



AGENDA

Thursday, April 17, 2014 - 6:00 PM
BOARD OF COUNTY COMMISSIONERS

Beginning Board Order No. 2014-28

I. CALL TO ORDER

- Roll Call
- Pledge of Allegiance

II. PRESENTATION *(Following are items of interest to the citizens of the County)*

1. Presentation Regarding Landslide Hazards including Mapping, Response & Recovery (Nancy Bush & Jay Wilson, Emergency Management & Mike McCallister, Planning)

III. CITIZEN COMMUNICATION *(The Chair of the Board will call for statements from citizens regarding issues relating to County government. It is the intention that this portion of the agenda shall be limited to items of County business which are properly the object of Board consideration and may not be of a personal nature. Persons wishing to speak shall be allowed to do so after registering on the blue card provided on the table outside of the hearing room prior to the beginning of the meeting. Testimony is limited to three (3) minutes. Comments shall be respectful and courteous to all.)*

IV. DISCUSSION ITEMS *(The following items will be individually presented by County staff or other appropriate individuals. Citizens who want to comment on a discussion item may do so when called on by the Chair.)*

-NO DISCUSSION ITEMS SCHEDULED

V. CONSENT AGENDA *(The following items are considered to be routine, and therefore will not be allotted individual discussion time on the agenda. Many of these items have been discussed by the Board in Study Session. The items on the Consent Agenda will be approved in one motion unless a Board member requests, before the vote on the motion, to have an item considered at its regular place on the agenda.)*

A. Administration

- 2 1. Approval of an Intergovernmental Agreement between Clackamas County and the State of Oregon Judicial Department, Fifth Judicial District for a Specialist Clerk to Support the Treatment Courts

B. County Counsel

- 3 1. Approval of a Settlement Agreement with the Trustee of the Blue Heron Estate and NRI Global, Inc. Regarding Outstanding Taxes and Certain Water Rights *(this item also placed on the agenda under Water Environment Services)*

- 4
2. Approval of an Intergovernmental Agreement Regarding the Future Use and Disposition of Certain Water Rights Obtained by Clackamas County Service District No. 1 and Tri-City Service District *(this item also placed on the agenda under Water Environment Services)*

C. **Elected Officials**

- 5
1. Approval of Previous Business Meeting Minutes – BCC

VI. WATER ENVIRONMENT SERVICES

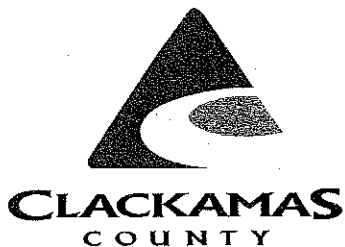
- 6
1. Approval of an Agreement to Furnish Products and Service between Clackamas County Service District No. 1 and Collcorp, Inc. for the Kellogg Creek Water Pollution Control Plant Ultraviolet Disinfection Equipment Refurbishment Project
- 7
2. Approval of a Settlement Agreement with the Trustee of the Blue Heron Estate and NRI Global, Inc. Regarding Outstanding Taxes and Certain Water Rights for Service District No. 1 and Tri-City Service District - *(this item also placed on the agenda under County Counsel)*
- 8
3. Approval of an Intergovernmental Agreement Regarding the Future Use and Disposition of Certain Water Rights Obtained by Clackamas County Service District No. 1 and Tri-City Service District *(this item also placed on the agenda under County Counsel)*

VII. COUNTY ADMINISTRATOR UPDATE

VIII. COMMISSIONERS COMMUNICATION

NOTE: Regularly scheduled Business Meetings are televised and broadcast on the Clackamas County Government Channel. These programs are also accessible through the County's Internet site. DVD copies of regularly scheduled BCC Thursday Business Meetings are available for checkout at the Clackamas County Library in Oak Grove by the following Saturday. You may also order copies from any library in Clackamas County or the Clackamas County Government Channel.

www.clackamas.us/bcc/business.html



NANCY S. BUSH
DIRECTOR

DEPARTMENT OF EMERGENCY MANAGEMENT

COMMUNICATIONS AND EMERGENCY OPERATIONS CENTER
2200 KAEN ROAD | OREGON CITY, OR 97045

April 17, 2014

Board of County Commissioner
Clackamas County

Members of the Board:

Presentation Regarding Landslide Hazards including Mapping, Response & Recovery

Purpose/Outcomes	Provide information to the Board regarding landslide mapping in Clackamas County, what the mapping means and how the County is prepared for response and recovery if there were to be a landslide event.
Dollar Amount and Fiscal Impact	No fiscal impact to the County – the intent is to educate regarding general information about landslide mapping and preparedness in the County.
Funding Source	N/A
Safety Impact	The presentation will give a better understanding of landslide materials available in the County and will provide a preparedness message.
Duration	N/A
Previous Board Action	A previous Board approved the funding for the Landslide Mapping that is now available in the County.
Contact Person	Nancy Bush, Director, Emergency Management Department 503-655-8665; Mike McCallister, Planning Director, Planning and Zoning 503-742-4552
Contract No.	N/A

BACKGROUND:

Landslides have recently captured headlines in the news after the tragic events that followed the landslide in Oso, WA. The dramatic damage caused by landslides is discussed regularly in the media and is a growing concern among residents in landslide prone areas. Clackamas County, as are many counties in the Pacific Northwest, is no exception when it comes to concerns regarding landslides and the destruction they may cause. Therefore, in order to learn more about landslides in our County the Emergency Management Program and the Planning and Zoning Program requested mitigation dollars from the Federal Emergency Management Agency (FEMA) to fund a landslide mapping project.

After the February 2011 federally declared disaster for flooding in Clackamas County FEMA awarded the County with dollars from the Hazard Mitigation Grant Program to complete a landslide mapping project. The project was to identify landslides using LIDAR technology and assess susceptibility and property risk from deep-seated and shallow-seated landslides in most of the urbanized communities in Clackamas County. The mapping is now complete and the next steps related to the mapping project begin, which will be outlined in this presentation.

While the next steps regarding the new LiDAR maps are moving forward, response and recovery are important to County residents. In the past ten years there have been scores of landslides that have mostly affected roads, though one home was destroyed in February 2011 by a landslide in Clackamas

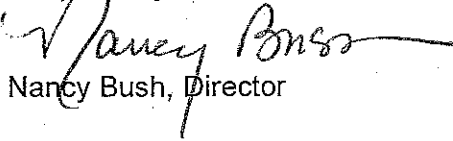
County. Primary response and recovery have been the responsibility of the Clackamas County Transportation Maintenance Division and Oregon Department of Transportation supported by Emergency Management as needed.

We invite each of you to learn more about landslide mapping and events and how they may affect our communities. In addition, we invite each of you to be more prepared for all hazards so that you and your family and loved ones will be more likely to have what you need for survival during a disaster.

RECOMMENDATION:

No recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nancy Bush", with a long horizontal flourish extending to the right.

Nancy Bush, Director



CLACKAMAS
COUNTY

Improved Landslide Hazard Mapping

Northwest Clackamas County Project Area

Board of County Commissioners Meeting
April 17, 2014

Presented by Clackamas County
Department of Emergency Management and Division of Planning and Zoning

Common Types of Landslides



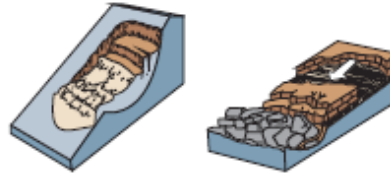
Oregon Department of
Geology and Mineral
Industries (DOGAMI)



Falls are near-vertical, rapid movements of masses of materials, such as rocks or boulders. The rock debris sometimes accumulates as talus at the base of a cliff.



Topples are distinguished by forward rotation about some pivotal point, below or low in the mass.



Slides are downslope movement of soil or rock on a surface of rupture (failure plane or shear-zone).

- **Rotational** slides move along a surface of rupture that is curved and concave.
- **Translational** slides displace along a planar or undulating surface of rupture, sliding out over the original ground surface.



Spreads are commonly triggered by earthquakes, which can cause liquefaction of an underlying layer and extension and subsidence of commonly cohesive materials overlying liquefied layers.



Channelized Debris Flows commonly start on a steep, concave slope as a small slide or earth flow into a channel. As this mixture of landslide debris and water flows down the channel, it picks up more debris, water, and speed, and deposits in a fan at the outlet of the channel.



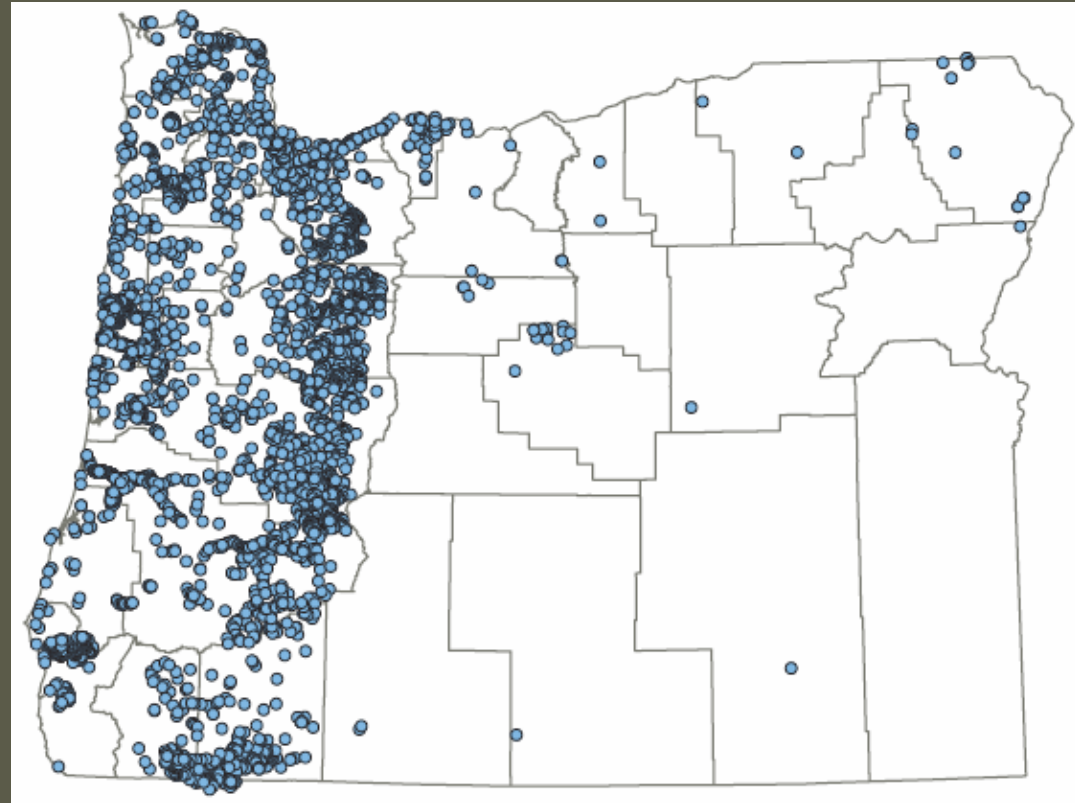
Earth Flows commonly have a characteristic "hourglass" shape. The slope material liquefies and runs out, forming a bowl or depression at the head.



Complex landslides are combinations of two or more types. A common complex landslide is a slump-earth flow, which usually exhibit slump features in the upper region and earth flow features near the toe.

