



Gregory L. Geist
Director

October 17, 2019

Water Environment Services Board
Board of County Commissioners
Clackamas County

Members of the Board:

Approval of Amendment No. 3 to the Intergovernmental Agreement Between
Water Environment Services and Clackamas County
For Facilities Management and Maintenance

Purpose/Outcomes	Approval of Amendment No. 3 to the Intergovernmental Agreement Between Water Environment Services and Clackamas County for facilities management and maintenance.
Dollar Amount and Fiscal Impact	The Agreement proposes an annual not to exceed value of \$300,000 with a total not exceed amount of \$900,000 for the full term of the contract.
Funding Source	FY18/19 – FY 20/21 WES Budget as approved. No general fund dollars.
Duration	The Agreement ratifies all work occurring from the previous agreements expiration of June 30, 2018 and would continue until June 30, 2021.
Previous Board Action/Review	Board approved original Intergovernmental Agreement – 051514 VIII. 1. Amendment 1 approved – 060916 IV. 1 & 2 Amendment 2 approved – 072717 V. 1 & 2
Counsel Review	This IGA was reviewed and approved by County Counsel on September 24, 2019.
Strategic Plan Alignment	1) This Agreement supports the County’s goal of building trust through good government by supporting efficient use of funds and resources. 2) The Agreement supports WES’s strategic goal of investment in Infrastructure Strategy and Performance. Specially, our Plant Operations and Maintenance goal of increasing the percentage of WES Maintenance activities that will be planned efforts to address performance deficiencies or enhancements.
Contact Person	Greg Eyerly, 503-557-2802
Contract No.	N/A

BACKGROUND:

In 2014, Clackamas County Service District No. 1 (“CCSD#1”), the Tri-City Service District (“TCSD”) (collectively “Districts”) and Clackamas County (“County”) entered into an Intergovernmental Agreement for Facilities Management and Maintenance (“Agreement”) for an annual total of \$270,000 that covered all the facilities excluding pump stations within the two Districts. The Agreement was amended and extended in June of 2016, and scope negotiated for an annual contract amount of \$200,000.

In 2016, the Districts renewed the Agreement, including an updated scope that added the Training Center modular trailer at the Tri-City Water Resource Recovery Facility and the chemical building locker room and facility lunchroom at the Kellogg Creek Water Resource

Recovery Facility for the receipt of services. These additions increased the annual agreement by \$10,000 for a total contract amount of \$210,000. The Agreement also clarified that Water Environment Services had assumed the duties of TCSD under the Agreement.

Amendment 2 of the Agreement expired June 30, 2018. This Amendment ratifies all work performed since that date pursuant to the terms of the Agreement and extends the term of the Agreement to June 30, 2021. The Scope of Work is increased to improve clarity, increase coordination, and improve procurement efficiencies for shared service needs while reserving the rights of Water Environment Services to utilize outside resources for work described in the Scope, if necessary. These additions increased the annual agreement by \$90,000, for a total contract amount of \$900,000. The Agreement also clarifies that Water Environment Services has assumed the duties of TCSD and CCSD#1 under the Agreement.

RECOMMENDATION:

WES staff recommends the Board, acting as the governing body of Water Environment Services, approve the Amendment No. 3 to the Intergovernmental Agreement between Water Environment Services and Clackamas County for Facilities Management and Maintenance.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Greg Geist", with a stylized flourish at the end.

Greg Geist
Director, Water Environment Services

Attachments:

- Amendment No. 3 to the IGA WES & Clackamas County for Facilities & Maintenance
- Exhibit A – Scope of Work

**AMENDMENT No. 3
TO THE INTERGOVERNMENTAL AGREEMENT
WATER ENVIRONMENT SERVICES
AND CLACKAMAS COUNTY FOR
FACILITIES MANAGEMENT AND MAINTENANCE**

This AMENDMENT NO. 3 to the INTERGOVERNMENTAL AGREEMENT (this “Amendment No. 3”) is made and entered into on the ____ of _____, 2019, by and between WATER ENVIRONMENT SERVICES, an intergovernmental partnership formed under ORS Chapter 190 (“WES”), and CLACKAMAS COUNTY, a political subdivision of the State of Oregon (“County”), for providing facilities management and maintenance services, hereinafter referred to as the “Services.”

WHEREAS, the County, Clackamas County Service District No. 1 and the Tri-City Service District entered into that certain Intergovernmental dated May 15, 2014 for providing facilities management and maintenance services (the “Agreement”); and

WHEREAS, Water Environment Services (“WES”) assumed ownership over the contracts and assets of the Tri-City Service District as of July 1, 2017, and over the contracts and assets of Clackamas County Service District No. 1 as of July 1, 2018; and

WHEREAS, the parties have continued to perform under the conditions of the Agreement after the expiration of the Agreement’s term on June 30, 2018; and

WHEREAS, the parties desire to ratify the work completed since the expiration of the original Agreement term and continue the arrangement with a modified scope of Services by extending the term of the Agreement, modifying Exhibit A and increasing the maximum compensation contained therein;

NOW, THEREFORE, for good and sufficient consideration, the parties hereby agree that:

1. Water Environment Services assumed all obligations under this Agreement on behalf of the Tri-City Service District as of July 1, 2017 and on behalf of Clackamas County Service District No. 1 as of July 1, 2018. All references to the Tri-City Service District, Clackamas County Service District No. 1 or “Districts” in the Agreement between the parties shall be replaced with Water Environment Services or WES.

