Joan Jones Family Trust in Instrument No. 2008-65371, Clackamas County Deed Records;
131. Thence Northwesterly along the Northeasterly line of said Jones tract and its Northwesterly extension, 438.45 feet to a point on the Southeasterly boundary line of PREMIER ESTATES, Plat No. 3709, a duly recorded subdivision in Clackamas County, Oregon, said point also being on the Northwesterly line of the James McNary DLC;
132. Thence North 45° 32' 00" East along said James McNary DLC line, 707.25 feet, more or less, to the most Northerly corner of said James McNary DLC, said point also being the most Easterly corner of that tract of land conveyed to Mitchell Watson and Mary Watson in Instrument No. 2012-22213, Clackamas County Deed Records and the most Southerly corner of MAJESTIC WOODS NORTH, Plat No. 4142, a duly recorded subdivision in Clackamas County, Oregon;
133. Thence North 44° 19' 41" West along the Northeasterly line of said Watson tract and the Northeasterly line of Lots 19 and 20 of PREMIER ESTATES NO. 2, Plat No. 3909, a duly recorded subdivision in Clackamas County, Oregon and the Southwesterly line of said MAJESTIC WOODS NORTH and the Southwesterly right-of-way line of SE Minerva Road (County Road No. 2177) and the Northwesterly extension thereof, 1,295.52 feet, more or less, to a point on the centerline of SE Oetkin Road;
134. Thence South 43° 39' West along said centerline, 100.0 feet, more or less, to a point on the Southeasterly extension of the Southwesterly line of HICKORY HILL, Plat No. 2648, a duly recorded subdivision in Clackamas County, Oregon;
135. Thence North 46° 20' 00" West along said extension and the Southwesterly line of said HICKORY HILL and the Northwesterly extension thereof, 1,199.4 feet to the a point on the centerline of SE Thiessen Road (County Road No. 275);
136. Thence North 45° 20' East along said centerline, 60.0 feet, more or less, to the centerline of SE Hill Road (County Road No. 1936);
137. Thence North 45° 12' 30" West along said centerline, 1,262.80 feet, more or less, to a point on the Southwesterly extension of the Northwesterly line of Lot 10, Block 1, ALDER CREST ACRES, Plat No. 374, a duly recorded subdivision in Clackamas County, Oregon;

138. Thence North 44° 46' 30" East along said extension and the Northwesterly line of said Lot 10 and the Northwesterly line of Lot 11 of said Block 1, ALDER CREST ACRES, 660.0 feet, more or less, to a point on the centerline of SE Vista Lane (County Road No. 2139);
139. Thence North 45° 14' 30" West along said centerline, 660.0 feet, more or less, to the most Westerly corner of ALDER CREST ACRES at the Northwest end of Block 2, ALDER CREST ACRES and a point on the Southeasterly line of VIEW ACRES, Plat No. 324, a duly recorded subdivision in Clackamas County, Oregon;
140. Thence South 45° 00' West along the Southeasterly line of said VIEW ACRES, 660.0 feet, more or less, to a point on the centerline of the aforementioned SE Hill Road;
141. Thence Westerly along the centerline of said SE Hill Road, 690.0 feet, more or less, to the Southwest corner of Block D of said VIEW ACRES;
142. Thence North 0° 26' 48" East along the Westerly boundary of said Block D and Block B of said VIEW ACRES, 1153.67 feet, more or less, to the Northwest corner of said Block B, said corner also being on the North line of the Orin Kellogg DLC No. 55;
143. Thence Westerly along said North line of the Orin Kellogg DLC, 1,320.0 feet to the Point of Beginning.

ALSO – 2-2E-17CC – Supplemental – 7500

A portion of Lot 4, Block 3, MAYWOOD, Plat No. 164, a duly recorded subdivision in Clackamas County, Oregon, described as follows: Beginning at the Southwest corner of that tract of land conveyed to Francis S. Harris, et ux, by deed recorded July 5, 1950, in Book 433, page 179, Clackamas County Deed Records; thence Northeasterly along the centerline of Caldwell Road, 140 feet; thence Northwesterly parallel with the Northeasterly line of said Lot 4, 309.027 feet; thence Southwesterly parallel with the centerline of said Caldwell Road, 140 feet; thence Southeasterly parallel with the Northeasterly line of said Lot 4, a distance of 309.027 feet to the point of beginning.

EXCEPT THEREFROM that portion lying within Caldwell Road.

EXHIBIT B
City Resolutions

COUNCIL RESOLUTION No. 46-2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILWAUKIE, OREGON, APPROVING THE FORMATION OF A JOINT WATER AND SANITARY AUTHORITY IN OAK LODGE THAT WOULD INCLUDE TERRITORY WITHIN THE CITY OF MILWAUKIE.

WHEREAS, portions of the territory within the City of Milwaukie (“City”) lie within the boundaries of the Oak Lodge Water Services District (OLSWD) and receive water and sanitary sewer services from the OLWSD; and

WHEREAS, the City also provides water and sanitary sewer services outside of the City’s boundaries to some areas within the boundaries of the OLWSD; and

WHEREAS, the formation of a joint water and sanitary authority (“Authority”) is being proposed as provided by Oregon Revised Statute (ORS) 450.600, which Authority would provide water, sanitary sewer, and other services authorized by statute to those portions of the City currently within OLWSD’s territory; and

WHEREAS, the Clackamas County (“County”) Board of Commissioners may initiate formation of the Authority by adopting an order pursuant to ORS 198.835, or the citizens of the County may initiate formation of the Authority by petition pursuant to ORS 198.705 to 198.955; and

WHEREAS, the order or petition initiating formation of the proposed Authority must receive approval of the governing body of a city if the Authority will include any territory within that city; and

WHEREAS, the City Council finds the continuity and stability of water and sanitary sewer services to be in the best interests of the residents of the City and that such continuity will be achieved by having the City and the new Authority provide water and sanitary sewer services in the same manner as the City and the OLWSD currently provide services in their adjacent and overlapping boundaries; and

WHEREAS, the City Council finds it in the best interests of the City to approve the petition or order for formation of an Authority that would provide water, sanitary sewer, and other services authorized by statute to those portions of the City currently within OLWSD’s territory.

Now, Therefore, be it Resolved that:

Section 1. The City of Milwaukie hereby consents to the inclusion of all, or any portion of, the territory within the City that lies within the boundaries of the Oak Lodge Water Services District to become part of a joint water and sanitary authority, whether the formation of the joint water and sanitary authority is by citizen petition or by county order; and

RESOLUTION NO. 1201
CITY OF GLADSTONE, OREGON

***A RESOLUTION APPROVING THE FORMATION OF A JOINT WATER AND
SANITARY AUTHORITY TO INCLUDE TERRITORY WITHIN THE CITY***

WHEREAS, portions of the territory within the City of Gladstone (“City”) lie within the boundaries of the Oak Lodge Water Services District and receive water and sanitary sewer services from the Oak Lodge Water Services District; and

WHEREAS, the City also provides water and sanitary sewer services outside of the City’s boundaries to some areas within the boundaries of the Oak Lodge Water Services District; and

WHEREAS, the formation of a joint water and sanitary authority (“Authority”) is being proposed as provided by ORS 450.600, which Authority would provide water, sanitary sewer, and other services authorized by statute to those portions of the City currently within Oak Lodge Water Services District’s territory; and

WHEREAS, the Clackamas County (“County”) Board of Commissioners may initiate formation of the Authority by adopting an order pursuant to ORS 198.835, or the citizens of the County may initiate formation of the Authority by petition pursuant to ORS 198.705 to 198.955; and

WHEREAS, the order or petition initiating formation of the proposed Authority must receive approval of the governing body of a city if the Authority will include any territory within that city; and

WHEREAS, the City Council finds the continuity and stability of water and sanitary sewer services to be in the best interests of the residents of the City and that such continuity will be achieved by having the City and the new Authority provide water and sanitary sewer services in the same manner as the City and the Oak Lodge Water Services District currently provide services in their adjacent and overlapping boundaries; and

WHEREAS, the City Council finds it in the best interests of the City to approve the petition or order for formation of an Authority that would provide water, sanitary sewer, and other services authorized by statute to those portions of the City currently within Oak Lodge Water Services District’s territory;

NOW, THEREFORE, THE CITY OF GLADSTONE RESOLVES AS FOLLOWS:

SECTION 1. The City of Gladstone hereby consents to the inclusion of all, or any portion of, the territory within the City that lies within the boundaries of the Oak Lodge Water Services District to become part of a joint water and sanitary authority, whether the formation of the joint water and sanitary authority is by citizen petition or by county order; and

SECTION 2. The City of Gladstone approves of a county order that sets forth:

- A. The intent of the Clackamas County Board of Commissioners to initiate formation of a joint water and sanitary authority pursuant to ORS 450.600;
- B. The name and boundaries of the joint water and sanitary authority; and
- C. The date, time, and place of a public hearing on the proposal.

THIS RESOLUTION IS ADOPTED BY THE GLADSTONE CITY COUNCIL AND APPROVED BY THE MAYOR THIS 14TH DAY OF ~~SEPTEMBER~~ 2021, AND SHALL BE EFFECTIVE IMMEDIATELY.

ATTEST:


Tamara Stempel, Mayor

9/14/21
Date


Tami Bannick, City Recorder

Section 2. The City of Milwaukie approves of a county order that sets forth:

- A. The intent of the Clackamas County Board of Commissioners to initiate formation of a joint water and sanitary authority pursuant to ORS 450.600;
- B. The name and boundaries of the joint water and sanitary authority; and
- C. The date, time, and place of a public hearing on the proposal.

Introduced and adopted by the City Council on **September 7, 2021**.

This resolution is effective immediately.



Mark F. Gamba, Mayor

ATTEST:

APPROVED AS TO FORM:



Scott S. Stauffer, City Recorder



Justin D. Gericke, City Attorney

RECORDING MEMO

X	New Agreement/Contract
	Amendment/Change/Extension
	Policy Reports
	Other

**ORIGINATING COUNTY
DEPARTMENT:**

North Clackamas Parks and Recreation District

PURCHASING FOR:

N/A

**OTHER PARTY TO
CONTRACT/AGREEMENT:**

Oak Lodge Water Services District

BOARD AGENDA DATE:

3/29/2018

AGENDA ITEM NUMBER:

IV.2

PURPOSE:

Approval of a Purchase and Sale Agreement with Oak Lodge Water Services District (OLWS) for the Boardman Wetlands Natural Area Property

Please return to **BCS - Attn: Caroline Patton** after recording.

Clackamas County Official Records
Sherry Hall, County Clerk
Commissioners' Journals
Agreements & Contracts

2018-0461

04/02/2018 3:08:04 PM

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is entered into AS OF THE LAST DATE OF THE SIGNATURES INDICATED BELOW (the "Effective Date"), by and between Oak Lodge Water Services District ("OLWSD"), a consolidated sanitary and water district formed pursuant to ORS Chapters 264, 450, and 198, located at 14496 SE River Road, Oak Grove, Oregon 97267 and North Clackamas Parks and Recreation District ("NCPRD"), a county service district formed pursuant to ORS Chapter 451, located at 150 Beaver Creek Road, Oregon City, Oregon 97045.

RECITALS

WHEREAS, OLWSD is the owner of an approximately 5.8-acre site located in the County of Clackamas, State of Oregon, commonly known as the Boardman Wetland Site; and

WHEREAS the Boardman Wetland Site consists of multiple parcels, including the approximately 0.25-acre parcel of land known as "Boardman A", and the 5.55-acre parcel of land known as "Boardman B", each of which is more particularly described in Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, OLWSD is developing the Boardman Wetland Complex Project ("Project") in the vicinity of 17908 SE Addie Street in the Jennings Lodge area of Clackamas County, more particularly depicted in Exhibit B; and

WHEREAS, OLWSD has acquired the land and is leading planning, design and development permits for the Project that will include sewer lines replacement, an educational area, a boardwalk, natural area restoration, a parking lot, wetlands, and a potential nature play area; and

WHEREAS, OLWSD has been awarded and is managing a Metro Nature in Neighborhoods grant for the Project; and

WHEREAS, NCPRD has been participating as a Project partner and as a member of the Boardman Wetland Complex Project Stakeholder Group led by OLWSD; and

WHEREAS, NCPRD intends to submit an Oregon Parks and Recreation Department ("OPRD") Local Government Grant application for funds to add the development of an interactive nature play element to the Project on the same site; and

WHEREAS, OLWSD intends to sell Boardman A and Boardman B to NCPRD;

WHEREAS, if NCPRD is not awarded the OPRD grant and NCPRD does not have an alternate funding source to construct the nature play area portion of the project, NCPRD will notify OLWS of such circumstances and Boardman A, will be conveyed back to OLWSD; and

WHEREAS, the Parties contemplate the sale of Boardman A and Boardman B from OLWS to NCPRD plus cash considerations as a complete statement of the contemplated transaction.

NOW THEREFORE, the Parties agree as follows:

TERMS

1. Project Management

a) Obligations of OLWSD

- i) OLWSD agrees to sell and to convey the Boardman Wetland Site to NCPRD.
- ii) OLWSD agrees to lead the implementation of the Project including the nature play area if the OPRD Local Government Grant is awarded to NCPRD.
- iii) If the OPRD grant for the nature play area is not awarded to NCPRD, OLWSD will give NCPRD 90 days to identify an alternate funding source to construct the nature play area, or for additional time as agreed by the parties in writing, and if NCPRD is unable to do so, NCPRD will convey Boardman A back to OLWSD. The remaining Boardman B property will be retained by NCPRD for public access and recreational purposes.
- iv) OLWSD will work with NCPRD to set up an intergovernmental agreement ("IGA") to formalize the contractual agreement of OLWSD leading the Project on NCPRD land. OLWSD will continue to be responsible for all man-made storm and sewer conveyance systems located on the Boardman Wetland Site.
- v) OLWS agrees to continue to manage the Project through construction and the construction warranty period.

b) Obligations of NCPRD

- i) NCPRD agrees to purchase and to receive the Boardman Wetland Site from OLWSD.
- ii) NCPRD agrees to submit a Local Government Grant proposal for the Project to OPRD. If OPRD awards the grant to NCPRD, NCPRD agrees to manage the grant and meet reporting and other requirements necessary to receive the grant. If OPRD does not award the grant to NCPRD, NCPRD will provide immediate notice to OLWSD and NCPRD will make a good faith effort to determine other revenue sources to fund its purchase of Boardman A site and fund the design and construction costs. If NCPRD cannot determine other revenue sources within 90 days, or for additional time as agreed by the parties in writing, of learning that the OPRD grant application was denied to fund the nature play portion of the Project, NCPRD will notify OLWSD of such circumstances and will convey Boardman A back to OLWSD.
- iii) NCPRD agrees to purchase Boardman A and Boardman B for the purpose of parks and recreation public access.
- iv) NCPRD will grant an easement to OLWSD for the entire length and maintenance access to sewer mains owned by OLWSD, running through Boardman B in a generally northwesterly to southeasterly direction in a width of thirty (30) feet approximately centered on the sewer line. The

- exact language for the grant of the easement will be completed prior to closing.
- v) NCPRD will work with OLWSD to draft and to execute the IGA required pursuant to 1(a) (iv) above. The IGA shall include provisions whereby NCPRD will reimburse OLWSD for certain investments OLWSD has already made in Boardman A and Boardman B, and a final, executed IGA shall be a condition precedent for Closing of the transaction contemplated herein.
 - vi) NCPRD shall begin management of the site including maintaining, securing and operation of the Property after that 1-year warranty period has ended.
2. **Purchase and Sale.** OLWS agrees to sell and convey Boardman A and Boardman B to NCPRD upon the terms and conditions set forth in this Agreement, including the Recitals, which are incorporated herein by this reference.
 3. **Purchase Price.** The Purchase Price to be paid by NCPRD for Boardman A and Boardman B shall be ONE 00/100 DOLLAR (\$1.00) (the "Purchase Price").
 4. **Payment of Purchase Price.** The Purchase Price shall be payable as follows:
 - a) **Deposit.** The Parties acknowledge the existing deposit into escrow by NCPRD of the sum of ONE and 00/100 DOLLARS (\$1.00) (the "Escrow Deposit") to First American Title Company ("Escrow Holder" or "Title Company"). At Closing, the Escrow Deposit, together with interest on it, if any, shall be credited toward payment of the Purchase Price.
 - b) **Cash Balance.** On or before the closing date, NCPRD shall deposit into escrow cash via a wire transfer of funds, a certified check, or a cashier's check for the balance of the cash portion of the Purchase Price, if any.
 - c) **Real Property.** On or before the closing date, OLWSD shall deposit into escrow deeds to convey Boardman A and Boardman B to NCPRD.
 5. **Closing Date.** This transaction shall close no later than August 31, 2018, or as soon thereafter as the parties agree in writing (the "Closing Date" or "Closing").

6. **Conditions Precedent to Closing.**

- a) **Conditions Precedent to NCPRD's Obligations.** In addition to any other conditions contained in this Agreement, including the Parties' execution of an IGA as set forth in Section 1 of this Agreement, the following conditions precedent must be satisfied before NCPRD will become obligated to acquire Boardman A and Boardman B under this Agreement. These conditions are intended solely for NCPRD's benefit and NCPRD shall have the sole right and discretion to waive or not waive, by written notice, any of the conditions. In the event any such condition precedent is not satisfied or waived on or before Closing, or other date as set forth herein, NCPRD shall have the right to terminate this Agreement and be refunded its Escrow Deposit, including interest, and to exercise any other remedy available. The conditions precedent are:
- i) **North Clackamas Parks and Recreation District Board of Directors Approval.** This Agreement is expressly conditioned upon the formal approval by the NCPRD Board of Directors, in the form of a resolution, of the terms and conditions set forth in this Agreement. If the Board of Directors has not authorized and approved the Agreement by the Closing Date, then the Closing Date shall be automatically extended for a 45-day period so that formal approval may be pursued.
- ii) **Title.** At Closing the OLWSD shall convey fee simple title to Boardman A and Boardman B by statutory warranty deed. Title shall be good and marketable and shall be insurable for the Purchase Price pursuant to an ALTA standard owner's title insurance policy issued at Closing by the Title Company insuring fee simple title vested in NCPRD or its nominees and free and clear of all liens and encumbrances except for the Permitted Exceptions as defined below (the "Title Policy").
- iii) **Title Report.** Within fifteen (15) days following the Effective Date of this Agreement, NCPRD shall order at its own expense a preliminary Title Report covering Boardman A and Boardman B, together with legible copies of all plats and exceptions to title referenced in the Title Report. Within forty-five (45) days of receiving the Title Report and the exceptions documents, or within sixty (60) days of the Effective Date, whichever is later, NCPRD shall reasonably determine and provide written notice to OLWSD of any special exceptions that NCPRD shall require OLWS to remove of record at or before Closing (the "Unacceptable Exceptions"). Exceptions not objected to are referred to as "Permitted Exceptions." NCPRD and OLWSD shall work together to resolve any Unacceptable Exceptions. To the extent the parties are unable to resolve such issues within thirty (30) days of such written notice, OLWSD shall thereafter have fifteen (15) days to use its best efforts to remove such exceptions at OLWSD's sole cost or inform NCPRD in writing that it is unable to remove any such exception. All new exceptions appearing on subsequent title reports shall be considered

Unacceptable Exceptions, unless accepted in writing by NCPRD. If for any reason OLWSD cannot remove any of the Unacceptable Exceptions before Closing, then NCPRD may elect to either:

- A. accept title to Boardman A and Boardman B subject to such exceptions;
 - B. waive its objection in writing to OLWS and elect to have any monetary lien or encumbrance removed at Closing to the extent that it can be satisfied and removed by application of all or a portion of the Purchase Price payable to OLWS at Closing;
 - C. refuse to accept Boardman A and Boardman B and terminate this Agreement, in which case the Escrow Deposit and accrued interest shall be refunded to NCPRD; or
 - D. extend the Closing Date for a 45-day period so that OLWSD may have additional time to remove the unwanted exceptions, and, if at the end of the 45-day period, the exceptions have not been removed, NCPRD may elect either (iii)(a), (b), or (c) above.
- iv) Environmental Review. Before Closing, NCPRD may, at its expense, engage consultants, surveyors or engineers of NCPRD's choosing to conduct environmental studies, soil analyses, surveys, and appraisals of Boardman A and Boardman B as NCPRD in its sole discretion deems necessary. Within ten (10) days after the Effective Date, OLWSD shall deliver to NCPRD a copy of all environmental studies or analyses relating to Boardman A and/or Boardman B within its possession or control. NCPRD or its agents shall have the right to enter Boardman A and/or Boardman B at reasonable times before Closing to make such tests, inspections, soil analyses, studies, surveys, appraisals and other investigations as NCPRD may require, at NCPRD's sole discretion. OLWSD shall cooperate with NCPRD in making such tests and studies. Any area disturbed by such tests and studies shall be restored by NCPRD, at NCPRD's expense, to its pre-inspection condition. It shall be a condition to Closing that the results of such environmental studies, surveys or analyses be acceptable to NCPRD in its sole discretion. If NCPRD notifies OLWSD prior to the Closing Date that NCPRD cannot accept Boardman A and Boardman B due to the results of its investigation under this section, the Closing Date shall be automatically extended for a 45-day period so that OLWS and NCPRD may address the results of the investigation. If, at the end of the 45-day period, NCPRD and OLWSD have not reached an agreement regarding the items disclosed in the investigation, then NCPRD may, at its option and upon written notice to OLWS, terminate this Agreement of Purchase and Sale, in which case the Escrow Deposit and accrued interest shall be refunded to NCPRD.