Background: 1996-1997 Storm Events

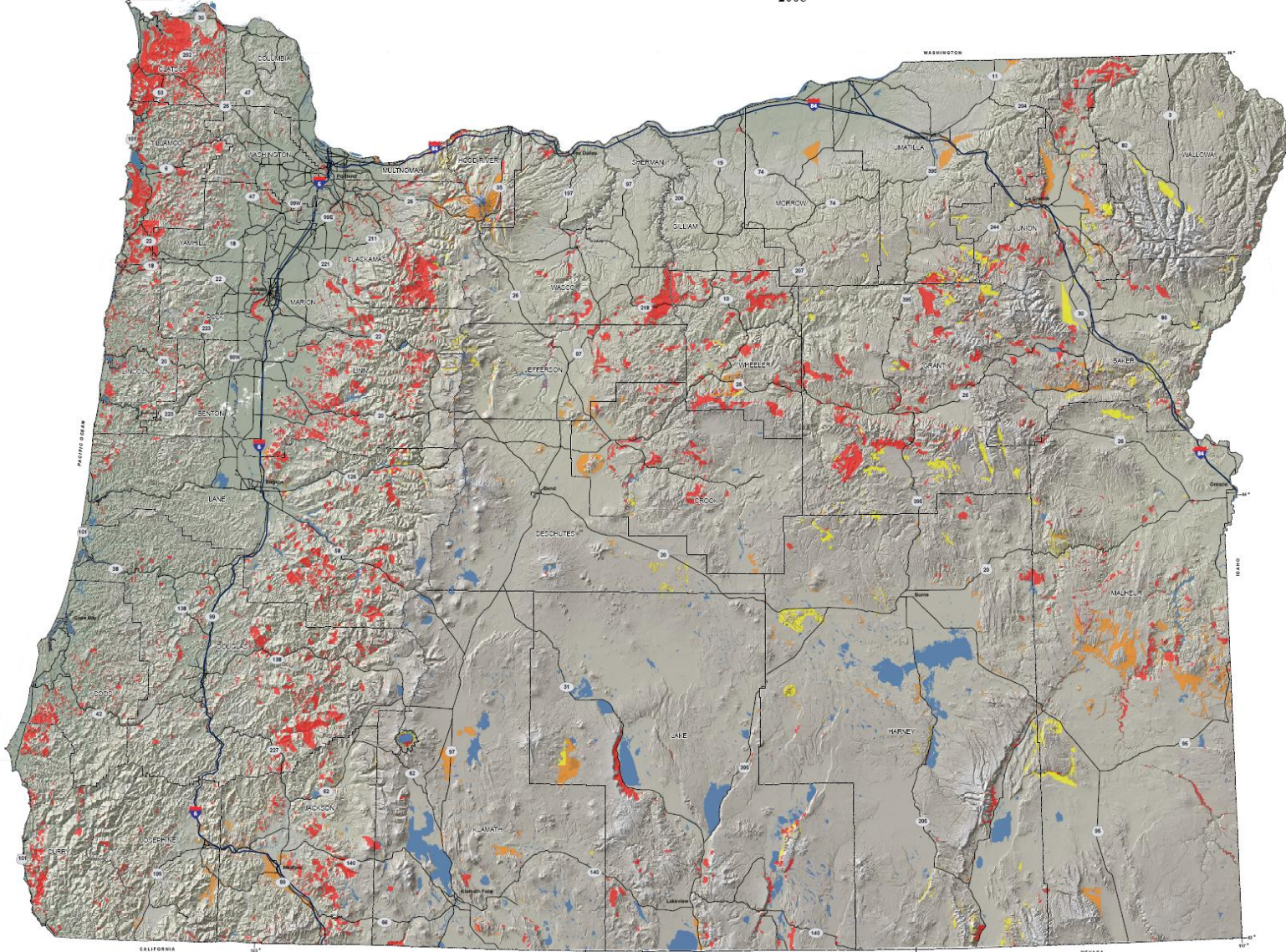
- **In Oregon ~\$10 million annual damages from landslides**
- **1996-97:**
 - 3 major storms
 - 1 storm in 1996 total exceed \$100 million
 - Five deaths are directly attributed to landslides during 1996
 - 9,500 landslides were identified



Statewide Landslide Inventory Database of Oregon (SLIDO) - Release 1

2008

SLIDO Release 1
Statewide Landslide Information Database of Oregon
OSLID08 Release 1
by William J. Davis, Lisa Ma, and Ian Madin
Partial funding provided by USGS Landslide Program



EXPLANATION

As with all regional compilations of landslide inventories, this map is not a complete, up-to-date list of landslides. The location of previously mapped landslides is based on the Statewide Landslide Inventory Database of Oregon (SLIDO) version 1. The data were compiled from a variety of sources, including published maps, reports, and databases. The location of previously mapped landslides is based on the Statewide Landslide Inventory Database of Oregon (SLIDO) version 1. The data were compiled from a variety of sources, including published maps, reports, and databases. The location of previously mapped landslides is based on the Statewide Landslide Inventory Database of Oregon (SLIDO) version 1. The data were compiled from a variety of sources, including published maps, reports, and databases.

EXPLANATION OF MAP UNITS

After the compilation, each of the new Statewide Landslide and Landslide-related features (point, line, boundary, etc.) are represented as follows:

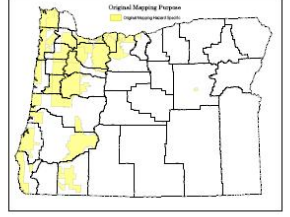
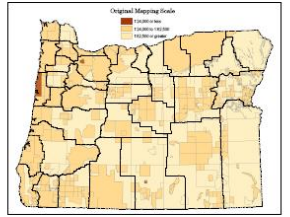
- Red: Landslide on Landslide Topography
- Orange: Debris Flow or Other Fan
- Yellow: Slickens or Colluvium

LIMITATIONS

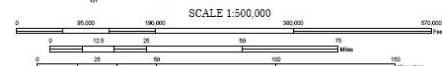
The statewide landslide inventory was compiled through the compilation of the best available, historical landslide data available, and information that is available to the public. It is not intended to be used as an advisory or regulatory tool. The statewide landslide inventory was compiled through the compilation of the best available, historical landslide data available, and information that is available to the public. It is not intended to be used as an advisory or regulatory tool.

REFERENCES

Davis, W. A. 2001. Compilation of Statewide Databases for the Establishment of a Landslide Mapping Program in Oregon. Oregon Department of Geology and Mineral Industries, Technical Report 2001-1.



Scale: 1:500,000
Elevation: 1500 meters (11,000 feet)
0 meters (0 feet)



Digitized by William J. Davis, Lisa Ma, and Ian Madin

Digital Compilation of Previously Mapped-Published Landslides

257 studies and ~15,000 landslides

DISCLAIMER
This map depicts publicly available landslide data as of the date of publication. It is not intended to be used as an advisory or regulatory tool. The data were compiled from a variety of sources, including published maps, reports, and databases. The location of previously mapped landslides is based on the Statewide Landslide Inventory Database of Oregon (SLIDO) version 1. The data were compiled from a variety of sources, including published maps, reports, and databases.



The Landslides Continue . . .



Newell Creek Apartments

2005



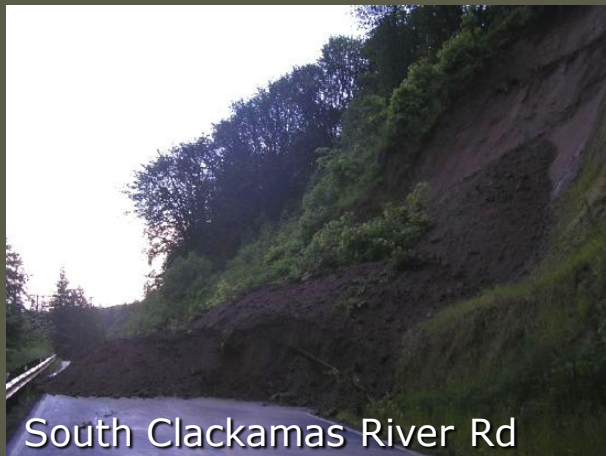
Barclay Hills Subdivision

2006

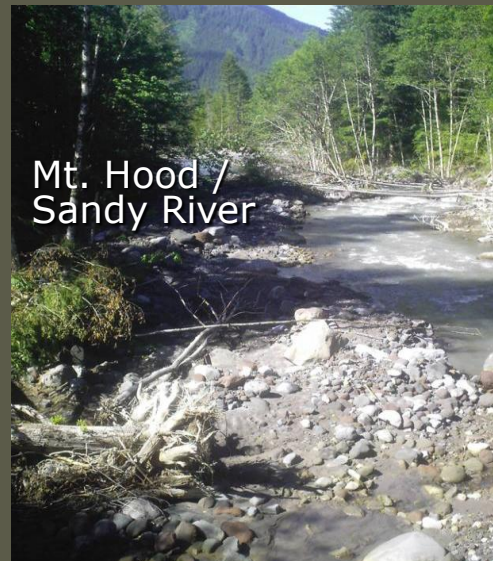


Thayer Road

2007



South Clackamas River Rd



Mt. Hood /
Sandy River



Hidden Lakes Estates

And Continue



2009-Heiple Road



2009-Clackamas River Road



2009-HWY 26 (Sandy)



2009-Paradise Park
(Heiple Rd. area)

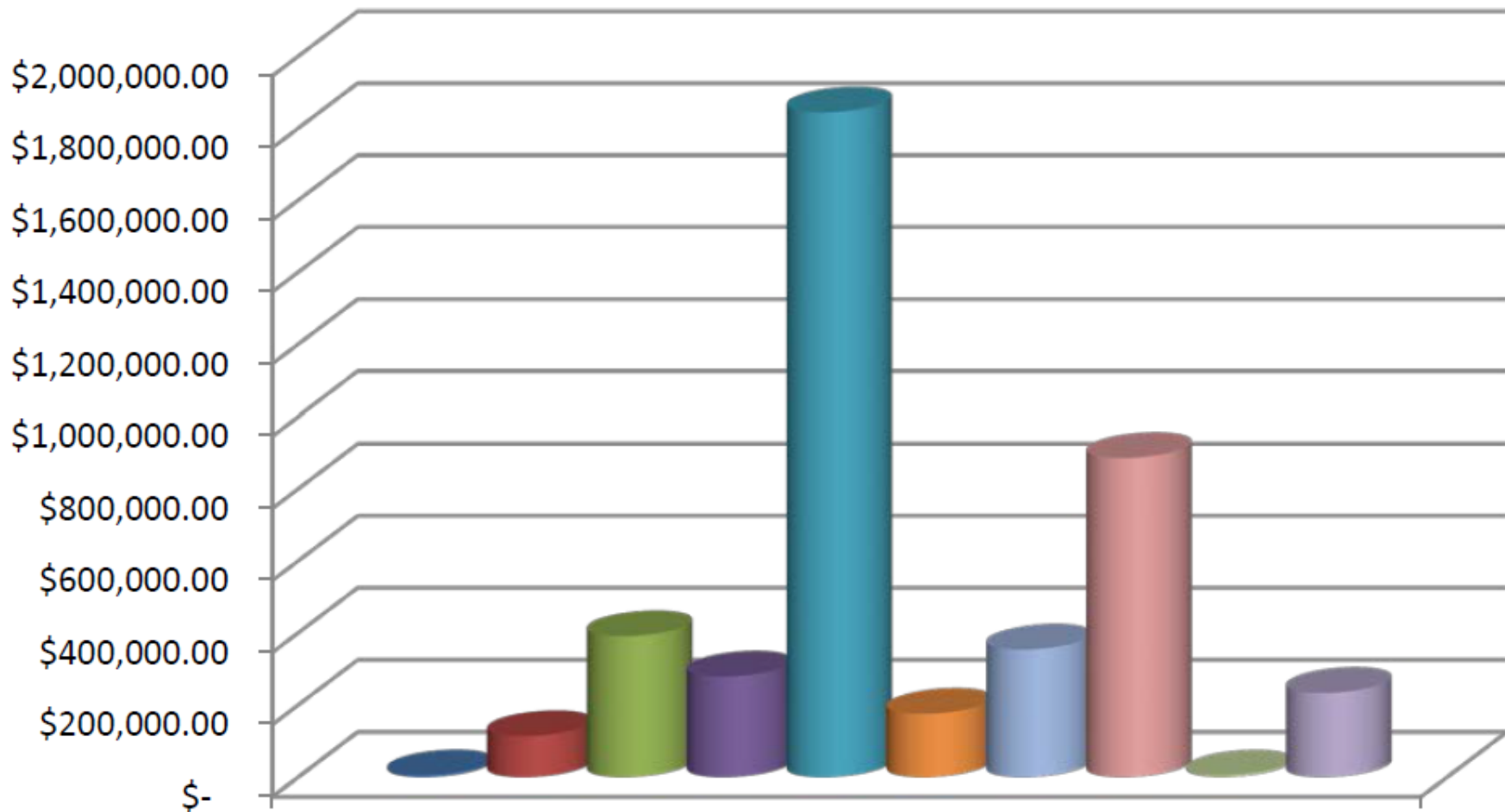


2009-Lake Oswego



2009-HWY 26 (Sandy)

