



Gregory L. Geist  
Director

May 9, 2019

Water Environment Services Board  
Board of County Commissioners  
Clackamas County

Members of the Board:

Approval of Amendment #1 to the Intergovernmental Agreement  
Between Portland State University and Water Environment Services  
PSU Contract #550066

<b>Purpose/Outcomes</b>	Approval of Amendment #1 to the Intergovernmental Agreement between Portland State University (“PSU”) and WES to move forward with Oregon Consensus.
<b>Dollar Amount and Fiscal Impact</b>	The amendment will increase the consideration by \$25,000.00, for a total consideration not to exceed \$45,000.00. The cost to WES will be determined by the total amount of contributions of cost share by the participants.
<b>Funding Source</b>	FY18-19 and/or FY19-20 WES Budgets – ratepayer supported. No general fund dollars will be used for WES efforts.
<b>Duration</b>	Amendment expiration of December 31, 2019.
<b>Previous Board Action</b>	Original Intergovernmental Agreement with the Development Agency of Clackamas County and WES approved on July 27, 2017, and amended by the Board on July 12, 2018.  On January 22, 2019, the Board authorized WES staff to proceed and negotiate an IGA with PSU to be brought back to the Board for approval.
<b>Strategic Plan Alignment</b>	Addressing governance issues can help facilitate needed conversations regarding investment, coordinated action, and regional solutions to watershed issues. This aligns with the County’s Strategic Goals in that it helps 1) build a strong infrastructure and 2) build trust through good government.
<b>Contact Person</b>	Greg Geist, 503-742-4560
<b>Contract No.</b>	<i>None</i>

**BACKGROUND:**

In 2015-16, Clackamas County Service District No. 1 (“CCSD#1”) and Tri-City Service District (“TCSD”) engaged in conversations about joint investment in solids handling at the Regional Advisory Committee, which consisted mainly of elected officials from both districts, plus one unincorporated resident. The Regional Committee’s purpose was to discuss joint investments between the then-separate districts. At those meetings, some elected officials, most strongly the Mayor of Oregon City, pushed for a change in governance of the service districts – putting city councils, or representatives from them, in charge of regional wastewater service instead of the Board of County Commissioners.

The Board of County Commissioners responded that they were open to having a conversation, and proposed utilizing Oregon Consensus, a facilitation process supported by the Governor's office and housed at Portland State University, to facilitate the discussion.

The formation of WES answered definitively at least part of the governance conversation that was raised in 2015. The Board concluded that all ratepayers would benefit from a regional approach to an economies of scale business such as wastewater and surface water, and directed the formation of WES and the combination of all three service districts' business dealing with those issues into the single entity of WES.

The representatives from various cities have continued to advocate for some degree of city control of the regional system. Oregon Consensus was engaged and conducted an initial "survey" phase of work to see if there was sufficient mutuality to support a larger discussion. The survey results were based on interviews of WES stakeholders, including County Commissioners, city councilors, and several members of the WES Advisory Committee.

After deliberation on the survey report, the members of the Elected Officials Forum requested a continued conversation about governance and continued engagement with Oregon Consensus. Similarly, after deliberation on the report, the members of the WES Advisory Committee recommend a continued conversation about the matter.

WES presented the Oregon Consensus report of survey results to the Board during the policy session on January 22, 2019. The Board authorized staff to negotiate an IGA to be brought back to the Board regarding the scope and scale of the Oregon Consensus process consistent with Board direction as discussed arising from the Oregon Consensus survey results, and the recommendations from the WES Advisory Committee, the Elected Officials Forum, and WES staff.

WES and Portland State University desire to amend the Agreement pursuant to the proposed Amendment #1, herein attached, to allow for the next phase of work to take place at the request of WES, the WES Advisory Committee, and the Cities of Gladstone, Happy Valley, Johnson City, Milwaukie, Oregon City, and West Linn.

**RECOMMENDATION:**

WES staff recommends the Board, acting as the governing body of Water Environment Services, approve Amendment #1 to the Intergovernmental Agreement between Portland State University and Water Environment Services PSU Contract #550066, as described above.

Respectfully submitted,



Greg Geist  
Director, Water Environment Services

Attachments:

- Amendment #1 to the Intergovernmental Agreement between PSU and WES
- Attached Amendment 1 - Exhibit A, Scope of Work

**AMENDMENT #1 TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN  
PORTLAND STATE UNIVERSITY AND  
WATER ENVIRONMENT SERVICES  
PSU Contract #550066**

This Amendment #1, when signed by Portland State University (“PSU”) and Water Environment Services (“WES”) will become part of the intergovernmental agreement documents, superseding the original to the applicable extent indicated, and effective March 28, 2019.