- v) **Boundaries/Access; Delivery of Surveys and Reports.** It is a condition to Closing that: (1) there are no discrepancies in the boundaries of the Property; (2) there are no encroachments or prescriptive or adverse rights on or affecting Boardman A or Boardman B or any portion thereof; and (3) Boardman A or Boardman B has insurable vehicular access. If NCPRD notifies OLWS prior to the Closing Date that any of the requirements are not satisfied, the Closing Date shall be automatically extended for a 45-day period so that OLWSD and NCPRD may address the issue(s). If at the end of the 45-day period, NCPRD and OLWS have not reached an agreement regarding the items disclosed in the investigation, then NCPRD may, at its option and upon written notice to OLWSD, terminate this Agreement, in which case the Escrow Deposit and accrued interest shall be refunded to NCPRD. Within ten (10) days after execution of this Agreement, OLWS shall deliver to NCPRD a copy of all surveys made of Boardman A and Boardman B in the possession of OLWSD, as well as any environmental or other reports, test data or studies relating specifically to Boardman A and Boardman B and in OLWSD's possession or control. If OLWSD knows of any such surveys, studies or reports that are not in OLWS's possession, OLWS shall notify NCPRD of the existence of such reports.
- vi) **Representations, Warranties, and Covenants of OLWS.** OLWSD shall have duly performed every act to be performed by OLWS hereunder and OLWS's representations, warranties, and covenants set forth in this Agreement shall be true and correct as of the Closing Date.
- vii) **No Material Changes.** At the Closing Date, there shall have been no material adverse changes related to or connected with the Property.
- viii) **OLWSD's Deliveries.** OLWSD shall have timely delivered each item to be delivered by the OLWSD pursuant to this Agreement.
- ix) **Title Insurance.** As of the close of the escrow, the Escrow Holder shall have issued or committed to issue the Title Policy to NCPRD.
- x) **Taxes.** OLWSD agrees that all taxes, assessments and encumbrances that will be a lien against Boardman A and Boardman B at Closing, whether or not those charges would constitute a lien against the Property at settlement, shall be satisfied of record by OLWSD. If OLWS shall fail to do so, NCPRD may pay any such tax, assessment, encumbrance or other charge and deduct an amount equal to any such payment from the Purchase Price of Boardman A and Boardman B. Regular real property taxes payable during the year in which Closing occurs and any rents or income applicable to Boardman A and Boardman B shall be prorated as of Closing.

- b) **Conditions Precedent to OLWSD's Obligations.** The close of escrow and OLWS' obligations with respect to the transactions contemplated by this Agreement are subject to NCPRD's delivery of the Purchase Price and the documents and materials described in Paragraph 7(b) to the Escrow Holder on or before the Closing Date, for disbursement as provided herein.
- c) **Failure of Conditions to Closing.** In the event any of the conditions set forth in Section 6(a) or (b) are not timely satisfied or waived, for a reason other than the default of NCPRD or OLWSD under this Agreement:
 - i) This Agreement, the escrow, and the rights and obligations of NCPRD and OLWSD shall terminate, except as otherwise provided herein; and
 - ii) The Escrow Holder is hereby instructed to promptly return to OLWSD and NCPRD all funds and documents deposited by them, respectively, in escrow that are held by the Escrow Holder on the date of the termination.
- d) **Cancellation Fees and Expenses.** In the event the escrow terminates because of the nonsatisfaction of any condition for a reason other than the default of OLWSD under this Agreement, the cancellation charges required to be paid by and to the Escrow Holder shall be borne by NCPRD. In the event this escrow terminates because of the OLWSD's default, the cancellation charges required to be paid by and to the Escrow Holder shall be borne by OLWSD.

7. Deliveries to Escrow Holder.

- a) **By OLWSD.** On or before the Closing Date, OLWSD shall deliver the following in escrow to the Escrow Holder:
 - i) **Deed.** A statutory warranty deed duly executed and acknowledged in recordable form by OLWSD, conveying the Property to NCPRD subject only to the special exceptions acceptable to NCPRD as established under Section 6 of this Agreement, and any other matters that may be approved in writing by NCPRD prior to Closing.
 - ii) **Nonforeign Certification.** OLWSD represents and warrants that it is not a "foreign person" as defined in IRC §1445. OLWS will give an affidavit to NCPRD to this effect in the form required by that statute and related regulations.
 - iii) **Proof of Authority.** Such proof of OLWSD's authority and authorization to enter into this Agreement and consummate the transaction contemplated by it, and such proof of the power and authority of the persons executing and/or delivering any instruments, documents, or certificates on behalf of OLWSD to act for and bind OLWSD, as may be reasonably required by the Escrow Holder and/or NCPRD.

- iv) Lien Affidavits. Any lien affidavits or mechanic's lien indemnifications as may be reasonably requested by the Escrow Holder in order to issue the Title Policy.
 - v) Other Documents. Such other fully executed documents and funds, including without limitation, escrow instructions, as are required of OLWS to close the sale in accordance with this Agreement or as may be required by Escrow Holder.
- b) By NCPRD. On or before the Closing Date, NCPRD shall deliver the following in escrow to the Escrow Holder.
- i) Purchase Price. The Purchase Price in accordance with Section 2 above.
 - ii) Easement. NCPRD will provide for recording a document to grant an easement upon Boardman B, in a form acceptable to OLWS, for the maintenance of their sewer line located in the ground beneath Boardman B.
 - iii) Proof of Authority. Such proof of NCPRD's authority and authorization to enter into this Agreement and consummate the transaction contemplated by it, and such proof of the power and authority of the persons executing and/or delivering any instruments, documents, or certificates on behalf of NCPRD to act for and bind NCPRD, as may be reasonably required by the Escrow Holder and/or OLWSD.
8. **Deliveries to NCPRD at Closing**. Except as otherwise provided herein, OLWSD shall deliver exclusive possession of Boardman A and Boardman B to NCPRD at close of escrow.
9. **Title Insurance**. At Closing, OLWSD shall provide, at its expense, the Title Policies for Boardman A and Boardman B.
10. **Costs**. NCPRD shall pay the cost of recording the statutory warranty deed and the memorandum of purchase and sale, and all other recording charges, if any. OLWSD shall pay the premium for the Title Policy that OLWSD is obligated to provide to NCPRD, and for all conveyance, excise, and/or transfer taxes payable by reason of the purchase and sale of the Property. NCPRD shall pay all escrow fees and costs. NCPRD and the OLWSD shall each pay its own legal and professional fees of other consultants incurred by NCPRD and the OLWSD, respectively. All other costs and expenses shall be allocated between NCPRD and the OLWSD in accordance with the customary practice in Clackamas County, Oregon.

11. **OLWS's Representations and Warranties.** OLWSD hereby warrants and represents to NCPRD the following matters, and acknowledges that they are material inducements to NCPRD to enter into this Agreement. OLWSD agrees to indemnify, defend, and hold NCPRD harmless from all expense, loss, liability, damages and claims, including attorney's fees and costs, arising out of the breach or falsity of any of OLWSD's representations, warranties, and covenants. These representations, warranties, and covenants shall survive Closing. OLWSD warrants and represents to NCPRD that the following matters are true and correct, and shall remain true and correct through and as of Closing:

- a) **Authority.** OLWSD has full power and authority to enter into this Agreement (and the persons signing this Agreement for OLWSD, if OLWSD is not an individual, have full power and authority to sign for OLWSD and to bind it to this Agreement) and to sell, transfer and convey all right, title, and interest in and to Boardman A and Boardman B in accordance with this Agreement. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority, or other party is required.
- b) **Legal Access.** To the best of OLWSD's knowledge, Boardman A and Boardman B has insurable vehicular access to a public road.
- c) **Hazardous Substances.** For purposes of this Agreement, the phrase "Hazardous Substances" shall include but not be limited to the substances defined in ORS 465.200. OLWSD warrants, represents, and covenants as follows:
 - i) To the knowledge of OLWSD, there are no Hazardous Substances in, upon, or buried on or beneath Boardman A and Boardman B and no Hazardous Substances have been emitted or released from the Property in violation of any environmental laws of the federal or state government;
 - ii) To the knowledge of OLWSD, no Hazardous Substances have been brought onto, stored on, buried, used on, emitted or released from, or allowed to be brought onto, stored on, buried, used on, emitted, released from, or produced or disposed of, from or on Boardman A and Boardman B, in violation of any environmental laws of the federal or state government;
 - iii) To the knowledge of OLWSD, no previously undisclosed underground storage tanks are located on Boardman A and Boardman B, including (without limitation) any storage tanks that contain, or previously contained, any Hazardous Substances, and OLWSD agrees not to cause or permit any such tanks to be installed in the Property before Closing;
 - iv) To the knowledge of OLWSD, the Property is materially in compliance with applicable state and federal environmental standards and requirements affecting it;

- v) The OLWSD has not received any notices of violation or advisory action by regulatory agencies regarding environmental control matters or permit compliance with respect to Boardman A and Boardman B;
 - vi) The OLWSD has not transferred Hazardous Substances from Boardman A and Boardman B to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements. To the best of the OLWSD's knowledge, no other person has transferred Hazardous Substances from Boardman A and Boardman B to another location that is not in compliance with applicable environmental laws, regulations, or permit requirements; and
 - vii) There are no proceedings, administrative actions, or judicial proceedings pending or, to the best of OLWSD's knowledge, contemplated under any federal, state, or local laws regulating the discharge of hazardous or toxic materials or substances into the environment concerning or relating to Boardman A and Boardman B.
- d) Contracts, Leases, Rights Affecting Property. OLWSD has not entered into, and will not enter into, any other contracts for the sale of Boardman A and/or Boardman B, nor do there exist nor will there be any rights of first refusal, options to purchase Boardman A and Boardman B, leases, mortgages, licenses, easements, prescriptive rights, permits, or other rights or agreement, written or oral, express or implied, which in any way affect or encumber Boardman A and Boardman B or any portion thereof. OLWSD has not sold, transferred, conveyed, or entered into any agreement regarding timber rights, mineral rights, water rights, "air rights," or any other development or other rights or restrictions, relating to Boardman A and Boardman B, and to OLWSD's knowledge no such rights encumber Boardman A and Boardman B, and will not through Closing. OLWSD has disclosed to NCPRD and either terminated or assigned to NCPRD any farming leasing contracts or arrangements currently existing with respect to Boardman A and Boardman B.
- e) No Legal Proceedings. There is no suit, action, arbitration, judgment, legal, administrative, or other proceeding, claim, lien, or inquiry pending or threatened against Boardman A and Boardman B, or any portion thereof, or pending or threatened against OLWSD which could affect OLWSD's right or title to Boardman A and Boardman B, or any portion thereof, affect the value of Boardman A and Boardman B or any portion thereof, or subject an owner of Boardman A and Boardman B, or any portion thereof, to liability.
- f) Mechanics and Other Liens. No work on Boardman A and Boardman B has been done or will be done, or materials provided, giving rise to actual or impending mechanic's liens, private liens, or any other liens, against Boardman A and Boardman B or any portion thereof.
- g) Public Improvements or Governmental Notices. To the best of OLWSD' knowledge, there are no intended public improvements which will result in the

creation of any liens upon Boardman A and Boardman B or any portion thereof, nor have any notices or other information been served upon OLWSD from any governmental agency notifying OLWSD of any violations of law, ordinance, rule or regulation which would affect Boardman A and Boardman B or any portion thereof.

- h) **Breach of Agreements.** The execution of this Agreement will not constitute a breach or default under any agreement to which OLWSD is bound or to which Boardman A and Boardman B is subject.
- i) **Possession.** Except as specifically provided for herein, OLWSD will be able to deliver immediate and exclusive possession of the entirety of Boardman A and Boardman B to NCPRD at the close of escrow, and no one other than OLWSD will be in possession of any portion of Boardman A and Boardman B immediately prior to close of escrow.
- j) **Bankruptcy Proceedings.** No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or, to the best of OLWSD' knowledge, threatened against OLWSD, nor are any such proceedings contemplated by OLWSD.
- k) **Recitals.** The statements and information set forth in the Recitals are true and correct.
- l) **Changed Conditions.** If OLWSD discovers any information or facts that would materially change the foregoing warranties and representations or the transactions contemplated by this Agreement, OLWSD shall immediately give written notice to NCPRD of those facts and information. If any of the foregoing warranties and representations cease to be true before the close of escrow, OLWSD shall be obligated to use its best efforts to remedy the problem, at its sole expense, before the close of escrow. If the problem is not remedied before close of escrow, NCPRD may elect to either: (a) terminate this Agreement in which case NCPRD shall have no obligation to purchase Boardman A and Boardman B and all escrow payments shall be refunded to NCPRD, or (b) defer the Closing Date for a period not to exceed ninety (90) days or until such problem has been remedied, whichever occurs first. If the problem is not remedied within that timeframe, NCPRD may elect to terminate this Agreement and receive a refund of the Escrow Deposit and accrued interest. NCPRD's election in this regard shall not constitute a waiver of NCPRD's rights in regard to any loss or liability suffered as a result of a representation or warranty not being true, nor shall it constitute a waiver of any other remedies provided in this Agreement or by law or equity.

12. **OLWSD' Representations, Warranties and Covenants Regarding Boardman A and Boardman B Through the Close of Escrow.** OLWSD further represents, warrants, and covenants that, until this transaction is completed or escrow is terminated, whichever occurs first, it shall:

- a) Maintain Boardman A and Boardman B in its present state, and proceed with the Project in accordance with approved design set, attached in Exhibit A;
 - b) Keep all existing insurance policies affecting Boardman A and Boardman B in full force and effect;
 - c) Make all regular payments of interest and principal on any existing financing;
 - d) Comply with all government regulations; and
 - e) Keep NCPRD timely advised of any repair or improvement required to keep Boardman A and Boardman B in substantially the same condition as when inspected by NCPRD.
13. **NCPRD's Representations and Warranties.** In addition to any express agreements of NCPRD contained here, the following constitute representations and warranties of NCPRD to the OLWSD:
- a) Subject to the NCPRD Board of Director's approval and the conditions stated herein, NCPRD has the legal power, right, and authority to enter into this Agreement and the instruments referred to herein and to consummate the transactions contemplated here;
 - b) Subject to the NCPRD Board of Director's approval and the conditions stated herein, all requisite action has been taken by NCPRD in connection with entering into this Agreement and the instruments referred to herein and the consummation of the transactions contemplated here; and
 - c) Subject to the NCPRD Board of Director's approval and the conditions stated herein, the persons executing this Agreement and the instruments referred to herein on behalf of NCPRD have the legal power, right, and actual authority to bind NCPRD to the terms and conditions of this Agreement.
 - d) NCPRD hereby warrants and represents to OLWSD the following matters, and acknowledges that they are material inducements to NCPRD to enter into this Agreement. Subject to the limits of the Oregon Tort Claim Act and the Oregon Constitution, NCPRD agrees to indemnify, defend, and hold OLWSD harmless from all expense, loss, liability, damages and claims, arising out of the breach or falsity of any of NCPRD's representations, warranties, and covenants. These representations, warranties, and covenants shall survive Closing. NCPRD warrants and represents to OLWSD that the following matters are true and correct, and shall remain true and correct through and as of Closing:
 - e) **Bankruptcy Proceedings.** No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization, or other proceedings are pending or, to the best of NCPRD's knowledge, threatened against NCPRD, nor are any such proceedings contemplated by NCPRD.

- f) **Recitals.** The statements and information set forth in the Recitals are true and correct.
- g) **Changed Conditions.** If NCPRD discovers any information or facts that would materially change the foregoing warranties and representations or the transactions contemplated by this Agreement, NCPRD shall immediately give written notice to OLWSD of those facts and information. If any of the foregoing warranties and representations cease to be true before the close of escrow, NCPRD shall be obligated to use its best efforts to remedy the problem, at its sole expense, before the close of escrow. If the problem is not remedied before close of escrow, OLWSD may elect to either: (a) terminate this Agreement in which case OLWSD shall have no obligation to sell Boardman A or Boardman B and all escrow payments shall be refunded, or (b) defer the Closing Date for a period not to exceed ninety (90) days or until such problem has been remedied, whichever occurs first. If the problem is not remedied within that timeframe, OLWSD may elect to terminate this Agreement. OLWSD's election in this regard shall not constitute a waiver of OLWSD's rights in regard to any loss or liability suffered as a result of a representation or warranty not being true, nor shall it constitute a waiver of any other remedies provided in this Agreement or by law or equity.

- 14. **OLWSD's Promise to Remove Personal Property and Debris.** Subject to any later executed Intergovernmental Agreement between the parties prior to vacating the Property pursuant to Section 8 hereof, OLWSD covenants and promises to remove or cause to be removed from the Property, at OLWSD's expense, any and all personal property and/or trash, rubbish, debris, or any other unsightly or offensive materials unless otherwise previously agreed to in writing by NCPRD. Satisfaction of the promises contained herein shall be subject to NCPRD's inspection and approval of the physical condition of the Property by NCPRD prior to vacating Boardman A and Boardman B.
- 15. **Risk of Loss, Condemnation.** OLWSD shall bear the risk of all loss or damage to Boardman A and Boardman B from all causes, through the Closing Date. If, before the Closing Date all or part of Boardman A and Boardman B is damaged by fire or by any other cause of any nature or if all or any portion of Boardman A and Boardman B is taken by condemnation, or if any such condemnation is threatened, OLWSD shall give NCPRD written notice of such event. NCPRD may terminate this Agreement by giving written notice to OLWSD within fifteen (15) days following receipt by NCPRD of written notice from OLWSD of such casualty or condemnation and Escrow Holder will return to NCPRD the Escrow Deposit and accrued interest.
- 16. **Notices.** All notices required or permitted to be given shall be in writing and shall be deemed given and received upon personal service or deposit in the United States mail, certified or registered mail, postage prepaid, return receipt requested, addressed as follows:

To OLWSD: Oak Lodge Water Services District
Attn: Sarah Jo Chaplen, General Manager
14496 SE River Road
Oak Grove, OR 97267
sarahjo@olwsd.org
Phone: (503) 353-4200

With a copy to:

Tommy A. Brooks
Cable Huston
1001 SW 5th Ave. #2000
Portland, OR 97204
tbrooks@cablehuston.com
Phone: (503) 224-3092

To NCPRD: North Clackamas Parks and Recreation District
Attn: Scott Archer, Director
150 Beaver Creek Rd.
Oregon City, OR 97045
sarcher@ncprd.com
Phone: (503) 742-4421

With a copy to:

Jeffrey D. Munns
Assistant County Counsel
2051 Kaen Rd.
Oregon City, Oregon 97045
jmunns@clackamas.us
Phone No. (503) 742-5984

The foregoing addresses may be changed by written notice, given in the same manner. Notice given in any manner other than the manner set forth above shall be effective when received by the party for whom it is intended. Telephone and email addresses are for information only.

17. **No Broker or Commission.** Each party represents and warrants to the other that it has not used or engaged a real estate broker in connection with this Agreement or the transaction contemplated by this Agreement. In the event any person asserts a claim for a broker's commission or finder's fee against one of the parties to this Agreement, then OLWSD shall indemnify, hold harmless, and defend NCPRD from and against any such claim if based on any action, agreement, or representations made by OLWSD; and NCPRD shall indemnify, hold harmless, and defend OLWSD from and against any such claim if based on any action, agreement, or representations made by NCPRD.

18. **Further Actions of NCPRD and OLWSD.** NCPRD and OLWSD agree to execute all such instruments and documents and to take all actions pursuant to the provisions of this Agreement in order to consummate the purchase and sale contemplated hereby and shall use their best efforts to accomplish the close of the transaction in accordance with the provisions of this Agreement.