Annual Clackamas Landslide Road Repair Costs 2002 through 2011

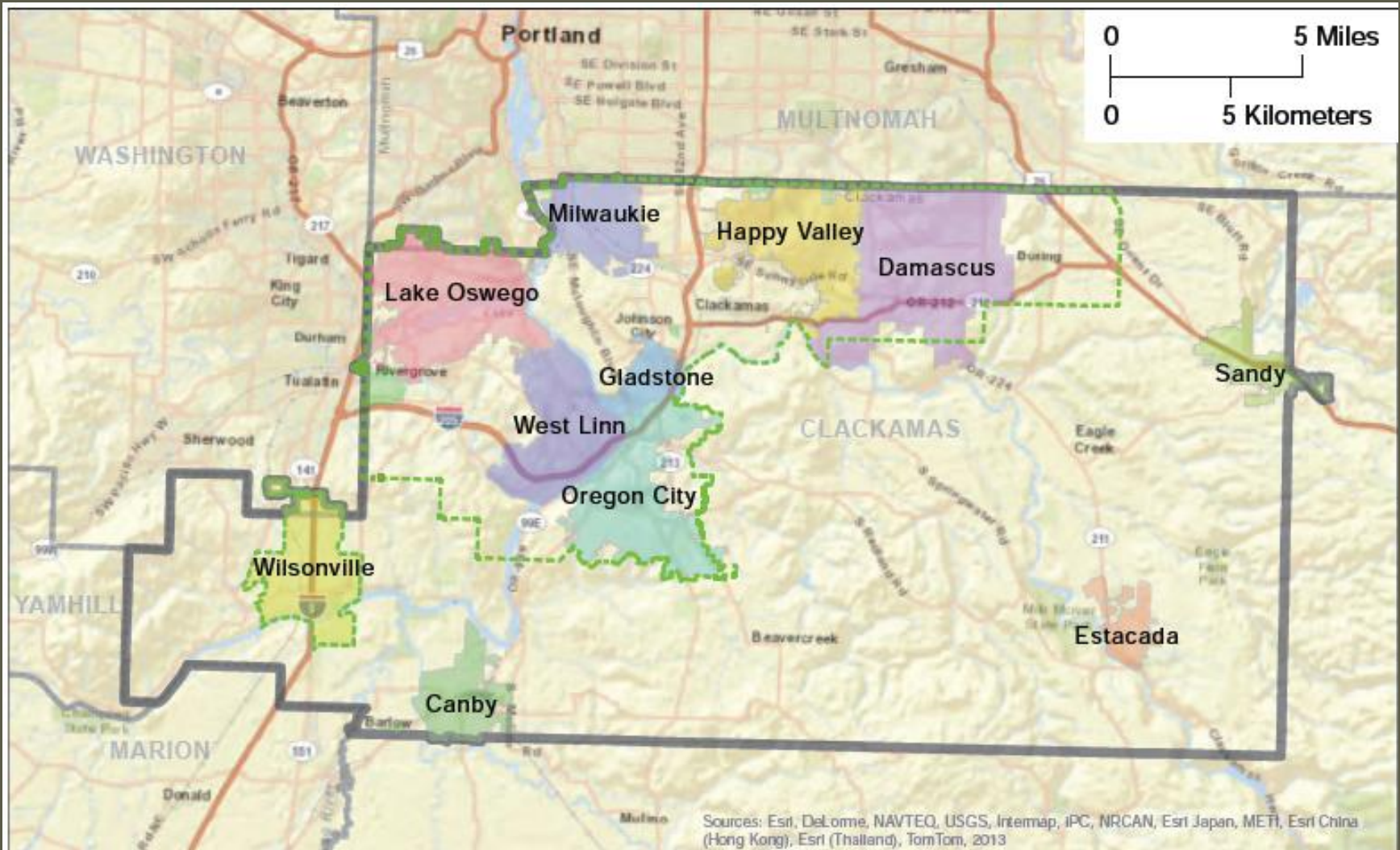


Dollar Amount

2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

County Dept. of Transportation and Development

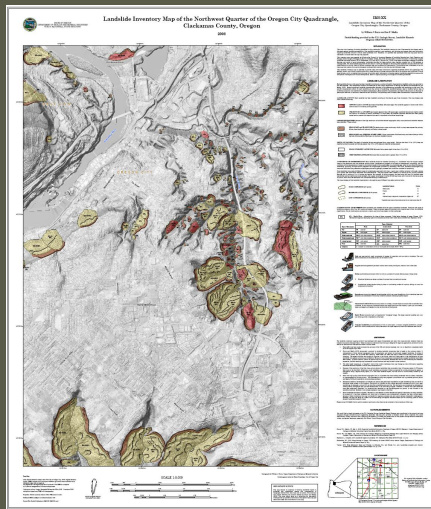
NW Clackamas County Project Area



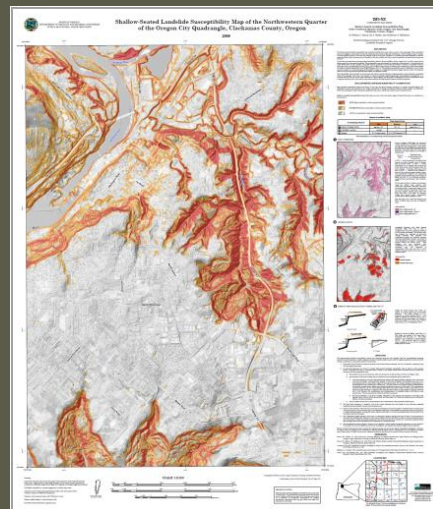
The map of the study area showing counties, cities and communities.
The dashed green line shows the Metro urban growth boundary.

New Landslide Hazard Mapping

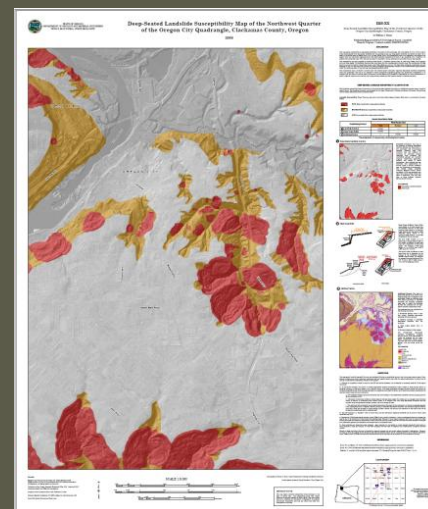
DOGAMI has developed a set of protocols that describe how to create landslide inventory maps and susceptibility maps



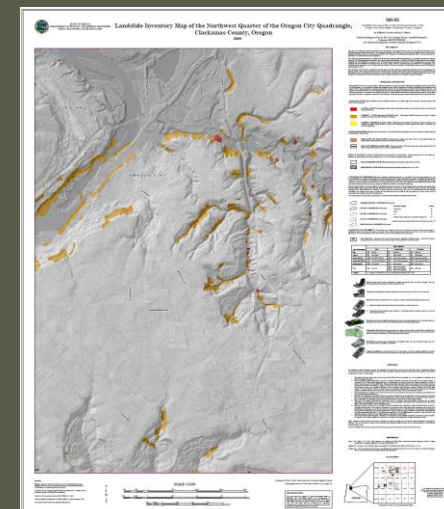
LS Inventory
Original



Shallow LS
Susceptibility
New



Deep LS
Susceptibility
New



Debris Flow
Susceptibility
New



EXPLANATION

This map is a compilation of existing landslide inventories in Clackamas County. Inventory is not of the entire area shown and is limited to the northwest quarter of the Oregon City Quadrangle, Clackamas County, Oregon. The map is not intended to be used for engineering or other purposes. The map is not intended to be used for engineering or other purposes. The map is not intended to be used for engineering or other purposes.

LANDSLIDE CLASSIFICATION

Each landslide is classified according to the following criteria:

- MOVEMENT TYPE:** Each landslide has been classified according to the nature of its movement. The map displays one of the following movement types:
 - SPREAD:** Each landslide has been classified as a spread. This type of landslide is characterized by the lateral displacement of a mass of earth or rock.
 - SLIDE:** Each landslide has been classified as a slide. This type of landslide is characterized by the downward and outward movement of a mass of earth or rock.
 - FALL:** Each landslide has been classified as a fall. This type of landslide is characterized by the free-fall of a mass of earth or rock.
 - TOPPLE:** Each landslide has been classified as a topple. This type of landslide is characterized by the rotation of a mass of earth or rock.
 - FLOW:** Each landslide has been classified as a flow. This type of landslide is characterized by the flow of a mass of earth or rock.
- DEPTH OF FAILURE:** Each landslide has been classified according to the depth of its failure surface. The map displays one of the following failure depths:
 - SHALLOW:** Each landslide has been classified as shallow. This type of landslide is characterized by a failure surface that is less than 10 feet deep.
 - DEEP-SEALED:** Each landslide has been classified as deep-seated. This type of landslide is characterized by a failure surface that is greater than 10 feet deep.
- CERTAINTY OF IDENTIFICATION:** Each landslide has been classified according to the certainty of its identification. The map displays one of the following certainty levels:
 - CONFIDENTIAL:** Each landslide has been classified as confidential. This type of landslide is characterized by a high degree of certainty of identification.
 - MODERATELY CONFIDENTIAL:** Each landslide has been classified as moderately confidential. This type of landslide is characterized by a moderate degree of certainty of identification.
 - LOW CONFIDENTIAL:** Each landslide has been classified as low confidential. This type of landslide is characterized by a low degree of certainty of identification.
- DATE OF FAILURE:** Each landslide has been classified according to the date of its failure. The map displays one of the following failure dates:
 - PRE-1900:** Each landslide has been classified as pre-1900. This type of landslide is characterized by a failure date that is prior to 1900.
 - 1900-1949:** Each landslide has been classified as 1900-1949. This type of landslide is characterized by a failure date that is between 1900 and 1949.
 - 1950-1999:** Each landslide has been classified as 1950-1999. This type of landslide is characterized by a failure date that is between 1950 and 1999.
 - 2000-PRESENT:** Each landslide has been classified as 2000-present. This type of landslide is characterized by a failure date that is between 2000 and the present.

SYMBOLS

The following symbols are used on the map:

- BOUNDARY:** Each boundary is represented by a solid line.
- ROAD:** Each road is represented by a dashed line.
- RAILROAD:** Each railroad is represented by a solid line with cross-ticks.
- WATER:** Each water feature is represented by a blue area.
- TOPOGRAPHY:** Each topographic feature is represented by a shaded area.

SCALE

SCALE 1:8,000

IMPORTANT NOTES

This map is a compilation of existing landslide inventories in Clackamas County. Inventory is not of the entire area shown and is limited to the northwest quarter of the Oregon City Quadrangle, Clackamas County, Oregon. The map is not intended to be used for engineering or other purposes. The map is not intended to be used for engineering or other purposes. The map is not intended to be used for engineering or other purposes.

Oregon City, Clackamas County

- Activity
 - Historic or Prehistoric
- Depth of Failure
 - Shallow or Deep-Seated
- Certainty of Identification
- Type of Landslide
 - Slide, flow, fall, topple, spread
- Many other attributes in the GIS files



PLATE 1

The susceptibility map is based on the following data sources:
 1. Topographic map (USGS 7.5-minute quadrangle, 1:25,000 scale)
 2. Aerial photograph (1994)
 3. Geologic map (USGS 1:25,000 scale)
 4. Soil map (USDA NRCS, 1:25,000 scale)
 5. Landslide inventory (1994-2000)

Map symbols:
 - High susceptibility (red)
 - Moderate susceptibility (orange)
 - Low susceptibility (yellow)

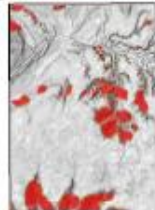
Symbol	Description
[Red]	High susceptibility
[Orange]	Moderate susceptibility
[Yellow]	Low susceptibility

1



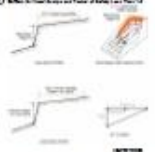
This inset map shows the location of the study area within the larger Oregon City quadrangle. The study area is highlighted in pink.

2

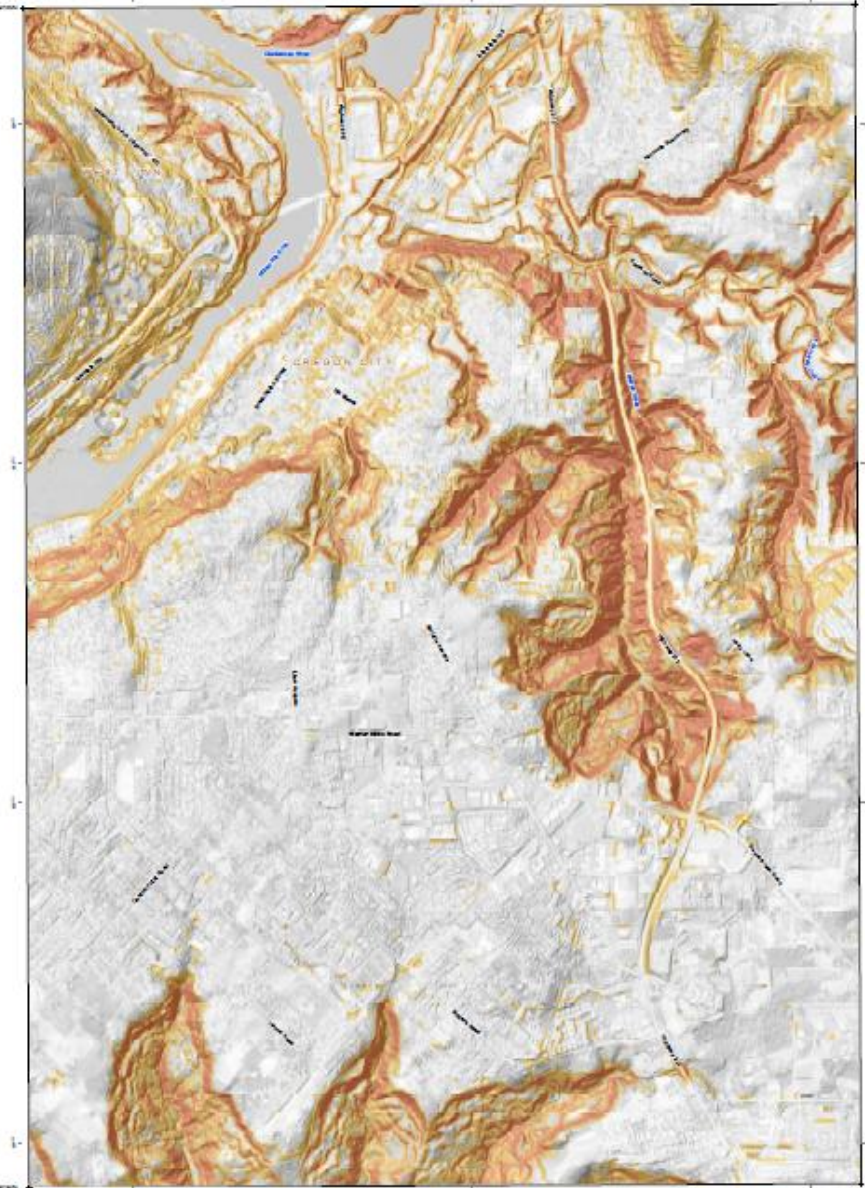


This inset map shows the location of the study area within the larger Oregon City quadrangle, highlighting landslide inventory. The study area is highlighted in red.