WHEREAS, PSU and WES entered into that certain intergovernmental agreement relating to the engagement of Oregon Consensus effective May 1, 2018 (“Agreement”) to provide Phase I interviews and report regarding the possibility of facilitating a conversation regarding regional wastewater governance and service; and

WHEREAS, PSU and WES desire to amend the Agreement pursuant to this Amendment to allow for the next phase of work to take place at the request of WES, the WES Advisory Committee, and the Cities of Gladstone, Happy Valley, Johnson City, Milwaukie, Oregon City, and West Linn (the “Interested Cities” and, together with WES and the WES Advisory Committee, the “Participants”); and

WHEREAS, the Participants desire a collaborative process led by Oregon Consensus as outlined in the draft report provided by Oregon Consensus, and are willing to contribute towards the cost of the same, with WES serving as the contract coordinator and point of contact to provide ease of management and support of the work;

NOW, THEREFORE, PSU and WES hereby agree that the Agreement is amended as follows:

**SECTION I: Term is amended to extend the expiration date to December 31, 2019.**

**SECTION II: Statement of Work is amended to add the scope set forth on the attached Amendment 1 - Exhibit A.**

**SECTION III: Consideration is amended to increase the consideration by Twenty-Five Thousand and no/100 Dollars (\$25,000.00), for a total consideration not to exceed Forty-Five and no/100 Dollars (\$45,000.00).**

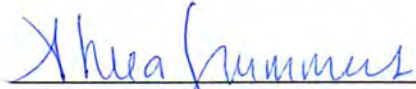
The parties recognize and acknowledge that the scope anticipates receiving feedback from participants and that some degree of change in scope is possible as part of the process, and therefore maximum authorized consideration reflects an amount to pay for any increase in workload arising from such shift.

WES agrees to pay the full consideration required under the Agreement as amended and will solicit contributions from the Interested Cities for their share in supporting the work of Oregon Consensus on behalf of the Participants.

*[Signature Page Follows]*

Except as set forth herein, PSU and WES ratify the remainder of the Agreement and affirm that no other changes are made hereby.

**PORTLAND STATE UNIVERSITY:**



Authorized Signor

Ahrea Summers, Contract Officer

04/25/2019

**WATER ENVIRONMENT SERVICES:**

\_\_\_\_\_  
Authorized Signor

AMENDMENT 1 - EXHIBIT A  
SCOPE OF WORK

In response to a request from the Water Environment Services (WES), Oregon Consensus (OC) is providing this scope of work for designing, initiating and facilitating a collaborative process to address issues related to governance of wastewater infrastructure in Clackamas County. This process would follow up on the recommendations provided in the Oregon Consensus report entitled Clackamas County Wastewater Governance Situation Assessment (December 13, 2018 draft) regarding the potential opportunity for a collaborative agreement-seeking process to address these issues. The proposed process outlined below includes an opportunity for a joint collaborative learning component as well as for a problem-solving component.

Scope of Work – Collaborative Process

NPCC will design, initiate and facilitate a collaborative process as outlined below. The intended purpose of the process would be to identify agreed-upon actions or changes in governance approaches that would meet the needs and interests of all the process participants. Process participants would include WES, county commissioner(s), city elected officials, and representatives of other interests who might be directly affected by the outcomes of the process.

1. OC would (working with WES, the county commissioners, and other stakeholders) develop and articulate a proposed process design/scope and proposed operating principles. The range of interests would be represented initially by participation from two county commissioners, one representative from each city served by WES, the WES Director, and several members of the WES Advisory Committee (collectively, the “Participants”). OC would also work with WES and the Participants to identify a small planning team to assist in meeting planning, initially proposed to be a county commissioner, a city representative, the Chair of the WES Advisory Committee, and the WES Director. Ultimately, all process participants must agree to the design/scope and operating principles for the process.
2. OC would plan and facilitate three meetings (of approximately 3 hours each) designed to provide an opportunity for joint learning among the process participants including a focus on (i) understanding the infrastructure and nature of the business, the fiscal structure of WES, and an environmental scan of current issues impacting each stakeholder (including WES and City systems), (ii) future challenges to the system, with infiltration/inflow (“I/I”) as a case study, and (iii) sharing of information about underlying interests of participants (as identified in the assessment report).
3. OC would plan and facilitate up to three meetings (up to approximately 3 hours each) designed to provide an opportunity for problem solving – which may include identifying criteria for a solution that would meet the interests of the participants and evaluating different options for a solution against those criteria.

Cost

The cost for conducting this assessment process as described above shall not exceed \$25,000.00 (Twenty-Five Thousand Dollars and no/cents) including labor, travel expense, and other direct and indirect costs.