19. **Legal and Equitable Enforcement of This Agreement.**

a) **Default by OLWSD.** In the event the close of escrow and the consummation of the transaction herein contemplated do not occur by reason of any default by OLWSD, NCPRD shall be entitled to all its out-of-pocket expenses incurred in connection with the transaction, including the Escrow Deposit and all accrued interest, and shall have the right to pursue any other remedy available to it at law or equity, including the specific performance of this Agreement.

b) **Default by NCPRD.** In the event the close of escrow and the consummation of the transaction herein contemplated does not occur by reason of any default by NCPRD, NCPRD and OLWSD agree that it would be impractical and extremely difficult to estimate the damages that OLWSD may suffer. Therefore, NCPRD and OLWSD agree that a reasonable estimate of the total net detriment that OLWSD would suffer in the event that NCPRD defaults and fails to complete the purchase of Boardman A and Boardman B is and shall be, and the OLWSD' sole and exclusive remedy (whether at law or in equity) is and shall be, an amount equal to the Escrow Deposit plus any accrued interest. This amount shall be the full, agreed, and liquidated damages for the breach of this Agreement by NCPRD, and all other claims to damage or other remedies are and shall be expressly waived by OLWSD. The payment of this amount as liquidated damages is not intended as a forfeiture or penalty, but is intended to constitute liquidated damages to OLWSD. Upon default by NCPRD, this Agreement shall be terminated and neither party shall have any further rights or obligations under it, each to the other, except for the right of OLWSD to collect such liquidated damages from NCPRD and the Escrow Holder.

20. **Miscellaneous.**

a) **Partial Invalidity.** If any term or provision of this Agreement or the application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

b) **Waivers.** No waiver of any breach of any covenant or provision contained herein shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time

for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

- c) **Survival of Representations.** The covenants, agreements, representations, and warranties made herein shall survive the close of escrow and shall not merge into the deed and the recordation of it in the official records.
- d) **Successors and Assigns.** This Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the parties to it. NCPRD may assign its interest in this Agreement to a park-providing or other recreational-providing entity, without the consent of OLWSD. In the event that an assignee assumes the obligations of NCPRD hereunder, then NCPRD shall have no further liability with respect to this Agreement.
- e) **Entire Agreement.** This Agreement (including any exhibits attached to it) is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter of the Agreement and supersedes all prior understandings with respect to it. This Agreement may not be modified or terminated, nor may any obligations under it be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein.
- f) **Time of Essence.** OLWSD and NCPRD hereby acknowledge and agree that time is strictly of the essence with respect to every term, condition, obligation, and provision of this Agreement.

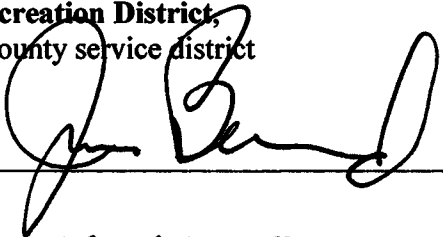
21. **Governing Law.** The parties acknowledge that this Agreement has been negotiated and entered into in the state of Oregon. The parties expressly agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.

22. **Recording of Memorandum.** On the Effective Date the parties will execute a Memorandum of this Agreement, which NCPRD may cause to be recorded against the Property.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES, THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last date of signature specified below.

North Clackamas Parks and Recreation District,
a county service district



Date: 3-29-18 IV.2

Oak Lodge Water Services District
an Oregon municipal entity



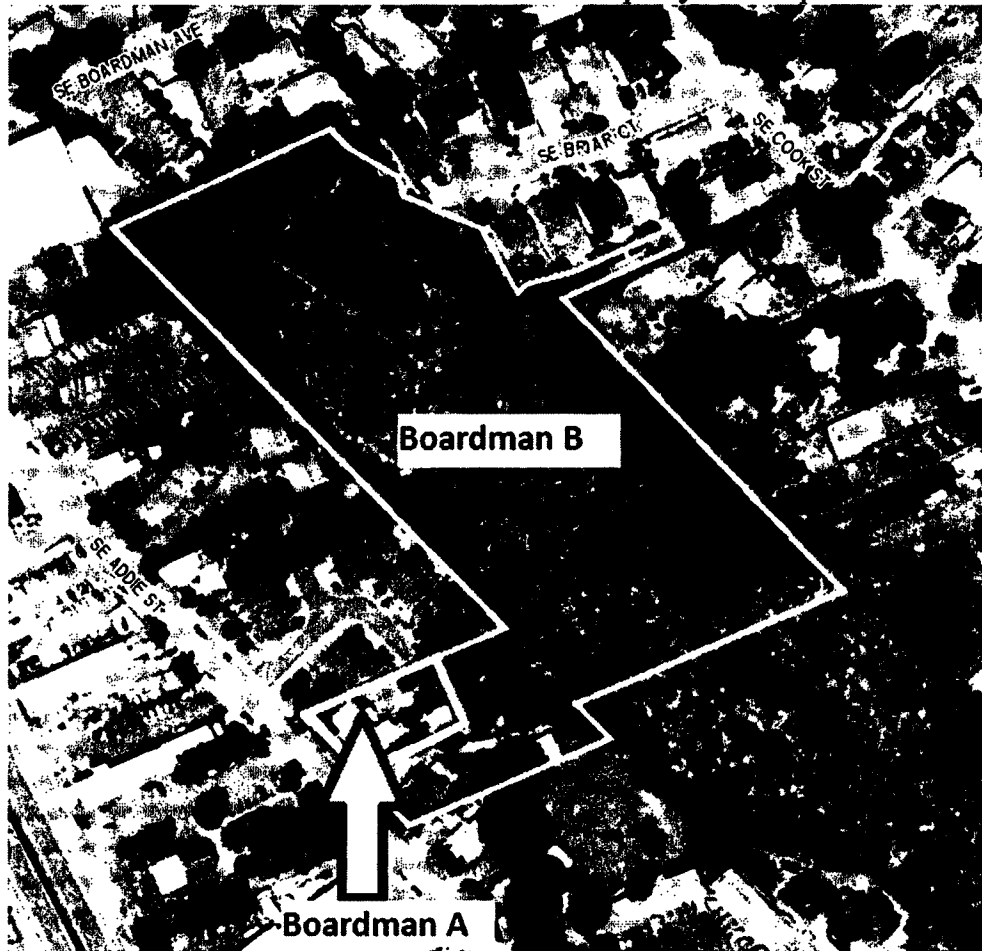
Date: 3/28/2018

Attachments:

Exhibit A – Boardman A and Boardman B Property Descriptions Designs
Exhibit B - Boardman Project 90%

Exhibit A

Boardman A and Boardman B Property Description



Property Details – Boardman A

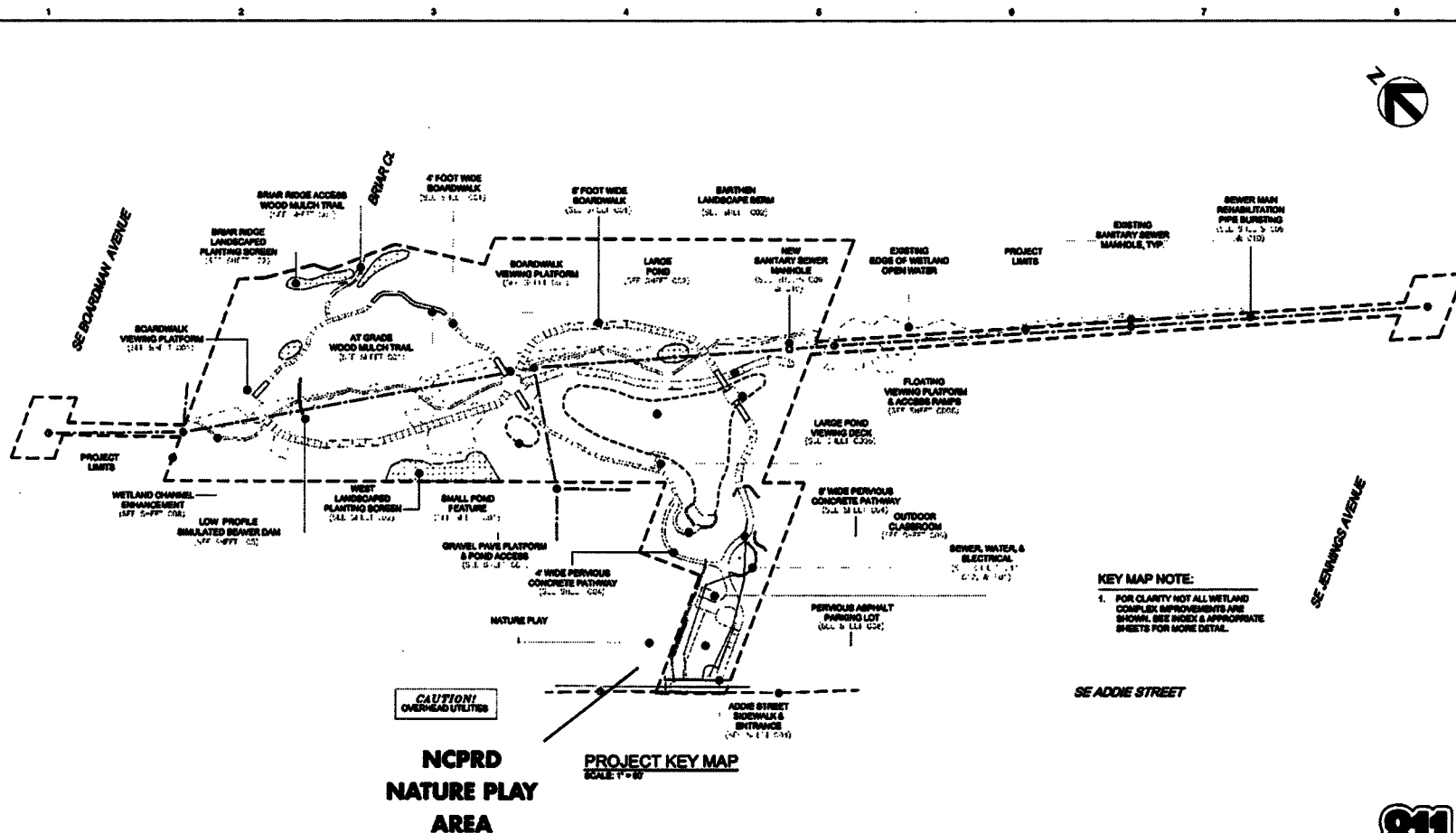
Location: 17900 SE Addie ST
Site Size: 0.25 acres
NCPRD: Inside NCPRD District – SDC Zone 2
Current Owner: Oak Lodge Water Services District
Taxlots: ½ Taxlot 22E18CA04200

Property Details – Boardman B

Location: 17900 & 17908 SE Addie ST
Site Size: 5.55 acres
NCPRD: Inside NCPRD District – SDC Zone 2
Current Owner: Oak Lodge Water Services District
Taxlots: ½ Taxlot 22E18CA04200, 22E18CA04300, 22E18CA04101, 22E18CA02716

Exhibit B

Boardman Project 90% Designs



KEY MAP NOTE:
1. FOR CLARITY NOT ALL WETLAND COMPLEX IMPROVEMENTS ARE SHOWN. SEE INDEX & APPROPRIATE SHEETS FOR MORE DETAIL.

**NCPRD
NATURE PLAY
AREA**



NO.	DATE	DESCRIPTION

PROJECT ENGINEER	AMY DORRANS
DESIGNED BY	P. WOODMAN
CHECKED BY	G. LANE
PROJECT NUMBER	1500000

**90%
Not For Construction**



Boardman Wetland Complex

PROJECT KEY MAP

0 10 20 30 40 50 FEET
SCALE AS SHOWN

SHEET
G02

RECORDING REQUEST

X	New Agreement/Contract
	Amendment / Change Order
	Policy, Reports
	Other -

ORIGINATING
COUNTY
DEPARTMENT:

Water Environment Services

PURCHASING FOR:

Service District No. 1

OTHER PARTY TO
CONTRACT/AGREEMENT:

Oak Lodge Water Services District

BOARD AGENDA DATE:
AGENDA ITEM #:
(if applicable)

7/27/17
V. 3.

PURPOSE:

Intergovernmental Agreement Relating to Provision
of Sanitary Sewer and Surface Water Management
Services

DATE OF EXECUTION:

7/27/17

Clackamas County Official Records
Sherry Hall, County Clerk
Commissioners' Journals
Agreements & Contracts

2017-1443

09/12/2017 3:15:14 PM

Pages:

7

Please return recorded document to:
Kim Wollenburg (x. 4605), Water Environment Services
Development Services Building

THANK YOU!!!

INTERGOVERNMENTAL AGREEMENT

**RELATING TO PROVISION OF SANITARY SEWER AND
SURFACE WATER MANAGEMENT SERVICES**

This Intergovernmental Agreement (“Agreement”) is hereby entered into by and between Clackamas County Service District No. 1 (CCSD), a County Service District formed under ORS Chapter 451, and Oak Lodge Water Services District (OLWSD), successor in interest to Oak Lodge Sanitary District (OLSD), a sanitary district formed under ORS Chapter 450 [collectively, “the Parties”].

RECITALS

A. The Parties have the authority to enter this Agreement pursuant to their respective Principal Acts, ORS 195.060 to 195.085 and ORS 190.003 through 190.030;

B. The Parties desire to enter into an agreement with regard to the provision of sanitary sewer service and surface water management services (“services”) in their respective service territories as of the date of this Agreement as part of formation of Oak Lodge Water Services District, a consolidated entity of OLSD and the Oak Lodge Water District, and Water Environment Services, a consolidated entity of CCSD and the Tri-City Service District. The Parties agree that setting forth the intention of the Parties with regard to the provision of service is in the best interest of the citizens and customers served by the respective entities;

C. The Parties have a common interest in coordinating the planning, permitting, construction, operation and maintenance of necessary infrastructure within their respective service territories. The Parties further recognize the need to establish coordinated service to prevent overlapping jurisdictional boundaries and to assign service areas where the boundary of Oak Lodge Water Services District may span across the Parties.

D. CCSD and the Tri-City Service District (TCSD) entered into a 190 partnership agreement to form Water Environment Services (WES), with the intent of those parties for WES to ultimately become the regional sanitary sewer and surface water service provider in those areas;

E. CCSD and OLWSD have sufficient resources and facilities, either currently in place or that may be constructed, to provide urban level of service within their current boundaries, consistent with the County’s Comprehensive Plan and land use regulations;

F. The Parties desire to enter into this Agreement to establish an urban services agreement under ORS 195.060 to 195.085 for the provision of services between them and as an obligation assumed by Oak Lodge Water Services District as provided by ORS 198.890 and assumed by WES as provided for by ORS 190.080;

G. The Parties have considered the factors of ORS 195.070 and are satisfied that those requirements are met by this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. **SERVICES PROVIDED.** Except as otherwise noted, during the term of this Agreement, the Parties intend and agree that CCSD and OLWSD shall be the exclusive providers of sanitary sewer and surface water management services within the boundaries as set forth on Exhibit A, attached hereto and incorporated by reference. The Parties further intend that all services will be provided to properties within their boundaries subject to the respective Rules and Regulations for Service adopted by either CCSD or OLWSD; moreover, such rules may be amended from time to time by the respective governing Boards. Furthermore, the Parties agree that each party shall be wholly responsible for the construction, operation, repair and maintenance of all related infrastructure and facilities within their ownership or control, including any labor and materials, which are required to provide service under this Agreement.

2. **OAK LODGE WATER SERVICES DISTRICT.** The consolidation to create Oak Lodge Water Services District includes the combined boundaries of Oak Lodge Water District and OLSD. A portion of the Oak Lodge Water District is providing services as defined in this Agreement by CCSD. In as much as the Oak Lodge Water Services boundary crosses into portions of CCSD's or OLSD's service area set forth on Exhibit A, all sanitary sewer and surface water services located within the boundaries of CCSD shall be provided by CCSD, unless otherwise agreed to in writing. However, in no instance will the creation of Oak Lodge Water Services District force withdrawal of existing service to any property by CCSD unless mutually agreed in writing by all Parties. Moreover, in no instance, shall one of the providers under this Agreement serve any customers within the boundaries of the other provider, unless agreed to in writing. Notwithstanding anything to the contrary, nothing in this Agreement shall impair or alter any existing agreements the parties may have related to provision of services.

3. **WATER ENVIRONMENT SERVICES.** On November 3, 2016, CCSD and TCSD entered into a 190 partnership agreement to form WES, who will ultimately become the regional provider of sanitary sewer and surface water services within the boundaries of CCSD and TCSD collectively, including managing the assets and operations of all facilities for the service districts. The transition of these assets and responsibilities will occur gradually over an 18 month period, with a full implementation date of July 1, 2018.

4. **FINANCIAL IMPACT.** The execution of this Agreement shall not require any financial remuneration among the Parties, and CCSD and OLWSD may assess and collect all legally permissible fees and charges for services provided to any existing or future property within their boundaries.

5. **COORDINATION.** The Parties hereby establish a cooperative, coordinated approach to infrastructure planning, land use permitting, building permitting, development review, and capital planning, especially as those activities relate to existing and future service or associated utility development. CCSD and OLWSD are responsible for the ongoing operation, development and amendment of any needed facilities to ensure continued service within their boundaries. CCSD and OLWSD will consult with each other and provide opportunity for review and comment on any plans or amendments to such facilities that would affect services provided.

The Parties further agree to share data and information relevant to such planning, including but not limited to economic growth; demographics, housing and building details, land use and zoning; planned annexations, building activity and planned transportation improvements; major capital improvements,

opportunities for joint development of sites; and other information that may be relevant to conduct or complete the necessary planning by all Parties.

6. **APPROVAL; AMENDMENT.** This Agreement, and any amendments thereto, must be approved by Resolution of the governing body of each Party, and signed by an authorized representative of each Party. This Agreement shall be reviewed by the Parties within 30 days of each anniversary hereof to determine any need for modification.

7. **TERM OF AGREEMENT.** This Agreement shall continue in full force and effect indefinitely, unless terminated under mutual agreement in writing by all Parties or superseded by an Urban Services Agreement as set forth in paragraph 9 of this Agreement.

8. **DISPUTE RESOLUTION.** The Parties hereby agree that resolution of any and all disputes arising out of the terms of this Agreement or interpretation thereof shall follow a prescribed process beginning with negotiation and subsequently moving to mediation, provided the dispute remains unresolved. Within thirty (30) days following receipt of written notice regarding a dispute, the Disputing Parties shall assign a representative to participate in good faith negotiations for a period not to exceed sixty (60) days.

If after the sixty (60) day period of negotiation (or a period not to exceed ninety (90) days following the original date of receipt of notice regarding the dispute), the dispute(s) cannot be resolved, the Disputing Parties agree to submit the matter to non-binding mediation. The Disputing Parties shall attempt to agree on a mediator in a period not to exceed thirty (30) days (or a period not to exceed one hundred twenty (120) days following the original date of receipt of notice regarding the dispute) and proceed accordingly.

After exhaustion of the preceding processes, the Disputing Parties or any Disputing Party may initiate litigation in the Circuit Court of the State of Oregon for Clackamas County. Moreover, each Disputing Party shall bear its own legal and expert witness fees at all stages of the dispute resolution process, including at trial or on any appeals. In addition, nothing shall prevent the Disputing Parties from waiving any of the steps by mutual consent.

9. **ADDITIONAL PROVISIONS.**

9.1 **Other Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.

9.2 **Severability.** If one or more of the provisions contained in this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall continue in full force and effect.

9.3 **Notices.** Any notice herein required or permitted to be given shall be given in writing, shall be effective when actually received, and may be given by hand delivery or by United States mail, first class postage prepaid, addressed to the parties as follows:

Attn: District Director
Clackamas County Service District No. 1
150 Beaver Creek Road
Oregon City, Or 97045

General Manager
Oak Lodge Water Services District
14496 SE River Road
Oak Grove, Or. 97267

These addresses may be changed by written notice to the other Parties.

9.4 No Third-Party Beneficiaries. The Parties to this Agreement are the only Parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons. However, Water Environment Services shall be a beneficiary

9.5 Nonwaiver. Failure by any Party at any time to require performance by any other Party or Parties of any of the provisions of this Agreement shall in no way affect such Party's rights hereunder to enforce the same, nor shall any waiver by any Party or Parties of the breach of this Agreement be held to be a waiver of any succeeding breach or a waiver of this nonwaiver clause.