3



These diagrams illustrate the relationship between topography, geology, and landslide susceptibility. The diagrams show how topographic features like steep slopes and valleys influence landslide susceptibility, and how geological features like fault zones and soil types affect the susceptibility.



Scale 1:25,000

North arrow

Legend

High susceptibility (red)

Moderate susceptibility (orange)

Low susceptibility (yellow)

Topographic map (USGS 7.5-minute quadrangle, 1:25,000 scale)

Aerial photograph (1994)

Geologic map (USGS 1:25,000 scale)

Soil map (USDA NRCS, 1:25,000 scale)

Landslide inventory (1994-2000)

Shallow-Seated Landslide Susceptibility

High, Moderate, or Low Susceptibility

Published December 2013

Shallow LS
 Susceptibility
 New

Next steps.....

- **Implement Statewide Planning Goal 7**
 - *Areas Subject to Natural Hazards
- **Review of DOGAMI Maps by the Department of Land Conservation & Development (DLCDC)**
 - *Process, Methodology, Product
- **Approval by DLCDC**
 - *Deemed to be “best available information”
 - *Approved inventory for local governments

Next steps.....continued

- County initiates amendment to County Comprehensive Plan
 - * Adopt DOGAMI Landslide Maps
- Consider amendments to Clackamas County Zoning & Development Ordinance (ZDO)
 - * Implementing regulations (geotechnical, etc.)
 - * Technical assistance from DLCDC – Model Ordinance
- May 8th kickoff meeting – DOGAMI officials and others
- Complete work in Year 4 of 5-Year Audit of the ZDO
 - * 2015-2016

In the meantime.....

➤ 1975 Geologic Hazard Maps

- * Used to identify landslide/hazard areas
- * Development regulated under Section 1003 of the ZDO

➤ Newly published DOGAMI LIDAR maps available

- * Resource document only
- * Not a regulatory tool at this time
- * Available on State web page and in Planning & Zoning Division
- * Encourage use by individual property owners, developers, public facilities and infrastructure planning, emergency response

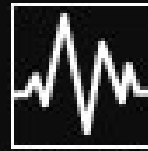
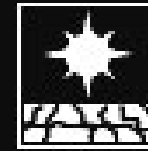
Emergency Management

- ✓ Preparedness
- ✓ Response
- ✓ Mitigation
- ✓ Recovery



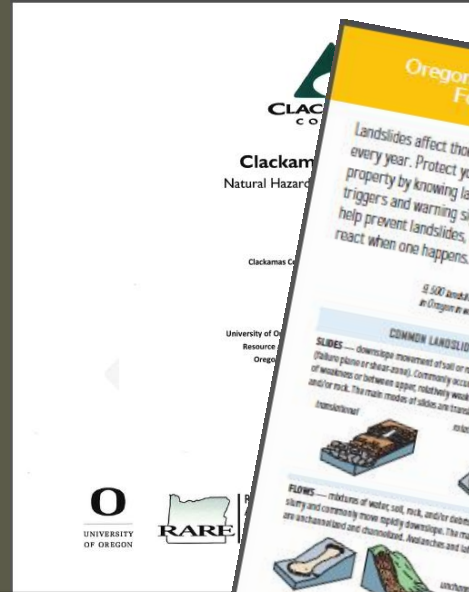
Every person who lives or works in Clackamas County shares responsibility for minimizing the impact of disaster on our community.

Hazards



DROUGHT

EARTHQUAKE



Oregon Geology Fact Sheet | Landslide Hazards in Oregon

Landslides affect thousands of Oregonians every year. Protect yourself and your property by knowing landslide types, their triggers and warning signs, how you can help prevent landslides, and how to react when one happens.

Over 500 landslides were reported in Oregon in winter 2006-07.

COMMON LANDSLIDE TYPES

- SLIDES** — downslope movement of soil or rock on a surface of rupture (failure plane or shear-surface). Commonly occur along an existing plane of weakness or between upper, relatively weak and lower, stronger soil and/or rock. The main modes of slides are translational and rotational.
 - translational
 - rotational
- FLOWS** — mixtures of water, soil, rock, and/or debris that have become a slurry and commonly move rapidly downslope. The main modes of flows are channelized and unchannelized. Avalanches and lahars are flows.
 - unchannelized flows: inert earth flow, debris-avalanche
 - channelized flow
- SPREADS** — extension and subsidence of compressive layers.
 - collective materials overlying liquefied
- TOPPLES / FALLS** — rapid, nearly vertical, movements of masses of materials such as rocks or boulders. Toppling failures are prevalent just below or low in the mass.
 - topple
 - fall

TRIGGERS AND CONDITIONS

Slides are commonly triggered by heavy rain, rapid snow melt, earthquakes, grading removing the top of the slope, or concentrating water onto a slope (for example, from agricultural/landscape irrigation, roof downspouts, or broken water/sewer lines). Slides generally occur on moderate to steep slopes, especially in weak soil and rock.

Flows are commonly triggered by intense rainfall, rapid snow melt, or concentrated water on steep and/or channelized flow. Avalanches are rapid flows of debris down very steep slopes. A channelized flow commonly starts on a steep slope as a small landslide, which then enters a steeper debris flow, which then enters a debris flow, sometimes referred to as rapidly moving landslide, and the most common type of flows caused by volcanic eruptions.

Spreads are commonly triggered by earthquakes, which can cause liquefaction of an underlying layer. Spreads usually occur on very gentle slopes near open bodies of water.

Topples and falls are commonly triggered by freeze-thaw cycles, earthquakes, tree root growth, intense slope or cliff. Topples and falls usually occur in areas with near vertical exposures of soil or rock.

Common landslide triggers in Oregon

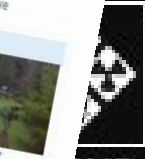
- intense rainfall
- rapid snow melt
- freeze/thaw cycles
- earthquakes
- volcanic eruptions
- human
 - changing the natural slope
 - concentrating water
 - combinations of the above

EXAMPLES

- translational slide (break slides are combinations of translational and rotational movements)
- rotational slide
- channelized debris flow
- inert earth flow (unchannelized flow)
- debris avalanche (unchannelized flow)
- topple
- fall
- spread
- liquefaction

Landslide diagrams modified from USGS Landslide Fact Sheet (2004-2012). Photos — Translational slide: Johnson Creek, OR (Landslide Technology); Rotational slide: Oregon City, OR, January 2005; Debris-avalanche flow: Cape Lookout, OR, June 2005 (Jack Nunn); Earth flow: Portland, OR, January 2006 (Jeff Hestrop); Channelized debris flow: Dufur, OR, 1996 (Nate Crull); Portland State University; Lahar: Mount St. Helens, WA, 1980 (Eve Topinka, USGS Cascades Volcano Observatory); Spread: induced by the Nisqually earthquake, Sequim Lake, Olympia, WA, 2007 (Steve Keene, University of Washington); Ice: Portland, OR (DOGAMI); Topple: 4-80 near Portland, OR, January 2006 (DOGAMI).

Oregon Department of Geology and Mineral Industries 800 NE Oregon St., Suite 805 Portland, OR 97232 503-675-4555 www.dogami.com



MAT-TION



SUNAMI



WINTER WEATHER



2

OFFICE OF THE COUNTY ADMINISTRATOR

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

April 17, 2014

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of an Intergovernmental Agreement between
Clackamas County and the State of Oregon Judicial Department Fifth Judicial District

Purpose/Outcomes	To utilize funds awarded through the 2013-2015 Justice Reinvestment Program to fund a part-time Judicial Services Specialist 3 Clerk to support the Treatment Courts.
Dollar Amount and Fiscal Impact	The County's payment of \$75,794 will come solely from funds awarded in the Justice Reinvestment Program 2013-2015 Participation Agreement.
Funding Source	The Oregon Criminal Justice Commission (CJC) under the Justice Reinvestment Program; no General Funds are involved.
Safety Impact	Research shows that treatment court programs are effective, change offender behavior, and reduce recidivism.
Duration	Effective for the 2013-2015 biennium
Previous Board Action/Review	1. Board Study Session held November 5, 2013 to designate and approve County programs to be funded through the CJC Justice Reinvestment Grant 2. The original Participation Agreement was approved by the Board of County Commissioners on November 12, 2013 - agenda item V.C.2.
Contact Person	Laurel Butman, Deputy County Administrator, 503.655.8893
County Counsel	Approved as to form April 8, 2014

BACKGROUND:


The CJC Justice Reinvestment Grant Program was established by HB 3194 in the 2013 legislative session. The measure allows the CJC to award grants to Oregon counties that establish a process to assess offenders and provide a continuum of community based sanctions, services and program to help offenders avoid incarceration in prison through demonstrated success in the community meeting HB 3194 goals of reducing recidivism, decreasing imprisonment, protecting the public, and holding offenders accountable. Clackamas County received an initial funding award of \$961,758 for the 2013-2015 biennium. A portion of that award – \$75,794 – was designated by the Board of County Commissioners for a part-time Judicial Services Specialist 3 Clerk to support the Treatment Courts by tracking the performance of the Treatment Courts.

The attached IGA establishes the process for the County to review payment invoices and compensate the State for the part-time Judicial Services Specialist 3 Clerk using Justice Reinvestment Grant funds.

RECOMMENDATION:

Staff recommends the Board approve the attached Intergovernmental Agreement between the Oregon Judicial Department Fifth Judicial District and Clackamas County.

Respectfully submitted,


Laurel Butman
Deputy County Administrator

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
CLACKAMAS COUNTY, OREGON**

And

**STATE OF OREGON
JUDICIAL DEPARTMENT
FIFTH JUDICIAL DISTRICT**

I. PURPOSE

This agreement is entered into between Clackamas County (CLACKAMAS) and **STATE OF OREGON, OREGON JUDICIAL DEPARTMENT, FIFTH JUDICIAL DISTRICT (STATE)**.

II. SCOPE OF WORK AND COOPERATION

A. STATE agrees to:

1. Maintain and supervise a part-time Judicial Services Specialist 3 Clerk to support the Treatment Courts.

B. CLACKAMAS agrees to:

1. Compensate the STATE for a part-time Judicial Services Specialist 3 Clerk position to support the Treatment Courts for the term of the agreement.

III. COMPENSATION

A. COUNTY shall compensate STATE for satisfactorily completing activities described in Section II.A.1. above.

B. The total payment to STATE shall not exceed **\$75,794.00**.

C. STATE shall submit a request for payment on a monthly basis the month following that in which activities are performed. The STATE will provide an invoice that details actual dates and hours worked by the Judicial Services Specialist 3 Clerk position. In addition to the invoice, the STATE will provide an expenditure report/pay voucher report as back up

for the hours being billed. Requests for reimbursement shall be submitted to:

Clackamas County Office of Business Services
Attn: Accounts Payable
2051 Kaen Road, #367
Oregon City, OR 97045

Within thirty (30) days after receipt of the request for payment, provided that the request for payment is approved by Marc Gonzales, Finance Director, CLACKAMAS shall pay the amount requested to STATE.

IV. LIAISON RESPONSIBILITY

Debbie Spradley, Trial Court Administrator (503-655-8670), will act as liaison for STATE. Marc Gonzales, Finance Director (503-742-5245), will act as liaison from CLACKAMAS.

V. SPECIAL REQUIREMENTS

- A. STATE and CLACKAMAS agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.
- B. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against a party (the "Notified Party") with respect to which the other party ("Other Party") may have liability, the Notified Party must promptly notify the Other Party in writing of the Third Party Claim and deliver to the Other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Either party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by the Other Party of the notice and copies required in this paragraph and meaningful opportunity for the Other Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to the Other Party's liability with respect to the Third Party Claim.

With respect to a Third Party Claim for which the State is jointly liable with the County (or would be if joined in the Third Party Claim), the State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the County in such proportion as is appropriate to reflect the relative fault of the State on the one hand and of the County on the other hand in connection with the events which resulted in such expenses, judgments, fines or

settlement amounts, as well as any other relevant equitable considerations. The relative fault of the State on the one hand and of the County on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if the State had sole liability in the proceeding.

With respect to a Third Party Claim for which the County is jointly liable with the State (or would be if joined in the Third Party Claim), the County shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the State in such proportion as is appropriate to reflect the relative fault of the County on the one hand and of the State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the County on the one hand and of the State on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The County's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law if it had sole liability in the proceeding.

VI. AMENDMENT

This agreement may be amended at any time with the concurrence of both parties. Any changes in the proposed budget or scope of the work will be negotiated between the designated liaisons. Amendments become a part of this agreement only after the written amendment has been signed by both parties.

VII. TERM OF AGREEMENT

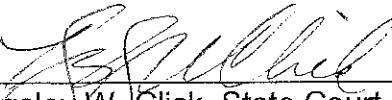
This agreement is effective on July 1, 2014 and shall terminate June 30, 2015.

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

This agreement consists of seven (7) sections.

IN WITNESS WHEREOF, the parties hereto have caused this Intergovernmental Agreement to be executed by their duly authorized officers.