9.6 Applicable Law. The Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

9.7 Compliance with Laws. In connection with their activities under this Agreement, all Parties shall comply with all federal, state, and local laws, comprehensive plans and ordinances applicable to this Agreement, or any work performed pursuant to this Agreement.

9.8 Indemnification. To the maximum extent permitted by law and subject to the limitations of the Constitution and laws of the State of Oregon regarding units of local government, the Parties shall hold harmless, defend, and indemnify each other, its governing bodies, officers and employees, from any claims for damages to property or injury to persons or for any penalties or fines, which may be occasioned in whole or in part by the indemnitor's performance or failure to perform under this Agreement.

9.9 Assignment. No Party shall assign this Agreement, in whole or in part, or any right or obligation hereunder, without written approval of the other Party, which shall not be unreasonably withheld. CCSO will assign responsibilities related to this Agreement to WES throughout the transition period as the internal infrastructure is developed to support it, which shall be deemed assigned without need of written approval.

9.10 Binding Effect. The covenants, conditions, and terms of this agreement shall extend to and be binding upon and inure to the benefit of the successors of the parties hereto and specifically upon Oak Lodge Water Services District and Water Environment Services.

10. URBAN SERVICES AGREEMENT.

Notwithstanding any other provision of this Agreement, the Parties recognize and agree that the terms of this Agreement may be superseded by a subsequent Urban Services Agreement entered into pursuant to ORS 195.060 to 195.085 if Clackamas County and/or Metro initiate the process to create such a multi-party Urban Services Agreement. In such case, the Parties shall only take positions in negotiations for such an agreement that are consistent with this Agreement.

IN WITNESS WHEREOF, the parties have, pursuant to official action, duly authorized their respective officers to execute this Agreement on their behalf.

Dated this 6th day of JUNE, 2017.

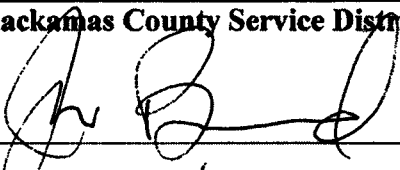
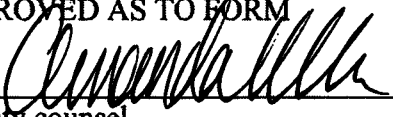
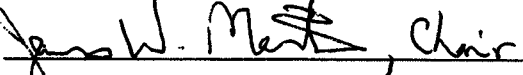
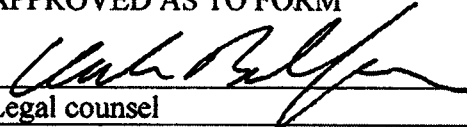
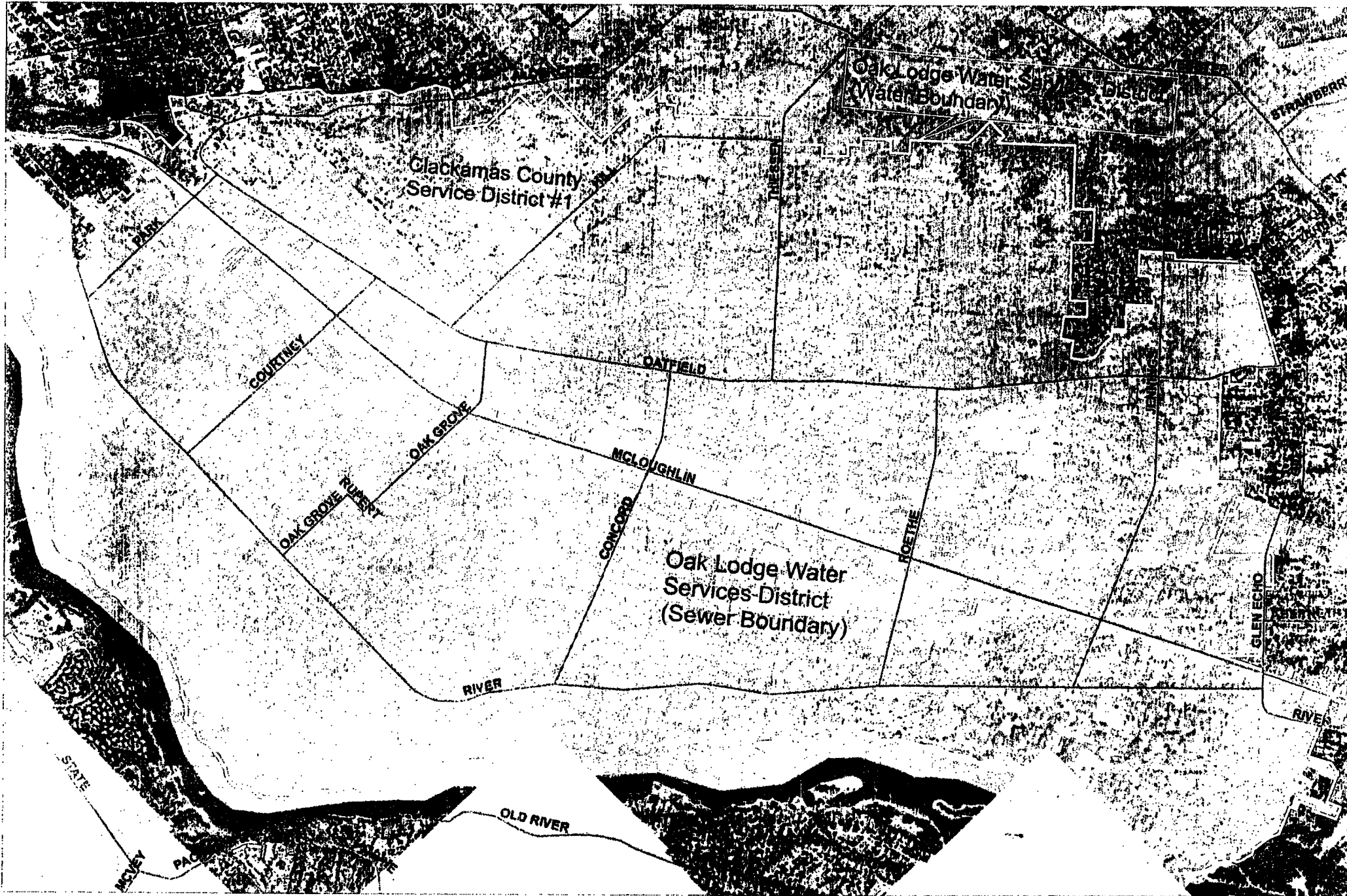
Clackamas County Service District No. 1  Attest: <u>Mary Raetke 7-27-17</u> V.3 APPROVED AS TO FORM  County counsel	Oak Lodge Water Services District As Successor to Oak Lodge Sanitary District  Attest: <u>ASOURCE</u> Secretary APPROVED AS TO FORM  Legal counsel
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EXHIBIT A



**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Approving
the Consolidation of
Oak Lodge Sanitary District and
Oak Lodge Water District



ORDER NO. ~~CL 16-009~~
Page 1 of 2 2016-114

WHEREAS, this matter coming before the Board of Commissioners of Clackamas County ("BCC") at this time, and it appearing that Oak Lodge Sanitary District (the "OLSD") and Oak Lodge Water District ("OLWD" and, together with OLSD, the "Districts") have proposed a consolidation of the Districts pursuant to Oregon Revised Statutes ("ORS") Chapter 198 to create one service entity, the Oak Lodge Water Services District (the "New District"); and

WHEREAS, it further appearing that the governing body of each of OLSD and OLWD adopted resolutions that met the requirement for initiation set forth in ORS 198.898(5); and

WHEREAS, it further appearing that the election called for under ORS 198.903 was ordered by the two district's boards and held on May 17, 2016 and the matter was approved by a sufficient number of voters in each district as being in favor of the consolidation; and

WHEREAS, it further appearing that the Districts have requested that the County act as the "reviewing entity" under Metro Code Chapter 3.09 prior to their completion of the final steps outlined in ORS 198 pursuant to the petition attached hereto as Exhibit A; and

WHEREAS, it further appearing that the BCC, while not clearly designated as a reviewing entity under ORS 198 for mergers and consolidations, is willing to serve in that role to facilitate the proposed consolidation and creation of the New District; and

WHEREAS, it further appearing that the New District is willing to assume the necessary agreements as designed by OLSD and OLWD for continued service by such necessary parties; and

WHEREAS, it further appearing that the boundaries of the New District, which will be empowered to provide sewer and surface water services, overlap with those of Clackamas County Service District No. 1 ("CCSD#1"), which provides the same services, covering approximately 1500 parcels (the "Overlap Area"); and

WHEREAS, it further appearing that a criteria for the review of the consolidation is the consideration of the extent to which urban services are available to the affected territory and whether the proposed boundary change would result in the withdrawal of the affected territory from the legal boundary of any affected party; and

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON**

In the Matter of Approving
the Consolidation of
Oak Lodge Sanitary District and
Oak Lodge Water District



ORDER NO. ~~CL-16-009~~
Page 2 of 2 2016-114

WHEREAS, it further appearing that OLSD and OLWD do not seek to provide sanitary sewer or surface water management services in the area served by CCSD#1 nor to withdraw the Overlap Area from its boundaries because CCSD#1 is already providing urban services in that area; and

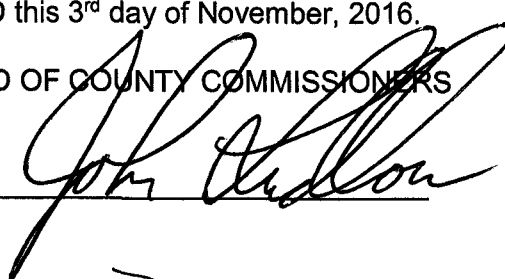
WHEREAS, it further appearing that in order for the consolidation of OLSD and OLWD to be approved the Overlap Area must be clearly addressed;

NOW, THEREFORE, IT IS HEREBY ORDERED that for the purposes described in ORS 198 and Metro Chapter 3.09, a consolidated service district named the "Oak Lodge Water Services District" as legally described on Exhibit B and as shown on the map attached as Exhibit C consistent with the findings set forth on Exhibit D is hereby created effective as of January 1, 2017, with the express condition that the Oak Lodge Water Services District not provide sewer or surface water services in any areas currently within Clackamas County Service District No. 1 until such time as mutual agreement is reached between Oak Lodge Water Services District and Clackamas County Service District No. 1 regarding the provision of services therein.

DATED this 3rd day of November, 2016.

BOARD OF COUNTY COMMISSIONERS

Chair



Recording Secretary

Petition for Boundary Change

District Consolidation:

Oak Lodge Water District and Oak Lodge Sanitary District

This petition is submitted pursuant to the requirements of Metro Code chapter 3.09; Oregon Revised Statutes ("ORS") 268.347 to 268.354; and ORS 198.890(3 and ORS 198.895(5). Copies of these authorities are attached hereto as Exhibit A.

WHEREAS, the Oak Lodge Water District is a domestic water supply district duly formed and authorized by ORS chapter 264 as its principal Act; and the Oak Lodge Sanitary District is a sanitary sewer district duly formed and authorized by ORS chapter 450.005 to 405.303 as its principal Act; and

WHEREAS, both the Oak Lodge Water District and the Oak Lodge Sanitary District (collectively, "the Districts") are Oregon special districts subject to ORS chapter 198, and ORS 198.895(3) provides that a water district and sanitary district operating under their respective Acts may consolidate and form a single district with authorities of both entities; and

WHEREAS, by and through the processes described in ORS 198.890 through 198.915, the respective boards of the Districts passed resolutions attached hereto as Exhibit B that placed before their respective voters on May 17, 2016, the question of whether the Districts should consolidate; and

WHEREAS, as indicated on the Clackamas County voting abstracts attached hereto as Exhibit C, 68 percent of voters approved the consolidation of the two entities, to be called the Oak Lodge Water Services District; and

WHEREAS, the respective boards of the Districts have certified the ballot as required by law, and the election is uncontested; and

WHEREAS, because both Districts are located within unincorporated Clackamas County, the consolidation is subject to requirements established for a "major boundary change" under the Metro Code [see ORS chapter 268.354; ORS chapter 199.11; and Metro Code section 3.09.02(H)]; and

WHEREAS, according to ORS 268.354 Metro's role in the boundary change is "ministerial only," and requires Metro to do the following:

- (a) Establish a uniform hearing and notification process.
- (b) Establish an expedited process for uncontested boundary changes.

- (c) Establish clear and objective criteria for a boundary change.
- (d) Ensure that a boundary change is in compliance with the Metro regional framework plan, as defined in ORS 197.015, and cooperative agreements and urban service agreements adopted pursuant to ORS chapter 195; and

WHEREAS, the appropriate reviewing entity for purposes of the Metro Code is the Clackamas County Board of Commissioners, which is responsible for coordinating urban services agreements within the County and nearly all of the boundaries of the Districts are in the unincorporated area ; and

WHEREAS, Metro Code Section 3.09 describes requirements for a petition, notice, and hearing relating to review of the boundary change, and this Petition is submitted in compliance therewith;

NOW, THEREFORE, before the Clackamas County Board of Commissioners, the respective boards of the Oak Lodge Water District and the Oak Lodge Sanitary District make the following petition:

PETITION

1. Jurisdiction of the Reviewing Entity. Both the Oak Lodge Water District and the Oak Lodge Sanitary District are located wholly within Clackamas County, Oregon, which is subject to the Metro Code. Pursuant to ORS 268.347, Metro may exercise jurisdiction over a boundary change within its boundaries.

According to Metro Code Section 3.09.020(L), the "reviewing entity" is the governing body of the affected city, county, Metro or its designee. The purpose of the review is to "ensure that a boundary change is in compliance with the Metro regional framework plan (which considers respective comprehensive plans adopted by the three counties within its jurisdiction). Because Clackamas County is responsible for developing the county's comprehensive plan under ORS chapter 197, and for coordinating cooperative agreements and urban services agreements under ORS chapter 195, the Clackamas County Board of Commissioners is the appropriate "reviewing body" for purposes of this petition.

2. Boundary Map. The Oak Lodge Water District and the Oak Lodge Sanitary District serve substantially the same customers, but their respective boundaries are not identical. Attached to the petition and marked Exhibit D are a map showing the respective service areas of the individual entities, and a map showing the boundaries of the consolidated entity. The legal descriptions for each entity, and the consolidated entity, are attached as Exhibit E.
3. Necessary Parties. Metro Code Section 3.09.030 states that, within 45 days after a reviewing entity determines that a petition is complete, the entity shall set a time for

deliberations on the boundary change, and must give notice of the deliberations to all necessary parties. According to Metro Code Section 3.09.020(J), a “necessary party” is “any county, city, or district whose jurisdictional boundary or adopted urban service area includes any part of the affected territory or who provides any urban service to any portion of the affected territory; Metro; or any other unit of local government that is party to any agreement for provision of an urban service to the affected territory.”

For purposes of this boundary change, the following are “necessary parties” to whom notice must be sent:

ENTITY	REASON FOR “NECESSARY” STATUS
City of Milwaukie	Contracts for Service: Water, Sanitary and SWM
City of Gladstone	Contracts for Service: Water, Sanitary and SWM
Clackamas County	Provides Urban Services within the affected territory: Planning, Transportation, Public Safety—law enforcement
North Clackamas Parks District	Provides Urban Services within the affected territory: Parks and Open Space
Clackamas County Service District No. 1	Provides Urban Services within the affected territory: Sanitary Sewers and SWM
Tri-Met	Provides Urban Services within the affected territory: mass transit
Clackamas County Fire District	Provides Public Safety Urban Services within the affected territory: fire and EMS
Metro	Provides regional coordination and oversight of planning and boundary changes

If a party is a “necessary” party by virtue of a written agreement, that agreement is addressed in Section 4, below.

4. Agreements. According to ORS 268.354, the purpose of the boundary change review is to ensure that a boundary change complies with the Metro regional framework plan, as defined in ORS 197.015, and with cooperative agreements and urban service agreements adopted pursuant to ORS chapter 195. According to Metro Code Section 3.09.050, the reviewing entity must determine:

- A. **The extent to which urban services are available to serve the affected territory, including any extra-territorial extensions of service.**

Attached to this petition as Exhibit F are copies of all known agreements with necessary parties described in section 3, above. The agreements demonstrate the extent to which urban services (including extra-territorial extensions of service) are available to the affected territory.

B. Whether the proposed boundary change will result in the withdrawal of the affected territory from the legal boundary of any necessary party.

As stated above, the consolidation of the Districts will require adjustments of boundaries to ensure that the two boundaries are identical. However, the adjustment will not require any territory to be withdrawn from the legal boundary of a necessary party. Service boundaries and service arrangements as they currently exist will remain in effect.

C. The effective date of the boundary change.

Because the consolidation has already been approved by voters, the anticipated effective date of the boundary change will be the date when all required filings with the County Assessor, Department of Revenue, and Secretary of State are completed pursuant to Section 3.09.060 of the Code. At that time the respective districts will be deemed dissolved and the districts' respective assets will be conveyed to the consolidated entity.

The Districts request that the Board, by its approving order, fix an effective date of January 1, 2017 or earlier, but in no event later than June 30, 2017.

5. Criteria for Consideration. Pursuant to Metro Code Section 3.08.050(D), to approve the boundary change the following findings are required:

A. The change is consistent with expressly applicable provisions in:

- (1) Any applicable urban service agreement adopted pursuant to ORS 295.065
- (2) Any applicable annexation plan adopted pursuant to ORS 195.205;
- (3) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020(2) between the affected entity and a necessary party;
- (4) Any applicable public facility plan adopted pursuant to statewide planning goal on public facilities and services;
- (5) Any applicable comprehensive plan; and
- (6) Any applicable concept plan.

B. The boundary change would:

- (1) Promote the timely, orderly, and economic provision of public facilities and services;
- (2) Affect the quality and quantity of urban services; and
- (3) Eliminate or avoid unnecessary duplication of facilities or services.

Attached to this Petition as Exhibit G are the Petitioners' responses to each of these criteria. The former districts' respective facility plans are attached to this Petition as Exhibit H.

6. Debt Distribution Plan. ORS 198.900 provides that any proposal for consolidation may include a Debt Distribution Plan, which is attached hereto as Exhibit I. The OLSD voters approved general obligation bonded indebtedness of \$44 million by vote dated November 3, 2009, for a new Water Reclamation Facility, and bonds were sold. The OLSD Board of Directors has made payments of principal and interest on the bonds from sanitary system revenues paid by all users of the OLSD system and has not levied a property tax. The Plan provides that OLSD system users will continue to pay for the bonded debt through rates, but if a property tax is levied to make payments, only those properties within the current boundary will be subject to assessment and taxation. Properties within OLWD which are not current OLSD system users will not be subject to assessment and taxation for the outstanding bonded indebtedness.

PETITIONERS HEREBY RESPECTFULLY REQUEST that the Clackamas County Commission:

1. Consider this petition, and the information provided therein, according to the criteria set forth in Oregon law and the Metro Code.
2. Set a date for a hearing to hold deliberations on the boundary change as required by Code Section 3.09.030(B).
3. Issue notice of the deliberations to all necessary parties, as provided in Code Section 3.09.030(C).
4. Upon completion of all necessary steps, issue a final decision on the boundary change as provided in Code Section E.
5. After issuing of the final decision, complete the necessary steps to make the boundary change effective, pursuant to Code Section 3.08.060.