**STATE OF OREGON
JUDICIAL DEPARTMENT
FIFTH JUDICIAL DISTRICT**



Kingsley W. Click, State Court
Administrator

Date: 3/11/14


807 Main Street, Room 310
Oregon City, Oregon 97045
(503) 655-8670

**CLACKAMAS COUNTY
BOARD OF COUNTY COMMISSIONERS**

Signing on Behalf of the Board:

John Ludlow, Chair

Date: _____

Approved As To Form


County Counsel

Date: 4/8/14



3 2 7

OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

April 17, 2014

Stephen L. Madkour
County Counsel

Board of County Commissioners
Clackamas County, as the
governing body of Clackamas County,
Clackamas County Service District
No. 1 and the Tri-Cities Service District

Kimberley Ybarra
Kathleen Rastetter
Chris Storey
Scott C. Ciecko
Alexander Gordon
Amanda Keller
Nathan K. Boderman
Christina Thacker
Assistants

Members of the Board:

Adoption of a Settlement Agreement with the Trustee of the Blue Heron estate and NRI Global, Inc.
regarding outstanding taxes and certain water rights

Purpose/Outcomes	Adoption of Settlement Agreement, acquisition of new tax lien, release of old lien, and water rights acquisition
Dollar Amount and Fiscal Impact	Release of \$70,000 previously paid and held in escrow to Trustee, \$9,000 to NRI.
Funding Source	CCSD#1 and TCSD will share equally in costs and ownership
Safety Impact	None
Duration	Perpetual
Previous Board Action	Study session discussion on March 18, 2014
Contact Person	Chris Storey, Assistant County Counsel 503 742 4623
Contract No.	N/A

BACKGROUND

The County, Clackamas County Service District No. 1 ("CCSD#1") and the Tri-City Service District ("TCSD" and, together with CCSD#1, the "Districts") have some outstanding issues with the Blue Heron estate. These issues are proposed to be resolved pursuant to a Settlement Agreement, attached hereto, that has been filed with and approved by the Bankruptcy Court on behalf of the Blue Heron estate.

County Taxes Owning. Clackamas County has an outstanding tax bill owed by NRI Global, Inc. ("NRI") for the sale of equipment from the Blue Heron mill site. The Trustee has several outstanding disputes with NRI and the Estate owes NRI money, and the Trustee has sought to assume the tax liability for NRI in lieu of having to pay cash to NRI to settle debts. The County is

interested in this proposal due to the difficulty of collection. NRI is a foreign (Canadian) corporation and the assets which the County could lien to collect have already been transported off-site, likely out of state. In 2012, the Trustee objected to certain real property assessments and the County and Trustee negotiated a resolution that reduced the real property assessments by approximately \$60,000. In return for releasing NRI's tax bill, the Trustee and County will eliminate the prior resolution and increase the tax owing for real property located within Clackamas County. This would put the County in first position for repayment and substantially increase the likelihood of recovering the amounts owed.

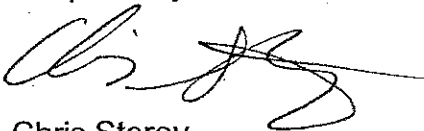
Districts Holdback Monies & Water Rights. The Districts negotiated, as part of the 2012 acquisition of the Blue Heron – West Linn lagoon site, a holdback of \$70,000 to ensure that NRI disconnected the mill site from the lagoon site by the contractual deadline of August 2013. NRI did not achieve that deadline and the Districts have notified the Trustee of their intent to demand distribution of those monies from escrow. The Trustee has in turn demanded that NRI reimburse the estate for that amount. NRI disputes that it was their fault the disconnect was not timely, claiming that accommodations made for Districts staff were at least a partial cause. WES staff disputes that they contributed in any way to the delay. To settle the matter, the Districts will receive ownership of the water rights the estate possesses for withdrawing water from the Willamette River and the Trustee may keep the \$70,000 previously paid. These water rights can assist the Districts in meeting regulatory compliance goals under the Clean Water Act through a negotiated credit process that has been done before with DEQ.

NRI also demanded that the Districts pay for a \$12,000 electrical bill for operation of the lagoon during the transition month. The Districts offered to pay \$9,000, reflecting estimated costs of running aerators to reduce odor and a compromise to encourage resolution of all the above outstanding District issues.

RECOMMENDATION

Staff recommends that the Board, separately and on behalf of each of the County, CCSD#1, and TCSD (i) approve the proposed settlement agreement with NRI and the Blue Heron Trustee, and (ii) authorize the County Assessor, the Director of WES, a member of County Counsel's Office or their designee to execute such other ancillary documents as may be necessary to effectuate the purposes thereto.

Respectfully submitted,



Chris Storey
Assistant County Counsel

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into as of _____, 2014, by and among Peter McKittrick, Chapter 7 trustee of Blue Heron Paper Company (the "Trustee"), Clackamas County (the "County"), Tri-City Service District, Clackamas County Service District No. 1 (collectively with Tri-City Service District, the "Service Districts"), and NRI Global, Inc. ("NRI"). (The Trustee, the County, the Service Districts and NRI are each referred to herein as a "Party" and collectively as the "Parties".)

Recitals

A. On December 31, 2009, Blue Heron Paper Company (the "Debtor") filed a voluntary petition under Chapter 11, Title 11, United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Oregon (the "Court"), Case No. 09-40921-rld11. On April 1, 2011, the Court converted the Debtor's bankruptcy case to a case under Chapter 7, and the Trustee was subsequently appointed as Chapter 7 trustee.

B. On September 19, 2011, the Trustee and NRI entered into an Asset Purchase Agreement (Blue Heron Paper Company) by which NRI agreed to purchase certain personal property, fixtures and equipment located at the Debtor's mill site at 419/427 Main Street, Oregon City, Oregon (the "Mill Site"). The Trustee and NRI amended said agreement by a First Amendment to Asset Purchase Agreement dated as of June 22, 2012 (as amended, the "NRI Purchase Agreement"). The NRI Purchase Agreement provided that NRI would have access to the Mill Site during a specified period to remove assets purchased by NRI. The NRI Purchase Agreement also allocated between the Trustee and NRI various costs associated with the Mill Site during NRI's period of occupancy, as well as costs associated with removal of the purchased assets.

C. On January 26, 2012, the Trustee and the Service Districts entered into a Purchase and Sale Agreement (the "Service Districts Purchase Agreement") by which the Service Districts agreed to purchase certain land and related buildings, fixtures and structures known as the Debtor's lagoon site (the "Lagoon Site"), the Debtor's rights under its NPDES permit, and related rights. The Service Districts Purchase Agreement provided as a condition to closing that the Trustee and NRI would enter into an agreement relating to NRI's use of the Lagoon Site for a specified period following the closing of the Trustee's sale of the property to the Service Districts. On July 18, 2012, the Trustee, NRI and the Service Districts entered into a Use & Indemnity Agreement to satisfy that condition to closing. The Use & Indemnity Agreement provided, among other things, that there would be a holdback upon the closing of the sale of the Lagoon Site in the amount of \$100,000, of which the sum of \$70,000 would be released to the Service Districts if NRI failed to permanently disconnect the Mill Site's stormwater and wastewater systems from the Lagoon Site on or before August 31, 2013 (the "\$70,000 Holdback").

D. Several issues have arisen between the Trustee and NRI with respect to their respective obligations under the NRI Purchase Agreement. NRI contends that the Trustee owes in excess of \$260,000 to NRI for amounts that should have been paid by the Trustee under the

NRI Purchase Agreement. The Trustee does not dispute that NRI has paid certain amounts that should have been paid by the Trustee under the NRI Purchase Agreement, and that other amounts are owing from the Trustee to NRI under the agreement, but the Trustee disputes that the amount owing is the amount claimed by NRI.

E. Several issues have also arisen among the Trustee, NRI and the Service Districts with respect to their respective obligations under the Use & Indemnity Agreement. The Service Districts contend that NRI failed to disconnect from the Lagoon Site on a timely basis and that the Service Districts are therefore entitled to receive the \$70,000 Holdback. The Trustee contends that if the Service Districts are entitled to receive the \$70,000 Holdback, then NRI owes \$70,000 to the Trustee. NRI disputes those contentions. NRI also contends that the Service Districts owe NRI approximately \$12,000 in charges for electricity used by the Service Districts at the Lagoon Site, which charges were billed to NRI.

F. Issues have also arisen between the Trustee and NRI with respect to property taxes pertaining to the Mill Site. The County has asserted claims for machinery and equipment taxes related to the Mill Site under Tax Account No. 05004325 in the amount of approximately \$70,000. NRI contends that it should not be responsible for those taxes. The Trustee disputes that contention.

G. The Parties wish to resolve all of the foregoing issues, and to enter into certain releases, on the terms set forth in this Agreement.

NOW, THEREFORE, for the consideration and mutual promises set forth below, the sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Trustee/NRI Settlement Terms. The Trustee will pay to NRI the sum of \$25,000. Except as provided herein, the Trustee and the Debtor's estate, on the one hand, and NRI, on the other hand, hereby fully and finally release, acquit and forever discharge each other from any and all past or present claims, counterclaims, demands, obligations, actions, causes of action, rights or damages, for all acts or omissions occurring to and including the date hereof under any legal theory, including without limitation, under contract, tort, or otherwise, which either of them now has, may claim to have or ever had, whether such claims are currently known or unknown. Trustee shall remit payment in full for any outstanding balances for lab, hauling, utilities, phone, internet, security systems, and property insurance to the respective payees.

2. Trustee/Service Districts Settlement Terms. The Service Districts will cause the \$70,000 Holdback to be released to the Trustee. The Trustee will irrevocably assign, transfer, hypothecate and otherwise convey to Tri-City Service District any and all right, title, interest, permission, or other privilege held by the Blue Heron estate or the Trustee to withdraw or use water from the Willamette River. The Service Districts will pay \$9,000 to the Trustee with respect to the claim for electricity used by the Service Districts at the Lagoon Site. Except as provided herein, the Trustee and the Debtor's estate, on the one hand, and the Service Districts, on the other hand, hereby fully and finally release, acquit and forever discharge each other from any and all past or present claims, counterclaims, demands, obligations, actions, causes of action, rights or damages, for all acts or omissions occurring to and including the date hereof under any

legal theory, including without limitation, under contract, tort, or otherwise, which either of them now has, may claim to have or ever had, whether such claims are currently known or unknown.

3. Trustee/County Settlement Terms. Any and all claims of the County for machinery and equipment taxes under Tax Account No. 05024325 are deemed waived and satisfied. Any and all claims or rights of the Trustee to a reduction of real property taxes for the Mill Site, Account No. 00570073, for the 2011-12 tax year from the originally assessed amount are deemed waived, and the assessed amount of such taxes shall continue to be a lien on the Mill Site. That certain real property tax settlement agreement by and between Blue Heron and Clackamas County dated May 9, 2012 that provided for the reduction of certain real property taxes is hereby terminated and shall have no force or effect. NRI shall be released of all past, present, and future taxes relating to any mill property.

4. Court Approval. This Agreement is subject to the approval of the Court in the Debtor's case.

5. Authority. Subject to Court approval of this Agreement, each of the Parties represents and warrants to the other Party that it has the authority to execute and perform its obligations hereunder, in its own capacity or in its capacity as agent for others, as the case may be.

6. No Admission of Liability. This Agreement and the releases, payments and other terms provided for herein are made, executed, given and accepted as part of a compromise and settlement of disputed claims. No provision of this Agreement, nor any acceptance of the benefits hereof by or on behalf of any of the Parties, shall be construed or deemed to be evidence of an admission of any fact, matter, thing, or liability of any kind to any other Party. Each of the Parties denies any liability of any kind to any other Party for any purpose, and this settlement is made solely and entirely as a compromise and for the purpose of fully and finally resolving the matters referred to herein. Neither this Agreement nor any term hereof shall be offered or received as evidence in any proceeding in any form as an admission of any liability or wrongdoing on the part of any of the Parties.

7. Attorney Fees. If any suit or action arising out of or related to this Agreement is brought by any Party, the prevailing party shall be entitled to recover the costs and fees incurred by such Party in such suit or action, including without limitation at arbitration, trial, any post-trial or appellate proceeding, or any bankruptcy proceeding.

8. Governing Law/Venue. This Agreement has been delivered and accepted and will be deemed to have been made in Portland, Oregon, and will be interpreted and enforced in accordance with the laws of the State of Oregon, without regard to choice of law rules. In the event any suit or action is brought by any of the Parties to enforce any of the provisions of this Agreement, or to recover damages for the breach thereof, the Parties agree that the venue will be in the United States Bankruptcy Court for the District of Oregon.

9. Modification. This Agreement may only be modified if the modification is in writing and signed by the Party against whom enforcement is sought.

10. Further Assurances. The Parties agree to take any and all actions and to execute and deliver, from time to time and at any time, such further documents as may reasonably be requested by any other Party in order to carry out and effectuate completely the purposes and intent of this Agreement.

11. Complete Agreement. This Agreement contains the entire understanding and agreement of the Parties with respect to the matters contained herein and is intended to integrate fully the Parties' agreement. No prior negotiations, discussions, understandings or agreements which are not set forth in this Agreement will be binding upon or enforceable against the Parties.

12. Successors and Assigns. This Agreement shall bind and inure to the benefit of the Parties and their respective heirs, legal representatives and assigns, and is not intended to confer upon any other individual or entity any rights or remedies hereunder.

13. Counterparts. This Agreement may be executed in counterparts, and any signature transmitted by facsimile or pdf shall be deemed an original.

DATED: _____
Peter McKittrick, Chapter 7 trustee of Blue
Heron Paper Company

DATED: _____ Clackamas County

By: _____
Its: _____

DATED: _____ Tri-City Service District

By: _____
Its: _____

DATED: _____ Clackamas County Service District No. 1

By: _____
Its: _____

DATED: _____

NRI Global, Inc.

By: _____
Its: _____



4 E 8

OFFICE OF COUNTY COUNSEL

PUBLIC SERVICES BUILDING
2051 KAEN ROAD | OREGON CITY, OR 97045

April 17, 2014

Stephen L. Madkour
County Counsel

Board of County Commissioners
Clackamas County, as the
governing body of Clackamas County,
Clackamas County Service District
No. 1 and the Tri-Cities Service District

Kimberley Ybarra
Kathleen Rastetter
Chris Storey
Scott C. Ciecko
Alexander Gordon
Amanda Keller
Nathan K. Boderman
Christina Thacker
Assistants

Members of the Board:

Adoption of an Intergovernmental Agreement regarding the future use and disposition of certain water rights obtained by CCSD#1 and TCSD

Purpose/Outcomes	Adoption of IGA regarding water rights use and disposition
Dollar Amount and Fiscal Impact	None. Calls for future negotiations if partners desire to use water rights in support of Willamette Falls Legacy Project redevelopment
Funding Source	None required
Safety Impact	None
Duration	Perpetual until terminated
Previous Board Action	Study session discussion on March 18, 2014
Contact Person	Chris Storey, Assistant County Counsel 503 742 4623
Contract No.	N/A

BACKGROUND

The County, City of Oregon City ("City"), Metro, and the State of Oregon ("State" and, together with the County, City, and Metro, the "Partners") have entered into an informal partnership supporting the redevelopment of the former Blue Heron Mill Site, known as the Willamette Falls Legacy Project (the "Project").

Clackamas County Service District No. 1 ("CCSD#1") and the Tri-City Service District ("TCSD" and, together with CCSD#1, the "Districts") are proposing to acquire, pursuant to the Settlement Agreement on the Business Meeting agenda for this same day, the rights to extract water from the Willamette River held by the Blue Heron estate (the "Water Rights").

As part of the discussions around the Water Rights, the Partners expressed a desire to make sure that a portion of the Water Rights would be available to support the redevelopment efforts

for the Project in the future if needed. At this time there is no specific need identified and it is unclear whether or not the Project will ultimately require the use of any of those Water Rights. To effectuate a clean acquisition and address those concerns, the Partners and the Districts discussed an intergovernmental agreement (attached) which would allow the Partners to apply for use of those Water Rights in the future. The agreement calls for the Partners and the Districts to negotiate at a future date, once the proposed need is articulated, regarding the amount and consideration to be paid to the Districts for that portion of the Water Rights.

RECOMMENDATION

Staff recommends that the Board, separately and on behalf of each of the County, CCSD#1, and TCSD (i) approve the proposed IGA relating to future utilization of the Water Rights, and (ii) authorize the Director of BCS, the Director of WES, a member of County Counsel's Office or their designee to execute such other ancillary documents as may be necessary to effectuate the purposes thereto.

Respectfully submitted,



Chris Storey
Assistant County Counsel

INTERGOVERNMENTAL AGREEMENT

Between

THE TRI-CITY SERVICE DISTRICT and CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

And

THE STATE OF OREGON, METRO,

CLACKAMAS COUNTY, AND THE CITY OF OREGON CITY

This Intergovernmental Agreement (this "Agreement") is entered into as of April __, 2014 by and between the Tri-City Service District, a county service district, Clackamas County Service District No. 1, a county service district (together, the "Districts"), the State of Oregon ("State"), Metro, an Oregon municipal corporation ("Metro"), Clackamas County, a political subdivision of the state of Oregon ("County"), and the City of Oregon City, an Oregon municipal corporation ("City"), and together with State, Metro and County, the "Partners").

RECITALS

WHEREAS, the State, Metro, County and City have formed an informal partnership regarding the development, preservation, management and planning of what is commonly known as the Willamette Falls Redevelopment Site, 419/427 Main Street, Oregon City, Oregon including both the former mill site and adjacent office building (the "Property"); and

WHEREAS, the Districts are seeking to purchase all rights, title and interest to extract water from the Willamette River ("Water Rights") held by the Estate of Blue Heron Paper Company ("Blue Heron") as part of a settlement agreement resolving issues amongst the Districts and Blue Heron, and other parties; and

WHEREAS, the Partners desire to ensure that the non-potable water represented by the Water Rights be available if necessary or desirable to support future economic development on the Property, which may include, without limitation, a waterfront trail to the end of the PGE dam, connections between the upper Willamette River behind the Willamette Falls and the historic tail races on the Property, public plazas and open space, habitat restoration, and new private and public infrastructure (collectively, the "Project"); and

WHEREAS, the Districts, as special purpose municipal entities focused on wastewater treatment service, desire to use the Water Rights to assist in meeting compliance requirements under the Clean Water Act and would do so through a negotiated in-stream dedication of the Water Rights with the Oregon Department of Environmental Quality ("DEQ"); and

WHEREAS, the Districts are desirous of supporting the four values of the Project, economic development, public access, healthy habitat and historical and cultural interpretation, and are willing to work with the Partners now and at a future date to ensure that a portion of the Water Rights would be made available to the Partners for due consideration;

NOW THEREFORE, the parties hereto agree as follows:

1. District Purchase. The parties agree that the Districts shall purchase the Water Rights out of their own funds, and the Partners shall not be required to contribute monies at this time.
2. Availability of Rights. After acquisition, the Districts shall have the right to negotiate with DEQ to gain compliance support under the Clean Water Act or otherwise. In doing so, the Districts shall make a portion of the in-stream dedication of those rights conditional on the needs of the Partners with respect to the Project. The Districts acknowledge and agree that the consideration for this Agreement includes, in part, the Partners' agreement not to seek to acquire the Water Rights directly so that the Districts may have all of the Water Rights available for its negotiations with DEQ, until such time as there may be a need for the Water Rights for the Project.
3. Partnership Option. If the Partners determine that some amount of the Water Rights are necessary to support the Project, they shall inform the Districts in writing of such determination and state the amount of water desired to be made available under the Water Rights. Promptly thereafter, the parties hereto shall meet and determine the nature of the water right to be used, who would be the holder of the right, compensation for use of that water right (which shall be reasonable in relation to the amount the District will spend to acquire the Water Rights), and other reasonable terms and conditions that may be required given the nature of the intended use of the Water Rights on the Property. It is the intent of the parties that the Partners shall be able to use a portion of the Water Rights to support the Project and all shall negotiate in good faith to support that outcome.
4. Other Necessary Acts. Each party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other parties the full and complete enjoyment of rights and privileges hereunder.
5. Severability and Waiver. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired in any way. One or more waivers by any party of any provision, term, condition or covenant shall not be construed by the other party as a waiver of subsequent breach of the same by the other party.

6. Amendment. The Agreement may be amended at any time by mutual written agreement.
7. 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.
8. Successors and Assigns. This Agreement is to be binding on the successors and assigns of the parties hereto.
9. Dispute Resolution. The parties agree to attempt to settle any disputes or pursuant to the following process:
 - 9(a). **Mediation**. The parties shall submit the matter to non-binding mediation. The parties shall attempt to agree on a single mediator. The dispute shall then be heard by such mediator, and any common cost of mediation shall be borne equally by the parties who shall each bear their own costs and fees therefore. If the dispute is resolved at this step, there shall be a written determination of such resolution, signed by each participant entity, and ratified by the governing bodies of the Parties which shall be binding upon the parties.
 - 9(b). **Binding Arbitration**. After exhaustion of the preceding process, any remaining dispute shall be submitted to binding arbitration under the jurisdiction of the Circuit Court of the State of Oregon for Clackamas County pursuant to ORS Chapter 36.
10. Governing Laws. This Agreement shall be governed and construed in accordance with the laws of the State of Oregon without giving effect to the conflict of law provisions thereof. Venue in connection with any legal proceeding affecting this Agreement shall be in the Circuit Court of the State of Oregon for Clackamas County.
11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute and original and collectively represent a complete agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have, pursuant to official action that the respective governing bodies duly authorized the same, caused their respective officers to execute this Agreement on their behalf on the date stated above.

CITY OF OREGON CITY,
a municipal corporation

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1, a
county service district

By: _____

By: _____

CLACKAMAS COUNTY,
a political subdivision of the state

METRO,
a municipal corporation

By: _____

By: _____

STATE OF OREGON

TRI-CITY SERVICE DISTRICT, a county
service district

By: _____

By: _____

Approval of Previous Business Meeting Minutes:

March 27, 2014

(minutes attached)

BOARD OF COUNTY COMMISSIONERS BUSINESS MEETING MINUTES

A complete video copy and packet including staff reports of this meeting can be viewed at

<http://www.clackamas.us/bcc/business.html>

Thursday, March 27, 2014 - 6:00 PM

Public Services Building

2051 Kaen Rd., Oregon City, OR 97045

**PRESENT: Commissioner John Ludlow, Chair
Commissioner Jim Bernard
Commissioner Paul Savas
Commissioner Martha Schrader
Commissioner Tootie Smith**

I. CALL TO ORDER

- Roll Call
- Pledge of Allegiance

II. CITIZEN COMMUNICATION (

<http://www.clackamas.us/bcc/business.html>

1. Barbara Kemper, Clackamas – spoke with concerns about the Clackamas River and a proposed composting site.
2. Brian Johnson, Gladstone – concerns regarding WES relating to Mike Kuenzi.
3. Maryanna Moore, Gladstone – Gladstone Library.
4. Mack Woods, Canby – honesty, truthfulness and respect.
5. Cyndi Lewis Wolfrum, Milwaukie – Representing the Clackamas CPO – Clackamas Industrial area – sewer issues.

~Board Discussion~

III. DISCUSSION ITEMS

~NO DISCUSSION ITEMS SCHEDULED

IV. CONSENT AGENDA

Chair Ludlow asked the Clerk to read the Consent Agenda by title, he then asked for a motion.

MOTION:

Commissioner Bernard: I move we approve the Consent Agenda.
Commissioner Schrader: Second
Clerk calls the poll:
Commissioner Savas: Aye.
Commissioner Schrader: Aye.
Commissioner Smith: Aye.
Commissioner Bernard: Aye.
Chair Ludlow: Aye - the motion passes 5-0.

A. Health, Housing & Human Services

1. Approval of Amendment No. 2 to the Agreement between Clackamas County and Easton Ridge LLC to use Federal HOME Program Funds to Rehabilitate an Existing Affordable Multi-Family Rental Housing Project – *Community Development*
2. Approval of a Laboratory Services Agreement with Laboratory Corporation of America (LabCorp) for Medical Laboratory Testing Services – *Health Centers*

B. Department of Transportation & Development

1. Approval of an Intergovernmental Agreement with Metro for the Clackamas Regional Area Performance Measures and Multi Modal Area Project

C. Elected Officials

1. Approval of Previous Business Meeting Minutes – BCC

D. County Counsel

1. Approval of a Lease by and between T5 Equities, LLC and Clackamas County for the District Attorney's Office

E. Central Communications (C-COM)

1. Approval of the Joint Agency Computer Aided Dispatch Purchase with Washington County Communications and the City of Lake Oswego Communications

V. COUNTY ADMINISTRATOR UPDATE

<http://www.clackamas.us/bcc/business.html>

VI. COMMISSIONERS COMMUNICATION

<http://www.clackamas.us/bcc/business.html>

MEETING ADJOURNED – 11:32 AM

NOTE: Regularly scheduled Business Meetings are televised and broadcast on the Clackamas County Government Channel. These programs are also accessible through the County's Internet site. DVD copies of regularly scheduled BCC Thursday Business Meetings are available for checkout at the Clackamas County Library in Oak Grove by the following Saturday. You may also order copies from any library in Clackamas County or the Clackamas County Government Channel.

www.clackamas.us/bcc/business.html



**WATER
ENVIRONMENT
SERVICES**

Beyond clean water.

Water Quality Protection
Surface Water Management
Wastewater Collection & Treatment

Michael S. Kuenzi, P.E.
Director

April 17, 2014

Board of County Commissioner
Clackamas County

Members of the Board:

Approval of an Agreement to Furnish Products and Services between
Clackamas County Service District No. 1 and CollCorp, Inc. for the

Kellogg Creek Water Pollution Control Plant Ultraviolet Disinfection Equipment Refurbishment Project

Purpose/Outcomes	Refurbish and upgrade the existing ultraviolet disinfection system that is in need of constant repair. The refurbishment will allow the District to maintain compliance with the National Pollution Discharge Elimination System (NPDES) permit for secondary effluent treatment and reduce excessive maintenance requirements.
Dollar Amount and Fiscal Impact	The agreement is for an amount not to exceed \$423,563. Funds for this effort are budgeted in the FY 13-14 Budget.
Funding Source	Clackamas County Service District No. 1 FY13-14 Annual Budget -- no General County Funds are involved.
Safety Impact	None
Duration	April 17, 2014 to September 30, 2014.
Previous Board Action	None.
Contact Person	Liz Garcia, Interim Director – Water Environment Services – 503-742-4563
Contract No.	To be established

BACKGROUND:

Ultraviolet light (UV) disinfection is used at the Kellogg Creek Wastewater Pollution Control Plant to disinfect effluent prior to discharge to the Willamette River in accordance with the Districts' NPDES permit for secondary effluent treatment. The existing Fisher & Porter UV system is 20 years old and is in need of a major renovation to ensure reliable operation. The system was manufactured by Fisher & Porter who stopped producing the equipment soon after it was installed in 1994.