SIGNED this 28 day of July, 2016:



Board Chair, Oak Lodge Water District



Board Chair, Oak Lodge Sanitary District

LIST OF EXHIBITS

- Exhibit A: Table of Authorities
- Exhibit B: Board Resolutions Calling Election on Consolidation
- Exhibit C: Voting Abstracts Showing Voter Approval of Consolidation
- Exhibit D: Maps
- Exhibit E: Legal Descriptions
- Exhibit F: Agreements with Necessary Parties
- Exhibit G: Petitioners' Responses to Metro Criteria
- Exhibit H: Facility Plans
- Exhibit I: Proposed Debt Distribution Plan

Oak Lodge Water Services District Boundary

Beginning at the Northwest corner of the Orin Kellogg Donation Land Corner (DLC) No. 55 and the Southeast corner of the Joseph Kellogg DLC No 47, said point is also a point on the range line between Range 1 East and Range 2 East of the Willamette Meridian (WM);

1. Thence North along said range line and the East line of said DLC No. 47, 1750 feet, more or less, to a point on the centerline of Kellogg Creek and the TRUE POINT OF BEGINNING;
2. Thence Northwesterly along the center of Kellogg Creek, 3,450 feet, more or less, to the most Southerly corner of CEDARCROFT, Plat No. 2616, a duly recorded subdivision in Clackamas County, Oregon;
3. Thence North $57^{\circ} 47' 48''$ West along the Southwesterly line of said CEDARCROFT, 261.07 feet to the most Westerly corner of Lot 5 of said CEDARCROFT and a point on the Easterly right-of-way line of SE Oatfield Road;
4. Thence Westerly across SE Oatfield Road, 60 feet, more or less, to the most Southerly corner of Tract "H", COGSWELLS FIRST ADDITION, Plat No. 154, a duly recorded subdivision in Clackamas County, Oregon;
5. Thence Northwesterly along the Southwesterly line of said Tract "H", 200 feet, more or less, to the most Westerly corner of said Tract "H", said point also being the most Northerly corner of a parcel of land conveyed to Erich P. Reich in Instrument No. 69-18486, Clackamas County Deed Records;
6. Thence South $29^{\circ} 41'$ West along the Northwesterly line of said Reich Tract, 192.54 feet to the most Westerly corner of said Reich Tract;
7. Thence South $53^{\circ} 08'$ East along the Southwesterly line of said Reich Tract, 182.0 feet to the Westerly right-of-way line of SE Oatfield Road;
8. Thence Southwesterly along said right-of-way line of SE Oatfield Road, 20.0 feet, more or less, to the most Northerly Northeast corner of Lot 13, FILBERT KNOLL, Plat No. 751, a duly recorded subdivision in Clackamas County, Oregon;
9. Thence North $52^{\circ} 55'$ West along the Northerly line of said FILBERT KNOLL, 180.67 feet to the most Northerly corner of said FILBERT KNOLL;
10. Thence South $28^{\circ} 13'$ West along the Northwesterly line of said FILBERT KNOLL, 233.02 feet to an angle point in the Westerly line of said FILBERT KNOLL;
11. Thence South $1^{\circ} 00'$ East along the Westerly line of said FILBERT KNOLL, 211.35

feet to the Northeast corner of that tract of land conveyed to H. Louise Pinney in Book 291, Page 595, Clackamas County Deed Records;

12. Thence South $88^{\circ} 39'$ West along the North line of said Pinney tract, 295.1 feet to a point on the Easterly line of Lot 3, Block 58, MILWAUKIE HEIGHTS, Plat No. 111, a duly recorded subdivision in Clackamas County, Oregon;
13. Thence North $1^{\circ} 00'$ West along the Easterly line of said MILWAUKIE HEIGHTS, 260.0 feet, more or less, to the Northeast corner of Lot 2, Block 58 of said MILWAUKIE HEIGHTS;
14. Thence North $73^{\circ} 14'$ West along the Northerly line of said Lot 2 and the extension thereof, 81.0 feet, more or less, to the Southeast corner of Lot 15, Block 55 of said MILWAUKIE HEIGHTS and a point on the Westerly line of Whitcomb Drive;
15. Thence Northerly along the Easterly line of said Block 55 and the Westerly line of said Whitcomb Drive, 621.60 feet to the most Northerly corner of Lot 1 in said Block 55;
16. Thence Southwesterly along the Northwesterly line of said Block 55, 200.0 feet to the most Westerly corner of Lot 2 of said Block 55;
17. Thence Northwesterly across Short Street (AKA 26th Avenue), 60.0 feet to the most Southerly corner of Lot 22, Block 56 in said MILWAUKIE HEIGHTS;
18. Thence Northeasterly along the Southeasterly line of said Block 56 150.0 feet, more or less, to the most Westerly corner of said Lot 20 and a point on the Northeasterly right-of-way line of Lakewood Drive;
19. Thence Westerly across SE McLoughlin Blvd (US 99E), 200.0 feet, more or less, to the intersection of the centerline of SE Sparrow Street (formerly 5th Street) and the Easterly right-of-way line of the abandoned Portland Traction Company Railroad;
20. Thence Southerly along the Easterly right-of-way line of said Portland Traction Company Railroad, 1,640 feet, more or less, to the North right-of-way line of SE Lark Street;
21. Thence Westerly along the North right-of-way line of SE Lark Street, 50 feet, more or less, to the Westerly right-of-way line of said Portland Traction Company Railroad;
22. Thence Northerly along the Southerly line of said Lark Street, 50 feet, more or less, to the Easterly right-of-way line of SE 27th Avenue (formerly 11th Avenue);
23. Thence South along the Easterly right-of-way line of SE 27th Avenue, 50.0 feet, more or less, to a point that is East, 60.0 feet from Northeast corner of Lot 3, Block 47 of said MILWAUKIE HEIGHTS;

24. Thence West, 60.0 feet to a point on the Westerly right-of-way line of SE 27th Avenue, said point also being on the Northeast corner of said Lot 3;
25. Thence South along the Easterly line of said Block 47, 62.5 feet to a point on the Easterly line of Lot 5 of said Block 47 that is 25.0 feet South of the Northeast corner of said Lot 5;
26. Thence West parallel with and 25.0 feet South of the North line of said Lot 5, 100.0 feet to a point on the West line of said Lot 5 that is 25.0 feet South of the Northwest corner of said Lot 5;
27. Thence South along the West line of Lots 5, 7, and 9, of said Block 47, 125.0 feet to the Southwest corner of said Lot 9, which is also the Northeast corner of Lot 12 of said Block 47;
28. Thence West along the North line of said Lot 12, 100 feet to the Northwest corner of said Lot 12 and a point on the Easterly right-of-way line of SE 26th Avenue (formerly 10th Avenue);
29. Thence West 60 feet to a point on the west right-of-way line of SE 26th Avenue (formerly 10th Avenue) being on the east line of Block 44 of said Milwaukie Heights;
30. Thence South along the Westerly right-of-way line of SE 26th Avenue, 210.0 feet to the Southwest corner of Lot 3, Block 45 of said MILWAUKIE HEIGHTS;
31. Thence West along the South line of said Lot 3, 100.0 feet to the Southwest corner thereof, which point is also the Northeast corner of Lot 6 of said Block 45;
32. Thence North along the East line of Lots 4, and 2 of said Block 45 and the Northerly extension thereof, 210.0 feet to the Southeast corner of Lot 12, Block 44 of said MILWAUKIE HEIGHTS and a point on the Northerly right-of-way line of SE Dove Street (formerly 7th Street);
33. Thence West along the Northerly right-of-way line of SE Dove Street, 370.0 feet to the Northeast corner of the intersection of SE Dove Street and SE 24th Avenue (formerly 8th Avenue);
34. Thence North along the Easterly right-of-way of SE 24th Avenue, 150.0 feet to an angle point in said right-of-way line;
35. Thence East, 10.0 feet to the Southwest corner of Lot 6, Block 37 of said MILWAUKIE HEIGHTS;
36. Thence North along the West line of said Lot 6, 50.0 feet to the Northwest corner thereof;

37. Thence West 30.0 feet to the centerline of said 24th Avenue;
38. Thence North along the centerline of said 24th Avenue (now vacated under City of Milwaukie Ordinance 77-780, Instrument No. 77-20890, Clackamas County Deed Records), 100.0 feet to a point on the Southerly right-of-way line of SE Lark Street (formerly 6th Street);
39. Thence West along the Southerly right-of-way line of SE Lark Street, 875.0 feet, more or less, to Northeast corner of that tract of land conveyed to Ernest Aebi in Book 329, Page 232, Clackamas County Deed Records;
40. Thence South along the Easterly line of said Aebi tract, 100.0 feet to the Southeast corner thereof;
41. Thence West along the Southerly line of said Aebi tract, 100.0 feet to the Southwest corner thereof and the most Westerly Northwest corner of that tract of land conveyed to Donald Bumpus and Faye Bumpus in Instrument No. 93-94056, Clackamas County Deed Records;
42. Thence North along the Westerly line of said Aebi tract, 100.0 feet to the South right-of-way line of SE Lark Street;
43. Thence West along the South right-of-way-line of said Lark Street and its Westerly extension across the Southern Pacific Railroad right-of-way to the Westerly right-of-way-line of said railroad;
44. Thence Southerly along the Westerly right of way line of said railroad to the Southeast corner of a tract of land conveyed to Eric Shilling and Marie Hoskins in instrument No. 2007-098727 Clackamas County Deed Records;
45. Thence South along the Southerly right-of-way line of said Schilling and Hoskins tract to the low water line of the Willamette River;
46. Thence Southerly along the low water line of the Willamette River, 25,000 feet, more or less, to the most Southerly corner of Tract "A" of RIVERCOVE, Plat No. 801, a duly recorded subdivision in Clackamas County, Oregon;
47. Thence South 43° 23' West along the Southwesterly extension of the Southeasterly line of said Tract "A", 20.0 feet, more or less, to the most Westerly corner of that tract of land described as Parcel 2 in that tract of land conveyed to Cornell V. Saftencu in Instrument No. 2005-050728, Clackamas County Deed Records;
48. Thence South 26° 00' East along the Southwesterly line of said Saftencu tract, 106.84 feet to the most Southerly corner thereof, which point is also the most Westerly corner of Lot 40, ROBINWOOD RIVIERE, Plat No. 1943, a duly recorded subdivision in Clackamas County, Oregon;

49. Thence South 69° 20' 11" East along the Southerly line of said Lot 40, 83.56 feet to an angle point;
50. Thence South 82° 42' 56" East continuing along the Southerly line of said Lot 40, 80.00 feet to another angle point;
51. Thence South 74° 43' 26" East continuing along the Southerly line of said Lot 40, 90.00 feet to another angle point;
52. Thence North 57° 04' 19" East continuing along the Southerly line of said Lot 40, 80.00 feet to another angle point;
53. Thence South 84° 15' 56" East continuing along the Southerly line of said Lot 40, 280.00 feet to another angle point;
54. Thence South 70° 11' 56" East continuing along the Southerly line of said Lot 40, 185.00 feet to a point on the division line of Peter M. Rinearson DLC;
55. Thence North 63° 34' 19" East along said division line and the Southeasterly boundary of said Lot 40, 220.0 feet, more or less, to the most Southerly corner of a tract of land conveyed to the State of Oregon, by and through its Department of Transportation, Highway Division in Instrument No. 74-6136, Clackamas County Deed Records and then to the City of Gladstone in Instrument No. 92-30263, Clackamas County Deed Records;
56. Thence North 43° 26' East along said Southeasterly boundary of said Lot 40 and the Northwesterly line of said City of Gladstone tract, 103.16 feet, more or less, to the most Southwesterly corner of a tract of land conveyed as a Triangular Lot to Nancy Jo Towle and Carl E. Poston, an undivided one-third (1/3rd) interest, in Instrument No. 2002-30122, Clackamas County Deed Records, said point also being an angle point in the Northwesterly line of said City of Gladstone tract;
57. Thence North 64° East along the Northwesterly line of said City of Gladstone tract, 390.0 feet, more or less, to the most Northerly corner thereof, said point also being on the Southwesterly boundary of MELDRUM ACRES, Plat No. 504, a duly recorded subdivision in Clackamas County, Oregon;
58. Thence South 46° 40' East along the Southwesterly line of said MELDRUM ACRES, 37.0 feet, more or less, to the most Easterly corner of said City of Gladstone tract and a point on the division line of Peter M. Rinearson DLC No. 41, said point also being the most Southerly corner of said MELDRUM ACRES;
59. Thence South 64° West along the Southeasterly line of said City of Gladstone tract and said Division Line of Peter M. Rinearson DLC, 126.12 feet to a 5/8 inch iron rod marking a point on said Division Line that bears North 64° 00' 00" East, 1214 feet from

- the Southwest end of said Division Line;
60. Thence South 26° 11' 00" East, 15.00 feet to the most Northerly corner of that tract described as the "Rectangular Lot" conveyed to Nancy Jo Towle and Carl E. Poston in Instrument No. 2002-80122, Clackamas County Deed Records;
 61. Thence South 64° West along the Northwesterly line of said Towle and Poston tract, 130.00 feet to the most Westerly corner thereof;
 62. Thence Southeasterly along the Southwesterly line of said Towle and Poston tract, 100.0 feet to the most Southerly corner thereof;
 63. Thence Northeasterly along the Southeasterly line of said Towle and Poston tract, 130.0 feet to the most Easterly corner thereof, and a point on the Southwesterly line of Lot 3, RINEARSON CREEK, Plat No. 4163, a duly recorded subdivision in Clackamas County, Oregon;
 64. Thence South 26° 00' 00" East along the Southwesterly line of said RINEARSON CREEK, 230.42 feet to the Southwest corner of Lot 9 of said RINEARSON CREEK;
 65. Thence South 64° 00' 00" West along the Northwesterly line of Tract "B" of said RINEARSON CREEK, 67.25 feet to the most Westerly corner thereof;
 66. Thence South 26° 00' 00" East along the Southwesterly line of said Tract "B", 390.91 feet to the most Southerly corner thereof;
 67. Thence North 63° 50' 10" East along the Southeasterly line of said Tract "B", 210.58 feet to the most Easterly corner thereof;
 68. Thence North 25° 54' 44" West along the Northeasterly line of said Tract "B", 222.80 feet to the most Southerly corner of that tract of land described as Parcel I in Instrument No. 2013-001526, a corrected legal description in Clackamas County Deed Records, said point also being the most Westerly corner of that tract of land conveyed to Janet Kent Trust in Instrument No. 92-51378, Clackamas County Deed Records;
 69. Thence Northeasterly along the Northwesterly line of said Kent Trust tract, 496.07 feet to the Southeast corner of Tract "A" of RINEARSON ESTATES, Plat No. 4126, a duly recorded subdivision in Clackamas County, Oregon;
 70. Thence North 26° 12' 16" West along the Easterly line of said Tract "A", 35.65 feet to an angle point in said Easterly line of Tract "A";
 71. Thence North 09° 40' 15" East along said Easterly line of Tract "A" and the Easterly line of Lot 8 of said RINEARSON ESTATES, 129.90 feet to an angle point in the Easterly line of said Lot 8;

72. Thence North 28° 37' 45" West along the Easterly line of said RINEARSON ESTATES and the Northeasterly extension thereof, 349.27 feet, more or less, to the Southeasterly line of the aforementioned MELDRUM ACRES;
73. Thence Northeasterly along said Southeasterly line of said MELDRUM ACRES and its Northeasterly extension, to a point on the Easterly right-of-way line of SE McLoughlin Blvd (US 99E);
74. Thence Northwesterly along the Easterly right-of-way line of said SE McLoughlin Blvd., 1,480.0 feet, more or less, to the Southwesterly right-of-way line of SE Mildred Street;
75. Thence Southeasterly along the Southwesterly right-of-way line of said SE Mildred Street, 627.0 feet to the centerline of SE Glen Echo Avenue;
76. Thence North 43° 23' East along the centerline of said SE Glen Echo Avenue, 1,078.0 feet, more or less, to the intersection with the Northeasterly right-of-way line of SE Addie Street;
77. Thence South 46° 37' East along the Northeasterly right-of-way of SE Addie Street, 125.0 feet to the most Southerly corner of that tract of land conveyed to Alice M. Freeman in Instrument No. 94-42206, Clackamas County Deed Records;
78. Thence Northeasterly parallel with and 100.0 feet distant from the Southeasterly right-of-way line of SE Glen Echo Avenue, 490.0 feet, more or less, to the most Easterly corner of that tract of land conveyed to Don J. Cozart and Marilyn J. Cozart in Book 581, Page 119, Clackamas County Deed Records and a point on the Northeasterly line of Block 10, MELDRUM, Plat No. 228, a duly recorded subdivision in Clackamas County, Oregon, said point also being on the Southwesterly right-of-way line of a 50.0 foot wide unnamed and unimproved street;
79. Thence Southeasterly along the Westerly right of way line of said 50 foot wide unnamed street 171 feet more of less;
80. Thence North 62° 08' 46" East across said unnamed street to the most Southerly corner of Tract A Mason Estates a duly recorded subdivision in Clackamas County, Oregon;
81. Thence along the southerly line of said Mason Estates, 587 feet to the centerline of SE Portland Avenue;
82. Thence Northwesterly along the centerline of said Portland Avenue to a point opposite the most westerly corner of the access strip to Lot 3 Lynne Estates, Plat No. 3122, a duly recorded subdivision on Clackamas County, Oregon;
83. Thence North 44° 58' 39" East , 26.5 feet to the westerly corner of said Lot 3;

84. Thence North 44° 58' 39" East along the most Southerly Northwesterly line of said Lot 3, 100.35 feet;
85. Thence South 45° 11' 35" East along the most Westerly Southwesterly line of said Lot 3, 79.7 feet to the most Southerly corner thereof;
86. Thence North 44° 58' 36" East along the most Southerly line of said Lot 3, 114.24 feet to the most Easterly corner of said Lot 3 and a point on the Southwesterly line of Lot 5, Block 3, MAYWOOD, Plat No. 164, a duly recorded subdivision in Clackamas County, Oregon;
87. Thence Northwesterly along the Southwesterly line of said Lot 5, 513.9 feet to a point on the centerline of SE Hull Avenue;
88. Thence Northeasterly along the centerline of said SE Hull Avenue, 1,630.0 feet, more or less, to a point on the centerline of SE Oatfield Road
89. Thence Southeasterly leaving said centerline of SE Oatfield Road, to the most Easterly corner of that tract of land conveyed to Ken Brazer in Instrument No. 98-056673, Clackamas County Deed Records;
90. Thence Southwesterly, along the Southerly line of said Brazer tract to a point on the Easterly line of Birchwood Terrace, a duly recorded Subdivision in Clackamas County, Oregon ;
91. Thence South 45° East along the Northerly extension and the Easterly line of Lots 6 and 7 Birchwood, 219 feet to an angle point in Lot 7 of said subdivision;
92. Thence North 44° 57' East along the Northerly line of said Lot 7, 50.23 feet to the most Northerly corner of said Lot 7;
93. Thence South 45° 30' East along the Easterly lines of Lots 7 and 8 so said Birchwood Terrace 181 feet to the most Easterly corner of said Lot 8;
94. Thence South 45° West along the Southerly line of said Lot 8, 10 feet to the Northerly corner of Lot 9 Birchwood Terrace;
95. Thence along the Northerly line of a tract of land conveyed to Harold and Jacquelynn Clarke in instrument No. 79-21540, Clackamas County Deed Records to the centerline of Oatfield Road;
96. Thence Southeasterly along the centerline of said Oatfield Road to a point on the Southwesterly extension of the Southeasterly line of OAKRIDGE NO. 1, Plat No. 1889, a duly recorded subdivision in Clackamas County, Oregon
97. Thence North 26° 16' 40" East along said extension and said Southeasterly line of said

- OAKRIDGE NO. 1 and the Southeasterly line of OAKRIDGE NO. 2, Plat No. 2028, a duly recorded subdivision in Clackamas County, Oregon and the Southeasterly line of Partition Plat No. 1996-81, a duly recorded plat in Clackamas County, Oregon, 1,633.75 feet, more or less, to a point on the Northeasterly right-of-way line of SE Valley View Road, County Road No. 2258;
98. Thence Northwesterly along said Northeasterly right-of-way of SE Valley View Road, 1,152.45 feet, more or less, to a point on the Southerly line of Parcel 1 of Partition Plat 1993-036, a duly recorded plat in Clackamas County, Oregon;
 99. Thence North 45° 30' 30" East, 101.10 feet to the Easterly corner of said Parcel 1 Partition Plat 1993-036;
 100. Thence North 44° 19' 50" East, 150.00 feet to the Northerly corner of Parcel 2 of said Partition Plat 1993-036, being on the Southerly right of way line of Jennings Avenue;
 101. Thence Northeasterly crossing said SE Jennings Avenue, 398.70 feet, more or less, to the Southwest corner of Lot 4 Block 2, SHERWOOD FOREST, Plat No. 1380, a duly recorded subdivision in Clackamas County, Oregon;
 102. Thence South 45° 00' 31" West along the most Westerly Southeasterly line of said Block 2, 375.09 feet, more or less, to the most Westerly corner of Lot 1, McFEE'S ADDITION, Plat No. 2483, a duly recorded subdivision in Clackamas County, Oregon;
 103. Thence Southeasterly along the Southwesterly line of said McFEE'S ADDITION, 183.02 feet, more or less, to the most easterly corner of a tract of land conveyed to Housing Authority of the County of Clackamas in Instrument No. 81-12986 Clackamas County Deed Records;
 104. Thence South 40° 48' West, 136.29 feet along the Easterly line of said Housing Authority tract to the Easterly right of way line of SE Shadow Court;
 105. Thence Westerly crossing said SE Shadow Court to the Southeast corner of Lot 2 Shadow Green Plat No. 1720, a duly recorded subdivision in Clackamas County, Oregon;
 106. Thence along the Southerly lines of Lot 2 and 3 of said Shadow Green subdivision to the Southwesterly corner of Lot 3 of said Shadow Green, also being on the Easterly line of Lot 2 Pagoda Park #1, Plat no. 1088 a duly recorded subdivision in Clackamas County, Oregon;
 107. Thence Northwesterly along the westerly line of Lots 3,4, and 5 of said SHADOW GREEN, to the most Westerly corner of Lot 5 of said Shadow Green;
 108. Thence North 44° 42' West along the Northeasterly line of said PAGODA PARK #1, 410.0 feet to the most Northerly corner thereof and a point on the Southeasterly line of Lot 17, Block 2, SHERWOOD FOREST NO. 2, Plat No. 1477, a duly recorded

subdivision in Clackamas County, Oregon;

109. Thence South 45° 18' West along the Northwesterly line of said PAGODA PARK #1 and the Southeasterly line of said SHERWOOD FOREST NO. 2, 329.70 feet to the most Southerly corner thereof;
110. Thence North 45° 00' West along the Southwesterly line of said SHERWOOD FOREST NO. 2, 90.00 feet to an angle point;
111. Thence South 45° 01' West, 5.00 feet to a point;
112. Thence North 45° 00' West along the Southwesterly line of said SHERWOOD FOREST NO. 2 and the Northwesterly extension thereof, 123.91 feet to the most Northerly corner of a tract of land conveyed to Claudia Beth Ringler and Earl Dennis Ringler in Instrument No. 2013-020298, Clackamas County Deed Records as Parcel III, said point being 8.0 feet Northwesterly from the Southeasterly line of Lot 26, SHERWOOD FOREST NO. 3, Plat No. 1871, a duly recorded subdivision in Clackamas County, Oregon, when measured at right angles thereto;
113. Thence South 45° 00' 31" West parallel with the Southeasterly line of said SHERWOOD FOREST NO. 3, 157.83 feet to a point on the Southerly line of Lot 25 of said SHERWOOD FOREST NO. 3;
114. Thence Westerly along the Southerly line of said SHERWOOD FOREST NO. 3, 768.45 feet, more or less, to the most Westerly corner of Lot 18 of said SHERWOOD FOREST NO. 3;
115. Thence North 52° 36' 55" East along the Northwesterly lines of Lots 18, 17, and 16 of said SHERWOOD FOREST NO. 3, 262.52 feet to the most Northerly corner of said Lot 16;
116. Thence North 37° 32' 09" West along the Southwesterly lines of Lot 8 and 7 of said SHERWOOD FOREST NO. 3, 199.71 feet to the most Westerly corner of said Lot 7;
117. Thence North 52° 29' 14" East along the Northwesterly line of Lots 7, 6, and 5 of said SHERWOOD FOREST NO. 3, 330.46 feet to the most Northerly corner of said Lot 5;
118. Thence South 45° 35' 50" East along the Northeasterly line of said SHERWOOD FOREST NO. 3, 349.41 feet to the most Westerly corner of Lot 1, Block 7, SHERWOOD FOREST NO. 2;
119. Thence North 45° 01' 32" East along the Northwesterly lines of Lot 1, 2, and 3 of said Block 7, 242.00 feet to the most Southerly corner of Lot 5 of said Block 7;
120. Thence North 45° 35' 50" West along the Southwesterly lines of Lots 5, 6, and 7 of

said Block 7, 270.00 feet to the most Westerly corner of said Lot 7 and a point on the Southeasterly line of McNARY MEADOWS, Plat No. 3751, a duly recorded subdivision in Clackamas County, Oregon;

121. Thence North 45° 01' 32" East along the Northwesternly line of said SHERWOOD FOREST NO. 2 and the Southeasterly lines of said McNARY MEADOWS, McCABE ESTATES, Plat No. 2954 and BREWSTER PARK, Plat No. 2902, all duly recorded subdivisions in Clackamas County, Oregon, 892.91 feet to the most Northerly corner of said SHERWOOD FOREST NO. 2, said point also being the most Westerly corner of Partition Plat No. 1995-56, a duly recorded plat in Clackamas County, Oregon;
122. Thence South 45° 35' 50" East along the Southwesterly line of said Partition Plat No. 1995-56, 319.70 feet to the most Southerly corner thereof;
123. Thence North 45° 55' 52" East along the Southeasterly line of said Partition Plat No. 1995-56, 184.94 feet to the most Easterly corner of said Partition Plat 1995-56 and the most westerly corner of Herman Park a subdivision duly recorded in Clackamas County, Oregon;
124. Thence Northeasterly crossing Ormae Road a distance of 20.00 feet to the most westerly corner of Lot 4 of said Herman Park;
125. Thence North 45° 51' 00" East, along the northerly lines of Lots 4, 5 and 6 to the most Northerly corner of Lot 6 of said Herman Park subdivision, said point being the most Easterly corner of that tract of land conveyed to Thomas Stewart and Sharon Ann Blake in Instrument No. 93-63493, Clackamas County Deed Records;
126. Thence Northwesternly along the Easterly line of said Stewart and Blake tract to the most Northerly corner of a tract of land conveyed to Tony and Brenda Sullivan in Instrument No. 95-018286, Clackamas County Deed Records, being the most Southerly corner of Lot 14, Block 1 of McNary Heights a duly recorded subdivision in Clackamas County, Oregon;
127. Thence North 45° 12' 06" East along the Southeasterly line of said McNARY HEIGHTS, 985.72 feet to the most Easterly corner thereof and a point Westerly line of Lot 32 Webster Acres a duly recorded subdivision in Clackamas County, Oregon;
128. Thence Northwesternly along said Westerly line of the Webster Acres Plat and the Westerly line of Tract A Autumnhill a duly recorded subdivision in Clackamas County Oregon, 973 feet, more or less, to the Southwest corner of Lot 8 Willamette Park a duly recorded subdivision in Clackamas County, Oregon;
129. Thence West along the North line of said Tract A Autumnhill and the South line of Lot 8 Willamette Park to the Westerly right of way line of SE Stohler Road;
130. Thence Northerly along the West right of way line of Stohler Road and the East line

- of Lot 8 Willamette Park to the Northeast corner of said Lot 8;
131. Thence Northwesterly along the North line of said Lot 8 Willamette Park to the Southwest corner of Tract B, Majestic Woods, a subdivision duly recorded in Clackamas County, Oregon;;
 132. Thence Northwesterly along the westerly line of said Tract B, Majestic Woods, and Tracts A and B Majestic Woods North a duly recorded subdivision in Clackamas County, Oregon, to the most Northerly corner of Lot 20 Premier Estates No. 2 a duly recorded subdivision in Clackamas County, Oregon;
 133. Thence South 45° 32' 45" West along the Northerly line of said Lot 20 Premier Estates No. 2, 228 feet more or less to the Southwest corner of a tract of land conveyed in Instrument 93-58844;
 134. Thence North 44° 24' 51" West along the Westerly line of said instrument 93-58844, 199 feet more or less to the Northwest corner of said instrument;
 135. Thence North 43° 31' 45" East, 208 feet more or less to the Northeast corner of said instrument 93-58844, being on the Westerly right of way line of SE Minerva Lane;
 136. Thence North 44° 24' 25" West along the Northwesterly right-of-way line of SE Minerva Road (County Road No. 2177) and the Northwesterly extension thereof, 542.0 feet, more or less, to a point on the centerline of SE Oetkin Road;
 137. Thence South 43° 39' West along said centerline, 100.0 feet, more or less, to a point on the Southeasterly extension of the Southwesterly line of HICKORY HILL, Plat No. 2648, a duly recorded subdivision in Clackamas County, Oregon;
 138. Thence North 46° 20' 00" West 199.06 feet along said extension and the Southwesterly line of said HICKORY HILL lots 1 and 2 to the Southeast corner of Lot 6 E-Komo-Mai a duly recorded subdivision in Clackamas County, Oregon;
 139. Thence South 43° 41' 07" West along said lots 6 and 5 of said E-Komo-Mai subdivision to the Southwest corner of Lot 5;
 140. Thence North 46° 19' 18" West 579.58 feet along the Southerly line of said E-Komo-Mai to the Northwest corner of Lot 2;
 141. Thence North 43° 36' 02" East 174.45 feet along the northerly line of Lots 2 and 1 of said E-Komo-Mai to the Northeast corner of Lot 1;
 142. Thence Northwesterly along the Westerly lines of a tract of land conveyed to Daniel R. and Grace Casale in Instrument 2014-032137, a tract of land conveyed to Dennis Sanford Carlson in Instrument 72-24081, a tract of land conveyed to Lorilee Ann Carlson in instrument 92-73900, a tract of land conveyed to Jody W. Ausmus in

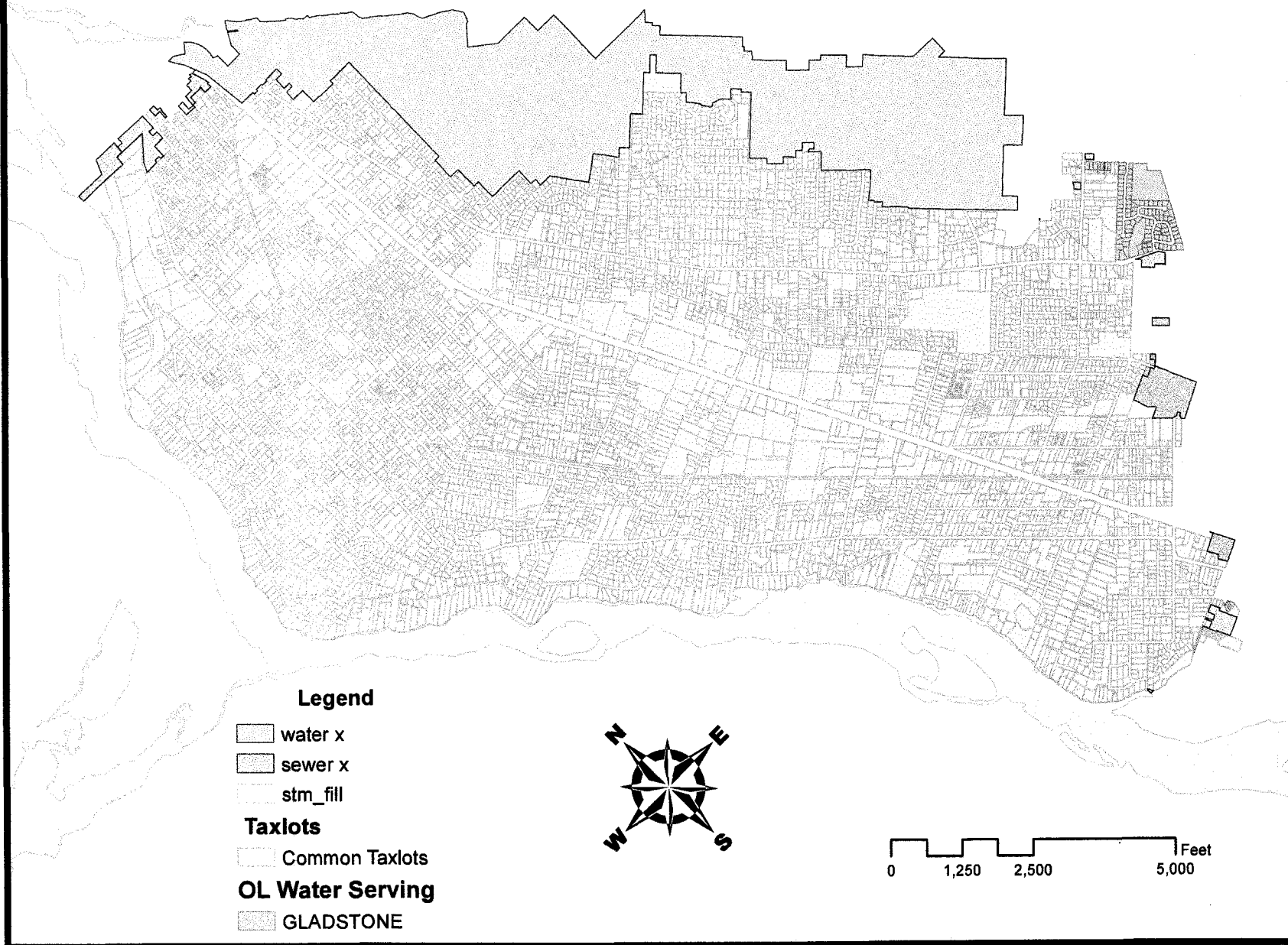
- instrument 2014-034844, a tract of land conveyed to Jan W. Jahnke in instrument 96-036701 to a point in the centerline of SE Thiessen Road (County Road No. 1936);
143. Thence North 45° 20' East along said centerline 60.0 feet more or less to the centerline of SE Hil Road (County Road No 1936);
 144. Thence Northeasterly crossing said Thiessen Road to the Southwest corner of Lot 1, Block 1 Alder Crest Acres a duly recorded subdivision in Clackamas County, Oregon;
 145. Thence Along the Northerly right of way line of SE Thiessen Road to the most southerly corner of a tract of land conveyed to Marie A Winston in instrument No. 2001-038508;
 146. Thence North 45° West along the South and West lines of said Winston tract to the most Northerly corner thereof, said point being on the Southerly line of a tract of land conveyed to Loancity in Instrument No. 2015-068094;
 147. Thence Northwesterly and Northeasterly along the southerly and westerly lines of said Loancity tract to the most Northerly corner thereof, said point being at the most Westerly corner of a tract of land conveyed to Steve and Marcia Busken in Instrument No. 83-4776;
 148. Thence Northeasterly along the Northwesterly line of said Busken tract to the most Northerly corner thereof;
 149. Thence North 45° West along the southerly extension of the Northerly line of Partition Plat 1991-123 a duly recorded Plat in Clackamas County, Oregon to the most northerly corner of Parcel II of said Partition Plat, said point being the Southeast corner of Rooster Hill a duly recorded Plat in Clackamas County, Oregon;
 150. Thence North 45° West along the Southerly boundary of said Rooster Hill to the most Westerly corner thereof;
 151. Thence continuing North 45° West along a tract of land conveyed in Instrument No. 87-12278 to the Southwest corner thereof, said point being the most southerly corner of Parcel 3 of Partition Plat No. 2004-004 a duly recorded Plat in Clackamas County, Oregon;
 152. Thence North 45° 17' 33" West, 132.00 feet to the most westerly corner of said Parcel 3;
 153. Thence North 44° 37' 58" East 204.74 feet along the Westerly lines of Parcel 3 and 2 said Partition to the Southerly corner of a tract of land conveyed in Book 897, Page 477 Clackamas County Deed Records;

154. Thence Northwesterly along the Southerly boundary of said Book 897, Page 477 to the westerly corner thereof;
155. Thence Northeasterly 25 feet more or less along the Westerly line of said Book 897, Page 477 to the Southerly corner of a tract of land conveyed to Roger and Gloria Simonatti In Instrument No. 79-5978;
156. Thence Northwesterly along the Westerly boundary of said Simonatti Tract and the Westerly boundary of a tract of land conveyed to Ryan and Heather Bigbee in Instrument 2004-024559 to the Easterly corner of Lot 2, Block C of View Acres a duly recorded subdivision in Clackamas County, Oregon;
157. Thence Westerly 1107.6 feet more or less along the Northerly line of Lot 2, Block C and Lots 4 thru 8, Block D of said View Acres to the Northwest corner of said lot 4;
158. Thence North 00° 26' 48" East, 643.13 feet along the West line of Lots 1 thru 3 Block D, and Lots 1 thru 3 Block B of said View Acres to the Northwest corner of Lot 1, Block B thereof, said point being the Southeast corner of Lot 1, Block 13 Milwaukie Hillcrest a duly recorded Plat in Clackamas County, Oregon;
159. Thence North 00° 47' West 411.16 feet along the Southeast line of said Lot 1, Block 13 Milwaukie Hillcrest to the Northeast corner thereof;
160. Thence North 89° 26' West 396 feet along the North line of said Lot 1 Block 13 Milwaukie Hillcrest to the Northwest corner thereof, said corner being on the East line of Lot 13, Block 10 of said Milwaukie Hillcrest;
161. Thence North 00° 47' West 330 feet along the East line of said Lot 13, Block 10 Milwaukie Hillcrest to the Northeast corner thereof;
162. Thence North 89° 26' West 659 feet more or less along the North lines of Lots 13 thru 16, Block 10, of said Milwaukie Hillcrest to the North west corner of said lot 16, said corner being on the Northerly right of way line of SE Kellogg Road;
163. Thence North 53° 18' 36" West 265.94 feet along the North right of way line of Said Kellogg road, and the most westerly line of Parcel 2 of Partition Plat 2006-082 a duly recorded Plat in Clackamas County, Oregon, to the most westerly Northwest corner of said parcel 2;
164. Thence continuing Northwesterly along the North right of way line of SE Kellogg Road and the Southerly line of a tract of land conveyed to Rod Maguire-Rust and Melissa Maguire in Instrument No. 2005-104902, Clackamas County Deed Records, and Lot 4 Block 10 of said Milwaukie Hillcrest to the most westerly corner of said Lot 4 Block 10;
165. Thence Northeasterly leaving the North right of way line of SE Kellogg Road along

the Northwesterly line of said Lot 4 Block 10 Milwaukie Hillcrest to the most Northerly corner thereof being on the South right of way line of SE Aldercrest Road;

166. Thence Northeasterly 60 feet more or less to the North right of way line of SE Aldercrest Road and the Southwest corner of a tract of land conveyed to Glenn and Freda Green in Instrument No. 2001-015304 Clackamas County Deed Records;
167. Thence Northerly along the West line of said Green tract to the centerline of Kellogg Creek;
168. Thence Northwesterly along the centerline of Kellogg Creek to the TRUE POINT OF BEGINNING;

OAK LODGE WATER/SEWER



Legend

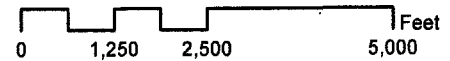
- water x
- sewer x
- stm_fill

Taxlots

- Common Taxlots

OL Water Serving

- GLADSTONE



FINDINGS

Based on the study and the public hearing the Board found:

1. Proposal No. CL 16-009 is a consolidation of Oak Lodge Water District and Oak Lodge Sanitary District (together, the "Districts") which is being processed under ORS 198. This proposal was initiated by resolutions from the two Districts' Boards. The resolutions met the requirement for initiation set forth in ORS 198.898(5). The election called for under ORS 198.903 was ordered by the two Districts boards and held on May 17, 2016 and the matter was approved in both districts. The districts requested that the County review the proposal under provisions of the Metro Code prior to their completion of the final steps outlined in ORS 198.
2. As required by the Metro Code notice of this hearing invited testimony from any interested party. Notice consisted of: 1) Posting ten notices in the territory and one notice near the County hearing room 20 days prior to the hearing; 2) Published notice twice in the Clackamas County Review; and, 3) Mailed notice sent to affected local governments.
3. According to the Districts' Explanatory Statement for the election ballot title:

Oak Lodge Water District and Oak Lodge Sanitary District provide drinking water, sewage collection and treatment, and surface water management services in the Oak Lodge/Jennings Lodge area. The two Districts' boundaries are nearly the same.

Since 2013, the elected Boards of both Districts have jointly conducted legal and financial studies to evaluate the pros and cons of consolidation. The studies demonstrate a single consolidated District could save ratepayers \$4.25 million over the first 10 years. Savings come from: not replacing three duplicative positions that will be vacant due to retirement and attrition; combining financial systems; and sharing office space – there is room for everyone in the Water District building.
4. The Districts cite the following reasons in support of consolidation:
 - Cost savings: Estimated at \$4.25 million over first 10 years
 - More efficient: eliminates overlap and duplication.
 - Improved customer service through single point of contact.
 - Better prepared for natural disasters and emergencies.
 - Shared mission: provide clean water, protect public health and the environment in most cost-effective manner.
 - Customers receive combined water/sewer bill.
 - No job losses. Only vacant, duplicative management and administrative positions will be eliminated.

- Maintains independent, local service for water, sewer and surface water management.
5. The Metro Code requires a staff report that addresses the criteria cited below and that includes the following information:
1. The extent to which urban services are available to serve the affected territory, including any extraterritorial extensions of service;
 2. Whether the proposed boundary change will result in the withdrawal of territory from the legal boundary of any necessary party¹; and
 3. The proposed effective date of the boundary change.