In August 2013, the District publicly advertised a request for proposals from qualified firms to provide professional services to evaluate alternative disinfection systems including the refurbishment of the existing UV system. Factors used to compare alternatives included: capital, operation and maintenance costs, reliability, serviceability, life expectancy, ease of operation and other relevant factors. The study was completed in February 2014.

Based on a 20 year present worth analysis the District determined the most cost effective alternative that will ensure reliability and compliance with the current permit is to upgrade and refurbish the existing system with current technology.

In March 2014, the District publicly advertised a Request for Qualifications and Quotes for furnishing labor and parts necessary to refurbish a 1994 Fisher & Porter Ultraviolet Disinfection System. Ironbrook UV Division of Collcorp, Inc. was the only proposer. Ironbrook UV, a Division of Collcorp Inc., was formed in the 1990s to provide sales and service support for the Fisher & Porter system. When Fisher & Porter stopped producing the equipment Ironbrook UV, a division of Collcorp, Inc. remained in service solely to support and upgrade Fisher & Porter Systems.

District staff has confirmed the low responsive bidder is eligible to perform work in the state of Oregon and have negotiated the scope and level of effort of the agreement with Collcorp, Inc. for an amount not to exceed \$423,563.00. This contract has been reviewed and approved by County Counsel.

RECOMMENDATION:

Staff recommends:

- 1) The Board of County Commissioners, acting as the governing body of Clackamas County Service District No.1 (the "District"), approve the agreement between the District and CollCorp, Inc. for an amount not to exceed \$423,563.00, and;
- 2) Authorize the Interim Director of Water Environment Services to execute the agreement between CollCorp, Inc. and the District without further Board action.

Respectfully submitted,

A handwritten signature in black ink that reads "Liz Garcia". The signature is written in a cursive, flowing style.

Liz Garcia
Interim Director

**AGREEMENT TO FURNISH PRODUCTS AND SERVICES
TO
CLACKAMAS COUNTY SERVICE DISTRICT NO. 1**

THIS AGREEMENT to furnish Products and Services (this "Agreement"), made and entered into on this _____ day of _____ in the year 20__ by and between CLACKAMAS COUNTY SERVICE DISTRICT NO. 1, a county service district formed under ORS 451 (the "District") and COLLCORP, INC, a Canadian corporation (the "Vendor").

WITNESSETH: That whereas the District intends to engage the Vendor to provide the products and services described on Exhibit A, on the schedule set forth on Exhibit B, each as attached hereto and incorporated by reference, hereinafter called the "Project."

RECITALS

WHEREAS, the Kellogg Creek Wastewater Pollution Control Plant uses an Ultraviolet Disinfection System ("UV System") to disinfect effluent prior to discharge into the Willamette River in accordance with the District's National Pollutant Discharge Elimination System permit requirements; and

WHEREAS, the UV System requires necessary updates and repairs on antiquated and failing components; and

WHEREAS, the District determined through analysis that refurbishment of the current UV System is the most cost effective alternative that will ensure reliability and compliance with permit requirements; and

WHEREAS, the District advertised a Request for Qualifications and Quotes ("RFQ") to provide labor, materials and equipment necessary to replace antiquated and failing components on the UV System; and

WHEREAS, the District desires to contract with the Vendor selected through the RFQ process to perform the Project work required to update the UV System.

NOW, THEREFORE, the District and the Vendor for the considerations hereinafter set forth agree as follows:

ARTICLE 1 – PRODUCTS AND SERVICES OF THE VENDOR

1.1 The Vendor shall deliver to the District the asset and products on the terms and conditions set forth on Exhibit A hereto.

1.2 The Vendor agrees to perform, in accordance with applicable District, local, state and

federal laws, statutes, ordinances, rules and regulations, services in connection with the Project as stated and defined in Exhibit A.

ARTICLE 2 - DISTRICT'S RESPONSIBILITIES

Unless otherwise specifically modified in Exhibit A the District will:

- 2.1 Provide adequate information to the Vendor regarding the District's requirements for the Project.
- 2.2 Assist the Vendor by making available all reasonably available information and technical data pertinent to the Project.
- 2.3 In accordance with applicable District, local, state or federal laws or statutes, ordinances, rules or regulations, provide access upon reasonable notice and make all necessary provisions for the Vendor to enter upon public and private property as required for the Vendor to perform services under this Agreement.
- 2.4 Obtain approvals and permits from governmental authorities having jurisdiction over the Project, and such approvals and consents from others as may be necessary for completion of the Project (excepting any personal qualifications or certifications required for Vendor to perform the work contemplated hereunder).
- 2.5 Give prompt notice to the Vendor whenever the District observes or otherwise becomes aware of any defect or delay in the Project.

ARTICLE 3 – VENDOR’S RESPONSIBILITIES

- 3.1 **Deliveries.** The Vendor agrees to deliver the product(s) and complete the task(s) described in Exhibit A, according to the schedule in Exhibit B (the “Schedule”). If the District has requested significant modifications or changes in the scope of the Project pursuant to Section 3.3, the time of performance of the Vendor's services shall be adjusted accordingly.
- 3.2 **Standard of Care.** The standard of care for all services performed or furnished by Vendor under this Agreement will be the care and skill ordinarily used by members of Vendor’s profession.
- 3.3 **Changes.** In the normal course of administering the work under this Agreement, the District may give directives to the Vendor, either written or verbal, which may constitute a change to the Project. If an instruction, directive or decision is given that the Vendor believes is a change in the Project, the Vendor shall notify the District within seven (7) calendar days of receiving such directive or instruction. The notice shall state the general nature of the change, a detailed cost or impact estimate, and a statement of intent to amend the Agreement to reflect such change request. The failure to give timely written notice relieves the District from any obligation to adjust the contract amount, scope or schedule as an amendment to the

Agreement for Services, even if such change is acted upon. Proposed amendments described in such notices to the Project, as well as changes to other terms and conditions of this Agreement, shall be processed as provided in Paragraph 6.20 hereof.

ARTICLE 4 - AUTHORIZATION, SCHEDULES AND COMPLETION

- 4.5 Specific authorization to proceed with the Project shall be granted in writing by the District within a reasonable time after the execution of this Agreement. The Vendor shall not proceed with the work without such authorization. The District's Project Manager, as defined in Paragraph 4.3, shall have authority to give such authorizations.
- 4.6 This Agreement shall be effective as of the Vendor's receipt of the written authorization to proceed.
- 4.3 The District's Project Manager is authorized to approve work and billings hereunder, approve subconsultants, give notices referred to herein, terminate this Agreement as provided herein and carry out any other District actions referred to herein. The District's Project Manager shall be Randy Rosane.

ARTICLE 5 - PAYMENTS TO VENDOR

In accordance with the terms and conditions of this Agreement, the District shall compensate the Vendor as follows:

5.1 Compensation

- 5.1.1 The District agrees to pay the Vendor an amount not to exceed four hundred twenty-three thousand five hundred sixty-three and 00/100 Dollars (\$ 423,563.00) (the "Maximum Amount"). Notwithstanding anything else to the contrary herein, no changes in the Maximum Amount shall be made without prior written approval of the District.
- 5.1.2 The District may withhold from payments due the Vendor such sums as are necessary, in the District's sole and absolute discretion, to protect the District against any loss or damage which may result from negligence or unsatisfactory work by the Vendor, the failure of the Vendor to perform as required under this Agreement, or claims filed against the Vendor or the District relating to the Vendor's services or work under this Agreement.

5.2 Billing and Payment Procedure

- 5.2.2 Billing and payment shall be made consistent with the terms set forth on Exhibit A. The Vendor shall maintain detailed records to support these charges and such records shall be available to the District for audit and copying. No interest shall be paid on disputed amounts.

ARTICLE 6 - GENERAL CONDITIONS

6.7 Early Termination of Agreement

- 6.7.3 The District and the Vendor, by mutual written agreement, may terminate this Agreement at any time.
- 6.7.4 The District, on thirty (30) days' prior written notice to the Vendor, may terminate this Agreement for any reason deemed appropriate in its sole discretion.
- 6.7.5 Either the District or the Vendor may terminate this Agreement in the event of a breach of the Agreement by the other. Prior to such termination, however, the party seeking the termination shall give to the other party written notice of the breach and of the party's intent to terminate. If the party has not entirely cured the breach within fifteen (15) days of deemed or actual receipt of the notice, then the party giving notice may terminate the Agreement at any time thereafter by giving a written notice of termination stating the effective date of the termination.

6.8 Payment on Early Termination

- 6.8.6 In the event of early termination, the District shall pay the Vendor for work performed in accordance with the Agreement prior to the termination date, subject to set off of excess costs.
- 6.8.2 In the event of early termination, all of the Vendor's work product will become and remain property of the District.

6.9 Remedies

- 6.9.7 In the event of termination under Paragraph 6.1.3 by the District due to a breach by the Vendor, then the District may complete the work either itself, or by agreement with another Vendor, or by a combination thereof. In the event the cost of completing the work exceeds the remaining unpaid balance of the compensation provided under Paragraph 5.1.1 hereof then the Vendor shall pay to the District the amount of the excess.
- 6.9.8 The remedies provided to the District under Paragraph 6.1, Paragraph 6.2, and Paragraph 6.3 hereof, for a breach by the Vendor shall not be exclusive. The District also shall be entitled to any other equitable and legal remedies that may be available.
- 6.9.9 In the event of breach of this Agreement by the District, then the Vendor's remedy shall be limited to termination of the Agreement and receipt of payment as provided in Paragraphs 6.1 and 6.2 hereof.

6.10 Indemnification and Insurance.

- 6.4.1 The Vendor agrees to indemnify, save harmless and defend the District, its officers, commissioners, agents and employees from and against all costs, losses, damages, claims or actions and all expenses incidental to the investigation and defense thereof (including legal and other professional fees) arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts, of the Vendor or Vendor's officers, owners, employees, agents, or its subcontractors or anyone over which Vendor has a right to control.
- 6.4.2 The Vendor agrees to furnish the District evidence of commercial general liability insurance in the amount of not less than \$1,000,000 combined single limit per occurrence / \$2,000,000 general annual aggregate for personal injury and property damage for the protection of the District, its officers, commissioners, agents and employees against liability for damages because of personal injury, bodily injury, death or damage to property, including loss of use thereof, in any way related to this contract. The District, at its option, may require a complete copy of the above policy.
- 6.4.3 The Vendor agrees to furnish the District evidence of automobile liability insurance in the amount of not less than \$500,000 combined single limit for bodily injury and property damage for the protection of the District, its officers, commissioners, agents and employees against liability for damages because of bodily injury, death or damage to property, including loss of use thereof in any way related to this Contract. The District, at its option, may require a complete copy of the above policy.
- 6.4.4 The insurance, other than the professional liability and workers compensation insurance, shall include the District as an expressly scheduled additional insured. Proof of insurance must include a copy of the endorsement showing the District as a scheduled insured. Such insurance shall provide sixty (60) days written notice to the District in the event of a cancellation or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the District under this insurance. This policy(s) shall be primary insurance as respects to the District. Any insurance or self-insurance maintained by the District shall be excess and shall not contribute to it.

6.11 Oregon Law and Forum

- 6.11.10 This Agreement shall be construed according to the laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.
- 6.11.11 Any litigation between the District and the Vendor arising under this Agreement or out of work performed under this Agreement shall occur, if in the state courts, in the Clackamas County Court having jurisdiction thereof, and if in the federal

courts, in the United States District Court for the District of Oregon.

6.12 Workers' Compensation Coverage Requirements

The Vendor is an independent contractor for purposes of the Oregon Workers' Compensation Law, as set forth in ORS Chapter 656 ("Workers' Comp Law") and is solely liable for any Workers' Compensation coverage under this Agreement. If the Vendor hires subconsultants for the performance of this Agreement, the Vendor agrees to require that the subconsultant(s) shall comply with ORS Chapter 656. The signing of this Agreement shall constitute the declaration of independent contractor status by the Vendor.

6.12.12 The Vendor will be solely responsible for payment of any local, state or federal taxes required as a result of this agreement.

6.12.13 This contract is not intended to entitle the Vendor to any benefits generally granted to District, officers, or employees. Without limitation, but by way of illustration, the benefits not intended to be extended by this contract to the Vendor are vacation, holiday and sick leave, other leaves with pay, tenure, medical and dental coverage, life and disability insurance, overtime pay, Social Security, workers' compensation, unemployment compensation, or retirement benefits (except so far as benefits are required by law if the Vendor is presently a member of the Public Employees Retirement System).