The consolidating Districts already provide water, sewer and surface water management services to the area. Service availability is covered in the Findings below. Staff has examined the statutes and determined that approval of this consolidation will not cause the withdrawal of territory from the boundary of any necessary party. The effective date of the consolidation will be established when the process laid out in ORS 198.910 is complete (joint meeting of the two districts' boards, selection of new board and adoption of resolution of new board declaring consolidation complete.)

6. ORS 198 specified a role for the Board of County Commissioners ("BCC") with respect to boundary changes for special districts regarding formation, annexation, withdrawal, and dissolution within the County. The statute is silent regarding the role of the BCC with respect to mergers and consolidations. Metro Code Chapter 3.09 requires action by a "reviewing entity." The Districts have asked the BCC to serve in the role of a reviewing entity with respect to their consolidation to ensure complete compliance with all applicable laws.
7. The Metro Code requires consideration of the following criteria:

The reviewing entity should:

- (1) Find that the change is consistent with expressly applicable provisions in:
 - (A) Any applicable urban service agreement adopted pursuant to ORS 195.065;
 - (B) Any applicable annexation plan adopted pursuant to ORS 195.205;
 - (C) Any applicable cooperative planning agreement adopted pursuant to ORS 195.020 (2) between the affected entity and a necessary party;

¹ A "necessary party" is another governmental entity which includes the same area or provides an urban service to the area.

- (D) Any applicable public facility plan adopted pursuant to a statewide planning goal on public facilities and services; and
 - (E) Any applicable comprehensive plan; and
 - (F) Any applicable concept plan.
- (2) Consider whether the boundary change would:
- (A) Promote the timely, orderly and economic provision of public facilities and services;
 - (B) Affect the quality and quantity of urban services; and
 - (C) Eliminate or avoid unnecessary duplication of facilities and services.

There are no cooperative agreements, urban service agreements or annexation plans specifically adopted pursuant to ORS 195 in effect in this area. No changes in public service planning or land use planning are affected by this consolidation. No concept plans cover this area. Studies conducted by the two Districts indicated that some savings and efficiencies would be achieved by the consolidation thus promoting the timely, orderly and economic provision of services. The quality and quantity of services could be improved by the increased efficiencies and economies available as a result of the consolidation. Some management efficiencies will be accomplished through reduction of duplicated positions.

8. This territory is inside of Metro's jurisdictional boundary and inside the regional Urban Growth Boundary (UGB).

The law that requires Metro to adopt criteria for boundary changes specifically states that Metro shall “. . . ensure that a boundary change is in compliance with the Metro regional framework plan as defined in ORS 197.015 and cooperative agreements and urban service agreements adopted pursuant to ORS chapter 195.” ORS 197.015 says “Metro regional framework plan means the regional framework plan required by the 1992 Metro Charter or its separate components.” The Regional Framework Plan was reviewed and found not to contain specific criteria applicable to boundary changes.

There are two adopted regional functional plans, the Urban Growth Management Functional Plan and the Regional Transportation Plan, which were examined and found not to contain any directly applicable standards and criteria for major boundary changes.²

9. ORS 195 requires agreements between providers of urban services. Urban services are

² A consolidation is defined as a “Major boundary change” in the Metro Code.

defined as: sanitary sewers, water, fire protection, parks, open space, recreation and streets, roads and mass transit. These agreements are to specify which governmental entity will provide which service to which area in the long term. The counties are responsible for facilitating the creation of these agreements. There are no urban service agreements under ORS 195 relative to sewer or water service in this area of Clackamas County.

10. The Oak Lodge Water District is larger than the Oak Lodge Sanitary District. The Oak Lodge Sanitary District provides sewer service within its boundary. Territory in the Oak Lodge Water District which is not also in the Sanitary District is served by Clackamas County Service District No. 1. This area includes roughly 1500 properties. These properties will continue to receive service from CCSD#1 until that status is changed by a contract or formal withdrawal from CCSD#1.
12. The area receives police service from Clackamas County Sheriff's Department.
13. The territory is within the Clackamas County R.F.P.D. #1. This service will not be affected by the consolidation of the water and sanitary districts.
14. Both Districts are within the North Clackamas County Parks & Recreation District which will not be affected by the consolidation.

CONCLUSIONS AND REASONS FOR DECISION

Based on the Findings, the Board determined:

1. In compliance with the Metro Code the County has issued a report addressing the extent to which urban services are available, whether the consolidation will cause a withdrawal of territory from any unit of government and addressing the effective date of the proposal.
2. The County considered the factors in sections 1 & 2 of Metro Code 3.09.045 (D) as called for in 3.09.050 (D) and found there to be consistency with the applicable portions of these criteria.

RECORDING REQUEST AGREEMENTS/CONTRACTS

New Agreement/Contract
Amendment/Change Order Original Number:

ORIGINATING COUNTY
DEPARTMENT:

DTD – Engineering

OTHER PARTY TO
CONTRACT/AGREEMENT:

Oak Lodge Sanitary District

BOARD AGENDA ITEM

NUMBER: _____

DATE: July 17, 2013

PURPOSE OF
CONTRACT/AGREEMENT:

**Memorandum of Understanding between Clackamas County and Oak Lodge
Sanitary District for Cooperation Regarding the DEQ MS4 Permit**

Please return recorded document to Engineering

Clackamas County Official Records
Sherry Hall, County Clerk
Commissioners' Journals
Agreements & Contracts

2013-4033

07/18/2013 10:08:20 AM

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CLACKAMAS COUNTY, OREGON
AND
OAK LODGE SANITARY DISTRICT**

This Memorandum of Understanding (MOU) is entered into between Clackamas County (COUNTY) acting by and through its Department of Transportation and Development and OAK LODGE SANITARY DISTRICT (OLSD) for the cooperation of units of local government and State agencies under the authority of ORS 190.110.

This agreement provides the basis for a cooperative working relationship for the purpose of providing Surface Water System Prevention and Emergency Maintenance for the County transportation and for MS4 Permit compliance by OLSD. This agreement applies only to Clackamas County maintained roads.

I. Scope of Work and Cooperation:

Purpose

Clackamas County Department of Transportation and Development (CCDTD) and Oak Lodge Sanitary District (OLSD) wish to create a partnership for the purpose of addressing requirements of Oregon DEQ MS4 permit 108016, of which both parties are co-permittees. Schedule D.7.c requires the following:

“Oak Lodge Sanitary District and Clackamas County must submit an intergovernmental agreement or equivalent document by November 1, 2013 describing the co-permittee that will maintain lead jurisdictional responsibility for the requirements identified in Schedule A.4.a-h, Schedule D.2, and Schedule D.3 within the geographical areas identified on the Oak Lodge Sanitary District MS4 Regulatory Map.”

Background

OLSD and CCDTD jointly address the various MS4 permit requirements within the OLSD. Discussions during the 3rd and 4th quarters of 2012 between both parties resulted in an intention to partner to address specific requirements for inspection and maintenance of the publicly-owned surface water infrastructure along County maintained roadways within the district. These are generally described as a combination of catchbasins, pipes, ditches and outfalls. Response to requests for preventative maintenance and emergency response had been inconsistent; this agreement identifies a procedure to clearly define roles and responsibility for addressing a variety of requests and requirements specific to this infrastructure.

In order to address inspection and maintenance needs across the District, both parties agreed that using an approach whereby five (5) maintenance zones (See Exhibit A) are established in order to address various requirements.

Responsibilities

- i. OLSD shall participate by:
 - a. Implementing MS4 requirements for Schedule A.4.a-g, Schedule D.2 and Schedule D.3. Progress on these items will be reported as required in the March 2012 MS4 permit.
 - b. For item Schedule A.4.h (Stormwater Management Facilities Operation and Maintenance Activities), OLSD will conduct the following items specific to the County-maintained roadways in the District:
 - i. Using the 5-zone system, inspect all catchbasins in one zone annually
 - ii. Conduct catchbasin and line maintenance as needed based on inspection results as a preventive maintenance measure.
 - iii. Provide routine customer service response throughout OLSD; route service requests to Clackamas County if they require emergency response (flooding of roads, safety risk), ditch cleaning, street sweeping.
 - iv. Respond to routine service requests that Clackamas County sends over, communicate back to Clackamas County about nature of resolution.
 - v. Collect reporting data from item ii above, and provide to CCDTD by October 1, annually, for inclusion into the CCDTD MS4 Annual Report (due November 1, annually)
- ii. CCDTD shall participate by:
 - a. For item Schedule A.4.h (Stormwater Management Facilities Operation and Maintenance Activities), CCDTD will conduct the following items specific to the County-maintained roadways in the District
 - i. Continue to conduct routine and scheduled maintenance for County-maintained roadways, including ditch cleaning, routine seasonal street sweeping throughout the District
 - ii. Street sweeping in one zone annually of all Clackamas County maintained roads in the same zone that OLSD is performing preventive maintenance in
 - iii. Respond to emergency service requests (flooding of roads, safety risk),
 - iv. Send non-emergency customer service requests generated within OLSD to OLSD staff
 - v. Respond to routine service requests that OLSD sends over; com-

municate back to OLSD about nature of resolution.

- vi. Collect reporting data on items 1-5, above, and provide to OLSD by October 1, annually for inclusion into the OLSD MS4 Annual Report (due November 1 annually).

iii. Compensation

Each party is responsible for all labor and material costs (direct or indirect) it incurs in the performance of services it is required to perform. If one Party performs the services required of the other, then that Party will be compensated at the applicable hourly rate for direct and indirect labor and material costs.

I. Liaison Responsibility

Karen L. Streeter, 503-653-1653 extension 105, or her designee will act as liaison from OAK LODGE SANITARY DISTRICT for this project. Randy Harmon, at 503-650-3246, will act as liaison for the County. Other Contact information is:

Karen L. Streeter
14611 SE River Road
Oak Grove, Oregon 97267
Phone: 503-653-1653 ext. 105
Email: Klstreeter@olsd.net

Randy Harmon
902 Abernethy Road
Oregon City, OR 97045
Phone: 503/650-3246
Email: RandyHar2@co.clackamas.or.us

II. Special Requirements

- A. The COUNTY and OAK LODGE SANITARY DISTRICT agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.
- B. Subject to the monetary limits of the Oregon Tort Claims Act and the limitations Section 10 of the Oregon Constitution, Clackamas County shall indemnify, defend and hold harmless OAK LODGE SANITARY DISTRICT, its officers, employees, and agents from all claims, suits, actions or expenses of any nature resulting from or arising out of the acts, errors or omissions of COUNTY personnel acting pursuant to the terms of this agreement.

Subject to the monetary limits of the Oregon Tort Claims Act and the limitations of the Oregon Constitution, OAK LODGE SANITARY DISTRICT shall indemnify, defend and hold harmless COUNTY, its officers, employees, and agents from all claims, suits, actions or expenses of any nature resulting from or arising out of the acts, errors or omissions of OAK LODGE SANITARY DISTRICT personnel acting pursuant to the terms of this agreement.

- C. Each Party will carry sufficient insurance to meet the Oregon Tort Claims Act limits.
- D. Record and Fiscal Control System. All records pertaining in whole or in part to this MOU shall be clearly identified and readily accessible. Such records and documents should be retained for a period of three (3) years after receipt of final payment under this agreement; provided that any records and documents that are the subject of audit findings shall be retained for a long time until such audit findings are resolved.
- E. Access to Records. Each Party and their duly authorized representatives shall have access to the books, documents, papers, and records of the other which are directly pertinent to the agreement for the purpose of making audit, examination, excerpts, and transcripts.
- F. This agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefor. Any provisions herein which would conflict with law are deemed inoperative to that extent.
- G. In the event either Party discovers known or suspected hazardous materials at any work site, the work shall immediately cease the activities until such time as the site is inspected and declared or made safe by the appropriate hazardous materials authority.
- H. Independent Contractor Status. At no time will employees of either Party be considered employees of the other and are not eligible for any salary, wages or benefits through OAK LODGE SANITARY DISTRICT.
- I. Personnel. Each Party may assign such personnel as it deems necessary to do the work or services to be rendered under this agreement.

III. Amendment

This agreement may be amended at any time with the concurrence of both parties. Amendments become a part of this agreement only after the written amendment has been signed by both parties.

IV. Term of Agreement


This agreement becomes effective July 1, 2013, for a term of one year. If written notice of cancellation is not given by April 1 of any year, the Agreement will be renewed for an additional one-year (1) term.

This agreement is subject to termination by either of the parties when thirty (30) days' written notice has been provided.

GOVERNMENTAL UNIT

**CLACKAMAS COUNTY ACTING BY AND
THROUGH IT'S DEPARTMENT OF
TRANSPORTATION AND DEVELOPMENT**

OAK LODGE SANITARY DISTRICT
14611 SE River Road
Oak Grove, Oregon 97267
Michael Read
503-653-1653 Extension 101



J. Michael Read, General Manager

07/16/2013
Date



M. Barbara Cartmill, Acting Director

7-17-13
Date

RECORDING MEMO

New Agreement/Contract ___xx___
Amendment/Change Order Original Number _____
Policy, Reports _____

ORIGINATING COUNTY DEPARTMENT:
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT

PURCHASING FOR:

OTHER PARTY TO CONTRACT/AGREEMENT:
OAK LODGE SANITARY DISTRICT

BOARD AGENDA DATE: 6/24/2010
AGENDA ITEM NUMBER: √ 2 / 1

PURPOSE:
INTERGOVERNMENTAL AGREEMENT BETWEEN NORTH
CLACKAMAS PARKS AND RECREATION DISTRICT AND OAK
LODGE SANITARY DISTRICT

If you want the item returned to you after recording indicate here.
Please return to **ROSE JESSEE** after recording.

Clackamas County Official Records
Sherry Hall, County Clerk
Commissioners' Journals
Agreements & Contracts

2010-3919

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**INTERGOVERNMENTAL AGREEMENT
BETWEEN
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
AND
OAK LODGE SANITARY DISTRICT**

1. Purpose

- A. This intergovernmental agreement ("IGA") is entered into between the North Clackamas Parks and Recreation District ("NCPRD") and the Oak Lodge Sanitary District ("OLSD") to ensure the cooperation of these units of local government under the authority of ORS 190.010.
- B. This Agreement provides the basis for a cooperative working relationship for the purpose of undertaking three public projects aimed at improving water quality, managing storm water drainage, and enhancing natural resource habitats in the area. The specific projects and obligations of the parties are described in Exhibits 1 through 3 attached hereto and are collectively referred to herein as the "Projects".

2. Scope of Cooperation

- A. Each party agrees to complete the work, make payments, provide necessary staff and equipment, and undertake any other steps necessary in order to fulfill their obligations related to each of the projects as described in Exhibits 1 through 3 hereto.
- B. As to all of the Projects, OLSD agrees to:
 - i. Attend meetings, if appropriate, with NCPRD staff and the public to review progress and provide guidance on matters related to the Projects.
 - ii. Review and provide feedback on plans for natural resource improvements prepared by NCPRD.
 - iii. Review, partner and provide feedback on adaptive management strategies regarding the natural resource areas in the future.
 - iv. Notify NCPRD in writing at least thirty (30) days in advance if OLSD will need to enter NCPRD property to perform work related to the Projects that may impact the public's ability to use NCPRD property.
 - v. Comply with the terms and obligations set forth in Exhibits 1 through 3 hereto.
- C. As to all of the Projects, NCPRD agrees to:

- i. Attend meetings, if appropriate, with OLSD and the public to review progress and provide guidance on all matters related to each project.
- ii. Allow OLSD reasonable access to or through NCPRD property when requested for the purpose of performing work necessary to complete the Projects.
- iii. Review and provide feedback on all proposed improvements and associated permit applications required to complete the projects on NCPRD owned property.
- iv. Manage the work of volunteers, where appropriate, to complete the work in partnership with OLSD proposed for each project.
- v. Comply with the terms and obligations set forth in Exhibits 1 through 3 hereto.

3. Compensation

- A. Parties will make payments in the amounts specified in Exhibits 1 through 3 attached hereto.
- B. Payments are due to the receiving party within thirty (30) days of issuance of an invoice by the party entitled to the payment.
- C. In the event that, due to unforeseeable circumstances, the Projects cannot be completed with the funds contemplated by this agreement, NCPRD and OLSD will jointly determine the priorities of the improvements to be made within funding limits.
- D. In the event NCPRD and OLSD agree to increase the funds available for the completion of the Projects, the party providing such funds shall transfer the funds to the receiving party prior to the commencement of the work.

4. Liaison Responsibility

Liaison from OLSD for the Projects will be:

Brett Arvidson
Oak Lodge Sanitary District
14611 SE River Rd
Milwaukie, OR 97267
503-653-1653
BKArvidson@olsd.net

Liaison from NCPRD for the Projects will be:

Tonia Burns
150 Beaver Creek Road
Oregon City, OR 97045
503-742-4357
tburns@co.clackamas.or.us

5. Other Terms

- A. Compliance with Laws. County and OSLD agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.
- B. No Assignment. This agreement may not be subcontracted, assigned or transferred by either party without the express written consent of the other party.
- C. Entire Agreement; Amendment. This agreement and the exhibits hereto constitute the entire agreement between the parties, and may be modified only in writing signed by both parties. This agreement may be amended at any time with the written agreement of both parties.
- D. Indemnification. Subject to the limitations of the Oregon Tort Claims Act and the Oregon Constitution OLSD agrees to indemnify, defend and hold harmless NCPRD and their officers, agents and employees against all liability, loss and costs arising from actions, suits, claims or demands attributable solely and exclusively to acts or omissions of OLSD, and OLSD's officers, agents and employees, in performance of this contract.

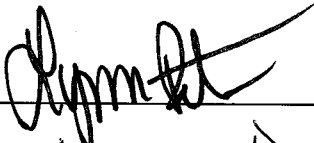
Subject to the limitations of the Oregon Tort Claims Act and the Oregon Constitution, NCPRD agrees to indemnify, defend and hold harmless OLSD and their officers, agents and employees against all liability, loss and costs arising from actions, suits, claims or demands attributable solely and exclusively to acts or omissions of NCPRD, and NCPRD's officers, agents and employees, in performance of this contract.


- E. Insurance. Prior to beginning any work on NCPRD property or using any NCPRD property as access to reach construction sites, OLSD shall obtain, at their expense, and keep in effect during the term of this contract, Commercial General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form in the amount of not less than \$1 Million per occurrence/\$2 Million general aggregate for the protection of NCPRD, its officers, commissioners, and employees. Alternatively, OLSD may maintain self-insurance funding in an amount that is acceptable to NCPRD. Insurance coverage that is maintained by OLSD shall include Contractual Liability insurance for the indemnity provided under this contract.

This policy(s) or self-insurance fund shall act as the primary insurance with respect to NCPRD. Any insurance or self-insurance maintained by NCPRD shall be excess and shall not contribute to it. Proof of such insurance or self-insurance funds shall be provided to NCPRD upon request.

6. **Term of Agreement.** This agreement becomes effective when it is signed by both parties and shall continue until the last of the three projects described in Exhibits 1 through 3 is completed. The term may be extended at any time by mutual agreement of the parties in writing.
7. **Amendment.** This agreement may be amended as a whole or in part at any time in writing by mutual agreement by the parties.
8. **Termination.** This Agreement may be suspended or terminated prior to the expiration of its term by:
 - A. Thirty (30) days written notice without cause by either party;
 - B. Immediately upon written notice provided by either party resulting from material failure by the other party to comply with any term of this agreement;

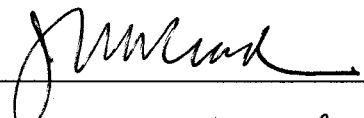
NCPRD

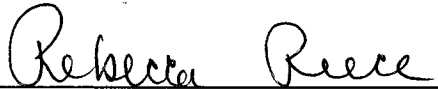
By: 
Name: LYNN PETERSON
Title: CHAIR
Date: 6-24-10


Attest: Recording Secretary
6-24-10 V.L.
Date


Approved as to form

OLSD

By: 
Name: J. MICHAEL READ
Title: GENERAL MANAGER
Date: 06/08/2010


Attest:
July 1, 2010
Date


Approved as to form

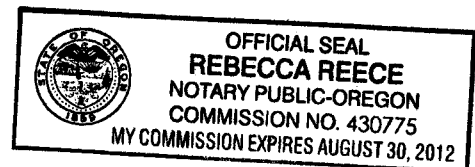


EXHIBIT 1
RIVERVILLA PARK PROJECT

1. General Project Description. NCPRD has been working to restore the natural resources at Riverville Park. OLSD is working on the renovation of their treatment plant located directly adjacent to the park on the east. As part of the renovation, OLSD needs access via Riverville Park to complete construction work on the plant. In return for access, OLSD would like to provide improvements to the park, including extension of the walking path into the park along Courtney Road and restoration of an approximately 50 foot buffer along the eastern property line of the park with native plants and trees. The buffer will also help screen the treatment plant from the Willamette River. OLSD will support the on-going maintenance of the newly planted areas for a period of three years. OLSD has agreed to provide NCPRD not to exceed \$30,000 payable over three years to support this work.

2. Project specific obligations of OLSD.

OLSD agrees to:
 - a. Obtain all necessary permits for all proposed work in the park associated with the sewer plant renovation;
 - b. Construct an the walking path leading into the park along Courtney Road;
 - c. Restore an approximately 50-foot buffer along the eastern property line of the park by planting native plants and trees;
 - d. Provide NCPRD, as built drawings for the completed improvement in the park;
 - e. Support the on-going maintenance of the newly planted areas for a period of three years. Such support will be in form of payments to NCPRD not to exceed \$30,000 payable over three years. Payment will be based upon agreed upon invoice cost, unless otherwise agreed to in writing by the parties.

3. Project specific obligations of NCPRD.

NCPRD agrees to:

- a. Allow OLSD reasonable access through the park so that OLSD can complete renovation to their adjacent treatment plant, including construction of a temporary construction driveway, walking path and complete restoration work in the 50-foot buffer area;
- b. Review and sign permit applications for all work on NCPRD associated with this agreement;

- c. Continue to maintain the improved 50-foot buffer area during the time that OLSD is providing payments to NCPRD;
- d. Provide OLSD a written description and cost estimate for the natural area restoration and maintenance work associated with the buffer area.

**EXHIBIT 2
RISLEY PARK PROJECT**

1. General Project Description. North Clackamas Parks and Recreation District (NCPRD) has worked to delineate the creek buffer in Risley Park with the goal of working with community members and other groups and agencies to enhance the buffer to improve water quality and wildlife habitat. This small creek runs approximately 500 linear feet along the west boundary of the park. Within the OLSD's goals and objectives include working with other agencies to increase water quality standards in the district. OLSD would like to partner with NCPRD to enhance the 25-foot riparian buffer within Risley Park. This project would seek to resort approximately 0.5-1 acre of riparian and wetland area.
2. Project specific obligations of OLSD. OLSD has agreed to provide NCPRD not to exceed \$25,000 payable over three years to support this work. Payment will be based upon agreed upon invoice cost, unless otherwise agreed to in writing by the parties.
3. Project specific obligations of NCPRD.

NCPRD agrees to:

- a. Design and plan the restoration project in consultation with OLSD and the community.
- b. Coordinate volunteer groups to complete the project;
- c. Maintain the improved buffer area during the time that OLSD is providing payments to NCPRD;
- d. Provide OLSD with a written project description and detailed cost estimate for the work prior to the beginning of the project.

EXHIBIT 3
STRINGFIELD FAMILY PARK PROJECT

1. General Project Description. NCPRD and OLSD partnered to complete the construction of Stringfield Family Park in 2008. A major component of the project was the restoration of the riparian area along Boardman Creek. Since completion, NCPRD has been maintaining the park and natural area. OLSD recognizes the importance of this park to the health of the watershed and desires to support the ongoing maintenance of the natural area. OLSD has agreed to provide NCPRD not to exceed \$12,000 for three years to support this work..
2. Project specific obligations of OLSD. OLSD has agreed to provide NCPRD not to exceed \$12,000 payable over three years to support this work. Payment will be based upon agreed upon invoice cost, unless otherwise agreed to in writing by the parties.
3. Project specific obligations of NCPRD.

NCPRD agrees to:

- a. Continue to maintain the natural area along Boardman Creek during the time that OLSD is providing payments to NCPRD;
- b. Provide OLSD a written description and cost estimate for the on-going restoration and maintenance work.

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FILED

DEC 5 2002

Clackamas County Clerk

AGREEMENTS/CONTRACTS

X	New Agreement/Contract
	Amendment/Change Order Original Number _____

ORIGINATING COUNTY

DEPARTMENT: Clackamas County Service District #1, Tri City
Service District, and Surface Water Management Agency

OTHER PARTY TO CONTRACT/AGREEMENTS – Oak Lodge Sanitary

DATE: November 26, 2002 ITEM NUMBER: V-1

PURPOSE OF

CONTRACT/AGREEMENT: Management Services, consolidation, and governance
Studies

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
OAK LODGE SANITARY DISTRICT
AND
CLACKAMAS COUNTY SERVICE DISTRICT #1, TRI CITY SERVICE DISTRICT,
AND SURFACE WATER MANAGEMENT AGENCY OF CLACKAMAS COUNTY
FOR
MANAGEMENT SERVICES, CONSOLIDATION, and GOVERNANCE STUDIES**

This Agreement is entered into this 26 day of NOVEMBER, 2002, between the Oak Lodge Sanitary District ("Oak Lodge"), a sanitary district organized under ORS Chapter 450, and Clackamas County Service District #1, Tri City Service District and Surface Water Management Agency of Clackamas County (Districts), county service districts organized under ORS Chapter 451, all being political subdivisions of the State of Oregon.

WHEREAS, ORS 190.003 to 190.030 allows units of local government to enter into agreements for performance of any or all functions and activities which such units have authority to perform; and

WHEREAS, Oak Lodge and Districts provide similar sanitary sewer and surface water management services in the North Clackamas County urban and unincorporated areas; and

WHEREAS, Oak Lodge and Districts are interested in exploring opportunities for the cooperative or consolidated provision of services with the goals being to maximize efficiencies, improve service and reduce costs to the rate payers; and

WHEREAS, Clackamas County has a number of county service districts which could potentially be merged to obtain improved service delivery and sharing of resources; and

WHEREAS, Oak Lodge and the Districts believe it is in the public interest to explore the feasibility of consolidating sanitary sewer and surface water management services to obtain efficiencies for citizens and ratepayers; and

WHEREAS, due to the departure of the former Director for Districts, Districts are in need of the management services of a new Director; and

WHEREAS, Oak Lodge is willing, and the Districts desire, to enter into an agreement for management services provided by Kent Squires, the current Oak Lodge General Manager;

NOW THEREFORE, Oak Lodge and the Districts agree as follows:

Section 1: Management Services.

- A. Oak Lodge currently employs Kent Squires as the General Manager for Oak Lodge. Oak Lodge agrees to direct Kent Squires to provide management services for Districts as a part of his regular duties and responsibilities to Oak Lodge. Kent Squires shall for all purposes remain an employee of Oak Lodge. In the initial year of this agreement Districts shall compensate Oak Lodge directly on an annual basis the total sum of \$100,000 for the management services they receive from Kent Squires. In subsequent years of this agreement the amount of compensation shall be

increased by a minimum factor of 5%, which shall include the Portland area CPI-U and the increased costs of benefits included in Mr. Squires' compensation. Oak Lodge shall bill Districts in twelve equal monthly installments for the services provided. Invoices shall be due and payable upon receipt. Invoices not paid within thirty (30) days shall be subject to interest at the rate of 1% per month.

- B. Kent Squires shall provide management services to Districts under the general direction of Jonathan A. Mantay, the Administrator for Districts, and will provide such management services as agreed upon by Mr. Mantay and Mr. Squires subject to approval by Oak Lodge. Such services shall be in accordance with Attachment A, incorporated by reference herein.
- C. Districts are contracting for the services of Kent Squires personally, not for the services of any other person who may hold the office of Oak Lodge General Manager. Should Mr. Squires leave the employ of Oak Lodge, Districts may immediately terminate this portion of this agreement by giving the notice required by section 5.C.
- D. Districts shall provide, at no cost to Oak Lodge, adequate office space and supporting services in the Sunnybrook Service Center for Mr. Squires while he is performing management services for Districts. If it is agreed upon by the parties, Districts may provide office space for other Oak Lodge employees as deemed appropriate by the parties.

Section 2: Projects.

- A. Wastewater Treatment Facility Consolidation Study.

Within twelve (12) months of the execution of this agreement, Oak Lodge, Service District #1, and Tri City Service District will jointly perform an engineering pre-design study of the potential for wastewater treatment facility consolidation and/or relocation. The Parties agree to invite the cities of Gladstone, Happy Valley, Milwaukie, Oregon City, and West Linn to participate in said study, which will include a public participation component.

The purpose of this study is to determine the likely costs of consolidating and/or relocating wastewater treatment at fewer locations, the likely costs of expansion or construction of appropriate facilities to accommodate the redirected flows, and the likely cost to construct additional capacity necessary to serve future growth in the North Clackamas area.

This study will also include a rate and economic analysis designed to assess the probable impacts on customers served by the facilities. All costs of the engineering pre-design study, and rate and economic analysis, will be proportionally funded by the participating parties based upon population served.

B. Wastewater Treatment/Surface Water Management Service Provision Merger or Consolidation Study.

Within twelve (12) months of the execution of this agreement, Oak Lodge and Service District #1 will jointly perform and complete a discovery and assessment of potential governance structures available for consolidation of wastewater/surface water management services under a single governance umbrella within the North Clackamas County area. This study will include the options currently available under Oregon Revised Statutes, the mechanisms available for implementing each option, and the potential advantages and disadvantages of each. Any consulting or legal fees necessary to complete this study will be proportionally borne by the participating parties to this agreement based upon population served.

Within eighteen (18) months following execution of this agreement, the governing bodies of the areas regulating service delivery shall convene one or more public meetings to assess the defined benefits to the public and select an option for implementation. Prior to selection of an option, the governing bodies agree to hold one or more public hearings to take public testimony on the governance options under consideration. Oak Lodge and participating Districts agree to take the necessary steps to initiate implementation of the selected option within six (6) months of agreement on the selected option.

C. Service District Consolidation Study

At any time during the term of this agreement the parties hereto may agree to perform a consolidation study of county service districts providing the same or similar services within the urban and/or unincorporated area of the County. In the event such a study is undertaken, the parties agree to invite all potentially affected jurisdictions to participate on an advisory basis including, but not limited to, the cities of Gladstone, Happy Valley, Milwaukie, Oregon City, and West Linn. The parties also agree to incorporate a public participation component in any consolidation study. The parties agree that the cost associated with a study determining the feasibility of consolidating county service districts shall be borne by the county service districts involved in proportion to the populations served.

Section 3: Effective Date.

The effective date of this agreement shall be December 2, 2002 unless so specified otherwise by written amendment hereto.

Section 4: Term of Agreement.

The term of this agreement shall be three (3) years from the effective date specified in Section 3. In the event consolidation of wastewater/surface water management services remains undecided after the initial three-year term, the agreement may be extended for additional one (1) year terms upon mutual agreement of the parties in writing.

Section 5: Termination.

- A. Except as otherwise provided in this Section, this agreement may be terminated by any party to this agreement by providing written notice to the other parties not less than one (1) year prior to the date of termination.
- B. In the event any party desires to terminate Section 2 of this agreement, Projects, with less than one (1) year written notice as required by subsection A of this section, the party desiring termination shall pay to the other parties the amount it would be obligated to pay to meet financial obligations related to the Projects if the Agreement were to continue through the one (1) year termination notice period to the extent that the parties have incurred such financial obligations at the time notice of termination is given.
- C. Any party to this agreement may terminate Section 1, the Management Services portion of this agreement under the conditions stated below at any time by giving 30 days written notice to the other parties of the decision to terminate.
 - a. Parties recognize that the sharing of Mr. Squires' time between districts may require Oak Lodge to employ additional assistance to carry out the day-to-day functions of Oak Lodge. Where Districts initiate termination of the Management Services portion of this agreement, and where Oak Lodge has employed additional staff including staff as may be contracted from County, and to provide for orderly transition in the event of termination, Districts shall be obligated to pay to Oak Lodge the amount of the monthly payments denoted in Section 1A above for a period of six months following the date of termination.
 - b. Where Districts initiate termination of the Management Services portion of this agreement and where Oak Lodge has not employed additional staff, and to provide for orderly transition in the event of termination, Districts shall be obligated to pay to Oak Lodge the amount of the monthly payments denoted in Section 1A above for a period of two months following the date of termination.
 - c. Where Oak Lodge initiates termination of the Management Services portion of this agreement, Oak Lodge agrees to refund District payments for Management Services for a period of three months, or the sum total of payments received, whichever is less.

Section 6: Amendment.

- A. This agreement may be amended within its current term or any successive term by the joint agreement of the parties. To be effective, all amendments shall be in writing and signed by authorized representatives of each party.
- B. If Oak Lodge and the Districts decide to terminate this agreement by mutual agreement prior to the termination date of the agreement, any shared assets remaining on the date of termination will be divided on a prorated basis based upon original contribution of the parties.

Section 7: Indemnification.

- A. Subject to the limitations of liability for public bodies set forth in the Oregon Tort Claims Act, (ORS 30.260 to 30.300) Oak Lodge shall hold harmless and indemnify the Districts, their Commissioners, employees, agents and volunteers against any and all claims, damages, losses and expenses (including all attorney(s) fees and costs), arising out of, or resulting from Oak Lodge's performance of this agreement when the loss or claim is attributable to the acts or omissions of Oak Lodge, its Board members, employees, agents and volunteers.
- B. Subject to the limitations of liability for public bodies set forth in the Oregon Tort Claims Act, (ORS 30.260 to 30.300) the Districts shall hold harmless and indemnify Oak Lodge, its Board members, employees, agents and volunteers against all claims, damages, losses and expenses (including all attorney fees and costs) arising out of or resulting from the District's performance of this agreement when the loss or claim is attributable to the acts or omissions of the Districts, their Commissioners, employees, agents and volunteers.

Section 8: Attorney Fees.

If suit or action is instituted in connection with any controversy arising out of this agreement, the prevailing party shall be entitled to recover in addition to costs such sums as the court may adjudge reasonable as attorney fees at trial, on petition for review and on appeal.

Section 9: Notices.

Any notice required or permitted under this agreement shall be given when actually delivered or seventy-two (72) hours after deposited in the United States mail, first class postage, return receipt requested, and addressed as follows:

Oak Lodge: R. Kent Squires
General Manager
Oak Lodge Sanitary District
14611 SE River Road
Milwaukie, Oregon 97267-1198

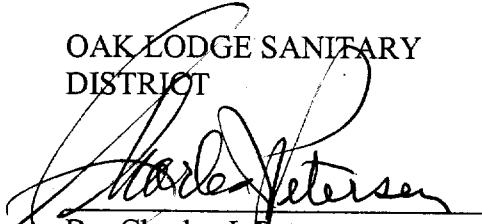
Districts: Jonathan A. Mantay
County Administrator
906 Main Street
Oregon City, Oregon 97045

Section 10: Severability.


Oak Lodge and the Districts agree that if any term or provision of this agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain the particular term or provision held to be invalid.

IN WITNESS THEREOF, the respective parties have cause to be signed in their behalf to make and enter into this agreement this 26 day of NOVEMBER, 2002.

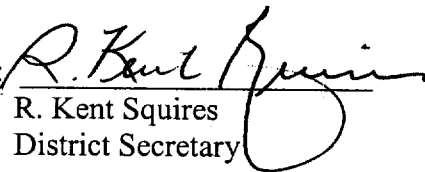
OAK LODGE SANITARY DISTRICT


By: Charles J. Petersen
President


TRI-CITY SERVICE DISTRICT


By: Larry Sowa, Chair
Board of County Commissioners

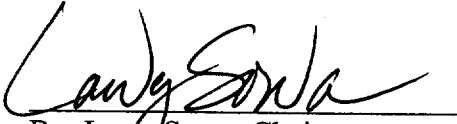
ATTEST:

By: 
R. Kent Squires
District Secretary


ATTEST:

By: 

CLACKAMAS COUNTY SERVICE DISTRICT #1


By: Larry Sowa, Chair
Board of County Commissioners

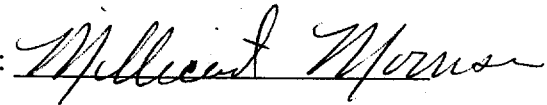
SURFACE WATER MANAGEMENT AGENCY OF CLACKAMAS COUNTY


By: Larry Sowa, Chair
Board of County Commissioners

ATTEST:

By: 

ATTEST:

By: 

ATTACHMENT A

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
OAK LODGE SANITARY DISTRICT
AND
CLACKAMAS COUNTY SERVICE DISTRICT #1, TRI CITY SERVICE DISTRICT,
AND SURFACE WATER MANAGEMENT AGENCY OF CLACKAMAS COUNTY
FOR
MANAGEMENT SERVICES, CONSOLIDATION, and GOVERNANCE STUDIES**

Statement of Objectives

In order to further the close working relationship between the Oak Lodge Sanitary District (hereinafter "Oak Lodge") and Clackamas County Service District #1, Tri-City Service District, and Surface Water Management Agency for Clackamas County (hereinafter "Districts"), Oak Lodge Sanitary District General Manager R. Kent Squires (hereinafter "General Manager") and District Administrator Jonathan A. Mantay (hereinafter "District Administrator") have developed this Statement of Objectives regarding operations of the Districts.

1. The District Administrator expects that the General Manager will carry out certain administrative and executive functions appropriate to a general manager/service district director under only the general supervision of the District Administrator. These functions include but are not limited to:
 - A. To administer affairs of the Districts relative to the provision of sanitary sewer and surface water management services in accordance with the Clackamas County Code and policies and applicable statutes, including, but not limited to, ORS Chapter 451 dealing with County service districts, ORS Chapter 294 dealing with financial administration, and ORS Chapter 192 dealing with public records and meetings.
 - B. To retain and utilize necessary and proper legal counsel for the purposes of assuring compliance with applicable law in the performance of the functions of the Districts and for legal advice pertaining to the activities of the Districts.
 - C. In a manner consistent with the Clackamas County Code and personnel policies to recruit, hire, train, promote, discipline, terminate and generally manage the professional and labor staff of the Districts necessary to properly carry out the mission of the Districts at the levels of public service established by the District Administrator.
 - D. To retain and utilize necessary and proper professional consulting services for the purposes of performing studies, evaluations, planning, design, and construction services for the Districts as deemed necessary for the continuation of delivery of high quality wastewater and surface water management services to the public.

- E. To plan, acquire, maintain, and dispose of the capital facilities, equipment, supplies, materials, and services necessary for the efficient and effective delivery of public service to the community.
 - F. To effect and maintain proper financial controls for the efficient day-to-day operation of the Districts.
 - G. To develop and administer the organizational structure of the Districts.
 - H. To develop and implement strategic planning for the Districts.
 - I. To develop, implement, and administer the budgets for the Districts.
2. The District Administrator retains the responsibility and authority to carry out general management oversight functions on behalf of the Districts, due to the fact that the District Administrator is the person directly responsible to the District Board for the quality of performance of the General Manager under the terms of this agreement. The District Administrator intends to carry out this management oversight function through the working relationship described in Section 3, below.
3. The District Administrator and the General Manager have the following expectations regarding their mutual functions.
- A. They will work together in a close partnership to attain the goals of the Districts as established by statute and Board of County Commissioners/District Administrator Policy.
 - B. The General Manager will freely express his opinions, including any opinion which may differ or conflict with that of the District Administrator and/or Board of County Commissioners, before an official decision is made by the District Administrator and/or Board of County Commissioners on a subject related to the Districts. To the full extent possible, within legal limitations and good faith, the General Manager will publicly support and carry out the decisions and policies of the District Administrator and/or Board of County Commissioners, after official action has been taken by the District Administrator and/or Board of County Commissioners.
 - C. The General Manager will be accessible to the District Administrator at all reasonable times, whether at work, at home, or in some other location, and the District Administrator will feel free to contact the General Manager at any time regarding Districts matters.
 - D. The General Manager and the District Administrator will develop a close working relationship to further the goals, objectives, administration, and policies of the Districts.
 - E. The District Administrator and the General Manager will cooperate in the preparation of materials for Board of County Commissioners meetings and in developing expertise with respect to policy and local government issues.

- F. The District Administrator will provide frequent feedback to the General Manager with respect to his performance of his functions. In consultation with the General Manager, the District Administrator will develop a procedure for a performance evaluation to be conducted with respect to the General Manager on an annual basis. The purpose of the evaluation and feedback process is to provide cooperative positive communication between the District Administrator and the General Manager with respect to the General Manager's performance, and, whenever possible, to avoid negative confrontations, conflict, and misunderstandings.

- G. The District Administrator will provide the General Manager with reasonable resources, that are mutually agreed to be necessary for him to efficiently perform the duties of his office, including but not limited to, travel, office, staff, supplies, materials, services, and capital goods.

am/districts/oak lodge IGA.final 11-20-02