6.13 Subcontracts

The Vendor shall not subcontract its work under this Agreement, in whole or in part, without the prior written approval of the District. The Vendor shall require subcontractor to agree, as to the portion subcontracted, to fulfill all obligations of the Vendor as specified in this Agreement. Notwithstanding District approval of a subcontractor, the Vendor shall remain obligated for full performance hereunder, and the District shall incur no obligation other than its obligations to the Vendor hereunder. The Vendor agrees that if subcontractors are employed in the performance of this Agreement, the Vendor and its subcontractors are subject to the requirements of the Workers' Comp Law.

6.14 Assignment

The Vendor shall not assign this Agreement, in whole or in part, or any right or obligation hereunder, without the prior written approval of the District which may be granted or withheld in its sole and absolute discretion. District may assign this Agreement at any time and shall provide Vendor with notice of such assignment within thirty (30) days of such assignment.

6.15 Notice

Any notice provided for under this Agreement shall be sufficient if in writing and delivered personally to the following addressee or deposited in the United States Mail, postage prepaid,

certified mail, return receipt requested, addressed as follows, or to such other address as the receiving party hereafter shall specify in writing with such notice deemed delivered either upon actual receipt or three (3) days after deposit in U.S. Mail, whichever shall first occur:

If to the District: Clackamas County Service District No. 1
 c/o Water Environment Services
 150 Beaver Creek Road, 4th Floor
 Oregon City, Oregon 97045
 ATTN: Randy Rosane, PE

Copy to: County Counsel
 c/o Water Environment Services
 150 Beaver Creek Road, 4th Floor
 Oregon City, Oregon 97045
 ATTN: Amanda Keller

If to the Vendor: CollCorp, Inc.
 15 Donlands Ave.
 Sharon, Ontario Log 1VO
 Attn: Jamie Collins

6.16 Severability

If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the parties.

6.17 Integration

This Agreement contains the entire agreement between the District and the Vendor and supersedes all prior written or oral discussions or agreements.

6.18 Funds

The District certifies that sufficient funds are available and authorized for expenditure pursuant to this Agreement in Fiscal Year 2013/2014. The funds needed for the balance of the Agreement are subject to appropriation by the Board of County Commissioners, acting as the governing body of the District, during the budget processes. If the District Board does not appropriate funds for subsequent fiscal years for the balance of this contract, the District may immediately terminate this Agreement by giving written notice of termination to the Vendor. The Vendor shall not be entitled to compensation for any work performed after the date of such written termination notice. The District shall also have the right to accelerate or decelerate the work to match funding limitations. Any termination for lack of funds shall not constitute an "Early

Termination” as such term is used in Paragraph 6.1.

6.19 Release of Information

No information relative to the Project shall be released by the Vendor for publication, advertising, communication with the media, or for any other purpose, without prior written approval of the District.

6.20 Maintenance of Records

The Vendor shall maintain books and accounts of payroll costs, travel, subsistence, field contracted services of others and reimbursable expenses pertaining to each Project in accordance with generally accepted professional practices, appropriate accounting procedures and applicable local, state or federal laws, statutes, ordinances, or rules and regulations. The District or its authorized representative shall have the authority to inspect, audit and copy, on reasonable notice and from time to time, any records of the Vendor regarding its billings or any record arising from or related to this Agreement. Records shall be maintained and available until three (3) years after the date of final Project billing or until three (3) years after the date of resolution of any litigation or claim.

6.21 Audit of Payments

6.21.14 The District, either directly or through a designated representative, may audit the records of the Vendor at any time during the three (3) year period established by Paragraph 6.14.

6.21.15 If an audit discloses that payments to the Vendor were in excess of the amount to which the Vendor was entitled, then the Vendor shall immediately repay the amount of the excess to the District.

6.22 Public Contracting Law

The Parties hereby agree to abide by and incorporate by reference all relevant provisions and requirements of ORS Chapters 279A, 279B, and 279C.

6.17 Survival

All express representations, indemnifications or limitations of liability included in this Agreement shall survive its completion and/or termination for any reason.

6.18 Headings

The headings used in this Agreement are for general reference only and are not part of the contract language. This Agreement should be construed without giving any meaning to any

headings included herein.

6.19 Dispute Resolution

Any controversy or claim arising out of or relating to this Agreement or any related agreement shall be settled by binding arbitration by an arbitrator familiar with government contractual law. The arbitrator shall be mutually agreed upon, but failing mutual agreement each party shall select one arbitrator and those two arbitrators will choose a third. This panel of three arbitrators shall hear the dispute and issue a ruling within forty-five (45) days.

6.20 Amendments

The District and the Vendor may amend this Agreement at any time only by written amendment executed by the District and the Vendor. Any amendment that increases the amount of compensation payable to the Vendor in excess of the amounts authorized in prior Board approvals shall be subject to approval by the Board of County Commissioners, acting as the governing body of the District. The Director or person designated in the Board order approving or amending this Agreement may execute amendments to the Agreement to increase compensation within the limits of the authority established by the District's Contract Review Board Rules and within the limits authorized by prior Board approvals. The Project Manager may agree to and execute any other amendment on behalf of the District.

6.21 Waiver

The District and the Vendor shall not be deemed to have waived any breach of this Agreement by the other party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach be of the same nature as that waived.

6.22 Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 60 days written notice by the Vendor to the District.

6.23 Time is of the essence of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate by their duly authorized officers or representatives as of the day and year first above written.

Vendor: **CLACKAMAS COUNTY SERVICE DISTRICT NO. 1**

CollCorp, Inc
Company
15 Donalds Avenue
Address
Sharon, Ontario L0G1V0
City, State, Zip Code
Shirley Lohman
Authorized Signature
President
Title
473617793 (SIN)
Federal Tax ID Number
April 11, 2014
Date

Liz Garcia, Interim Director
Date

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate by their duly authorized officers or representatives as of the day and year first above written.

Vendor:

CLACKAMAS COUNTY SERVICE
DISTRICT NO. 1

CollCorp, Inc
Company

Liz Garcia, Interim Director

15 Donalds Avenue
Address

Date

Sharon, Ontario LOG1VO
City, State, Zip Code

Authorized Signature

Title

473617793 (SIN)
Federal Tax ID Number

April 11, 2014
Date

Ironbrook UV

EXHIBIT A

Kellogg Creek WWTP
Quote# IBUV_030714
6 PDC Refurbishment

<u>Part & Qty (one bank)</u>	<u>Cost (\$)</u>	<u>Qty (6 banks)</u>	<u>Total (\$)</u>
16 - 16 Lamper racks *	900	96	86400
16 Controller Boards (8ballast mod)	500	96	48000
16 6A Breakers	180	96	17280
16 Internal Cables	300	96	28800
16 40-pole Housings	45	96	4320
128 DC Ballast	145	768	111360
16 GFI's	190	96	18240
1 Main Breaker 85A	400	6	2400
1 Contactor 3-pole 85A c/w Aux 120VAC	250	6	1500
2 3A 120VAC single pole aux breakers	30	12	360
1 6A 120VAC single pole aux breaker	30	6	180
2 TDR1 Relays (Din Rail)	150	12	1800
1 PCR 208VAC relay c/w N/O contact	190	6	1140
2 Blowers c/w caps (10uF)	280	12	3360
2 LCR relays (Hi/Lo)	250	12	3000
2 8A 12VDC power Suppliers	280	12	3360
2 120VAC control relays	35	12	420
3 Thermostats	80	18	1440
1 120VAC Lamp (ON)	150	6	900
1 3-pos switch	150	6	900
3 8KVA Transformers	1500	18	27000
UV Intensity Monitors	2950	6	17700
Transmittance Analyzer	19841	1	19841
Integrated Bank Assembly	6900	1	6900

Germicidal lamps G64T5L	21	1536	32256
Orings	0.5	1536	768
Site work (2 persons approx. 14 days) **	LOT		15000
Shipping of Lamps to site	LOT		1000
Shipping Racks 2- trips ***	2000	6	12000
Shipping parts - one crate/one IBA	1500	2	3000
	Total		470625
Discount for quantity		-67231.67	403393.33
Mobilization Fee (5%)			20169.66
	Grand Total		\$423,563

* Rack re-work includes stripping, cleaning, installing new gaynor, pvc, grommets, top plate, re-wiring, testing and Hi-potting

** Site work includes flight, hotel car, approx. 14 days on site (8hrs/day), food and all expenses 2 persons.

*** Racks to be secured to pallet by site personnel, Ironbrook will arrange for pickup, racks will be re-worked at our location then shipped back in crate to be used for next shipment of racks

Cabinets to be moved to site shop for re-work by site personnel. 14 days on site does not include weekends unless agreed upon by IBUV and plant personnel

An on site "stand-by" cost will be implemented at \$500/day/person (not to exceed 2 persons) if events arise (beyond Ironbrooks control) on site that scheduled work cannot be started or completed.

A grace period no longer than 2 working days will be allotted for unforeseen interruptions. At the end of the second day an agreement will need to be made to either re-schedule, continue with scheduled work or to continue in stand-by mode at which case the \$500.00/day/person will be charged for each day after the 2 day grace period until scheduled work is started. If site needs to for whatever reason re-schedule work then all expenses will be incurred by site for a return trip (not to exceed \$1000 per person).

Payment terms

Ironbrook UV

EXHIBIT B

Kellogg Creek WWTP
Quote# IBUV_030714
6 PDC Refurbishment

Upon receipt of PO and 5% of total cost for startup Ironbrook will proceed as follows;

Order all parts as outlined in exhibit A, delivery of parts as follows;

DC Ballast	6 weeks
8KVA Transformers	6 weeks
IBA	6 weeks
DC Controller Boards	6 weeks
Cable	4 weeks
All breakers, relays & switches	2-3 weeks
G64T5L long life Lamps	3 weeks
Fans/Blowers	2-3 weeks

Once cable arrives we can then start the process of assembling of cables for all lamp racks

Kellogg can proceed to ship one, two or more banks of racks back at a time for re-work

Approx. three weeks if only one bank is being sent back, two weeks transit and one week re-work in shop.

If only one bank of racks (16) are to be sent back at a time, delivery to complete all 96 racks would be approx.

19 weeks One week included for loading and unloading racks in crate

Parts will be shipped to site once they arrive at Ironbrook

In summary once a PO is issued we will be ready to ship all parts to site in approx. **8-10 weeks.**

Rack completion will be based on how quick we can receive them from site

Once all parts are confirmed on site and all racks are completed and on site we will await word from plant personnel for authorization to arrange a site visit to complete re-work of cabinets

Site personnel will need to arrange to have one, two or three cabinets un-hooked and placed in shop for re-work. Approx. 2.5 days per cabinet (does not include moving cabinet from shop to channel)

Testing of cabinet will commence once cabinet is completed in shop and installed back in channel by site personnel. Testing will consist of followi

Power on and check all AC voltages from Toroidal Transformer.

Test and verify all 3 phase voltages to Controller Boards

Test for proper AC input voltage as well as DC 12vdc voltage

Test and verify GFI for operation

Test and verify proper operation of blowers and thermostats

Test and verify operation of switches

Power on each lamp rack controller board, verify dc voltage

Check for proper operation of lamps

Site work will be approx. 14 days total - 2 persons

Please note that without knowing how many racks will be shipped at a time it is difficult to provide an exact detailed schedule

AFFIRM BUSINESS CENTRE
INSURANCE BROKERS INC.

PHONE (905) 890-6610
TOLL FREE 855-663-6610
FAX (905) 890-3948
www.abcinsbrokers.com

**Affirm
Business
Centre**

CERTIFICATE OF INSURANCE

Lloyd's of London, under agreement no. AKH5008

ISSUED IN FAVOR OF:

Clackamas County Service District No. 1, Clackamas County,
Water Environment Services and Fishwise Environmental

ADDRESS:

150 Beaver Creek Rd., 4th Floor
Oregon City, Oregon 97045

DATE:

24-Mar-14

THIS IS TO CERTIFY that the policy (s) designated below are in full force as of this date and provides the type of insurance set forth opposite the policy number, subject to the terms and conditions of the policy (s).

NAME OF INSURED:

Ironbrook UV (A division of Colcorp, Inc.)

ADDRESS OF INSURED:

15 Donlands Ave.
Sharon, Ontario, L0G 1V0

DESCRIPTION OF OPERATION:

Assembly of Electronic Components

ADDITIONAL INSURED:

Clackamas County Service District No. 1, Clackamas County,
Water Environment Services and Fishwise Environmental

TYPE OF POLICY	Policy Number	Expiry Date	Liability Limit
General Liability	ABC0544	24-Mar-15	\$ 2,000,000
Personal Injury	ABC0544	24-Mar-15	\$ 2,000,000
Non Owned Auto	ABC0544	24-Mar-15	\$ 2,000,000
Tenants Legal Liability	ABC0544	24-Mar-15	\$ 200,000

The insurance afforded is subject to the terms, conditions and exclusions of the applicable policy. This Certificate is issued as a matter of information only and confers no rights on the holder and imposes no liability on the insurer. The insurer will endeavour to mail to the holder of this certificate 30 days written notice of any material change in or cancellation of these policies, but assumes no responsibility for failure to do so.


Authorized Representative

Robert Pisse Ext. 223

24-Mar-14

Date