2. To reflect an extension of the term, the Agreement’s Paragraph 2.1 is hereby replaced in its entirety with:

2.1 Term. Unless earlier terminated, this Agreement shall commence July 1, 2018 and remain in full force and effect until June 30, 2021.

3. To reflect a change in the Scope, the Agreement’s Exhibit A is hereby replaced in its entirety with the following, which shall be effective as of July 1, 2018:

See Exhibit A attached hereto and incorporated therein.

4. Add the following language to the end of Article 1, Section 1 Scope of Services:

At any time, County is unable to provide services requested by WES under this Agreement within a necessary timeframe, WES reserves the right to utilize outside resources for said work, as it deems necessary and expedient, within WES' sole discretion. WES agrees to notify County in a timely manner of any change in services requested. Notwithstanding the above, WES agrees to provide 90 days' notice prior to discontinuing the use of County services for landscaping or janitorial work. The parties may review and update Exhibit A annually to ensure an accurate description of the services to be provided by the County. Any changes that increase the total maximum compensation allowed under this Agreement shall occur through the amendment process specified in Section 4.8.

5. To reflect an increase in the total annual compensation by \$90,000, the Agreement's Article 3.1 is hereby replaced in its entirety with:

3.1 Compensation. WES agrees to pay the County an amount not to exceed THREE HUNDRED THOUSAND and 00/100 Dollars (\$300,000.00) annually in accordance with the Scope of Services, with a total not to exceed amount of NINE HUNDRED THOUSAND and 00/100 Dollars (\$900,000.00) for the term established in this Amendment No. 3. Notwithstanding anything else to the contrary herein, no changes in the not-to-exceed amount shall be made without prior written approval of WES. The costs shall be apportioned to WES based on the scope and frequency of services provided by the County. The exact level of compensation for services performed during fiscal year 2018-2019 shall be determined after the parties evaluate the detailed accounting provided in section 3.2.2 of this Agreement.

6. To reflect a shift from monthly billing to quarterly, Section 3.2.1 is replaced in its entirety with the following:

3.2.1 The County shall provide quarterly invoices to WES. WES shall pay quarterly payments to County within thirty (30) days of WES' receipt of the quarterly invoice. The County shall maintain detailed billing records and such records shall be available to WES for audit and copying. No interest shall be paid on disputed amounts.

7. The parties acknowledge that work has been completed since the expiration of the Agreement term on June 30, 2018, and hereby ratify all work occurring during that time that was performed pursuant to the terms of the Agreement.

8. WES and the County ratify the remainder of the Agreement and affirm that no other changes are made hereby.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 3 to be executed in duplicate by their duly authorized officers or representatives as of the day and year first above written.

WATER ENVIRONMENT SERVICES:

Chair

Date

CLACKAMAS COUNTY:

Chair

Date

Recording Secretary

EXHIBIT A – SCOPE OF SERVICES

As of October 17, 2019, the scope of services shall be limited to maintenance and the facilities management of the three facilities identified below. The scope of services does not include the costs associated with any capital improvements to any facility.

WATER ENVIRONMENT SERVICES

TRI-CITY WASTEWATER TREATMENT PLANT - ADMINISTRATION AND WATER QUALITY LABORATORY BUILDINGS, TRAINING CENTER MODULAR TRAILER

- Facilities overhead
- Select security system product updates
- Security system repairs & maintenance
 - process buildings upon request
 - security fencing, perimeter and gates
- Janitorial
- Janitorial paper products
- General building maintenance supplies
- Building repairs & maintenance
 - including but not limited to electrical systems and lighting (interior and exterior)
- Plumbing repairs & maintenance
- HVAC repair & maintenance
- Painting, cleaning and sealing – interior and exterior
- Grounds maintenance (hard scape)
- Landscape
- Vandalism/graffiti removal & repair
- Work as requested. Additional project costs not included in the allocated budget

KELLOGG CREEK WATER RESOURCE RECOVERY FACILITY - ADMINISTRATION BUILDING, CHEMICAL BUILDING (INCLUDING LOCKER ROOM AND LUNCHROOM)

- Facilities overhead
- Select security system product updates
- Security system repairs & maintenance
 - process buildings upon request
 - security fencing, perimeter and gates
- Janitorial
- Janitorial paper products
- General building maintenance supplies
- Building repairs & maintenance
 - including but not limited to electrical systems and lighting (interior and exterior)
- Plumbing repairs & maintenance
- HVAC repair & maintenance
- Painting, cleaning and sealing – interior and exterior
- Grounds maintenance (hard scape)
- Landscape
- Vandalism/graffiti removal & repair
- Work as requested. Additional project costs not included in the allocated budget

HOODLAND

- Select security system product updates
- Security system repairs & maintenance
 - process buildings upon request
 - security fencing, perimeter and gates
- Work as requested. Additional project costs not included in the allocated budget.

BORING

- Work as requested. Additional project costs not included in the allocated budget.

82ND DRIVE BRIDGE (GLADSTONE & OREGON CITY BRIDGE)

- Vandalism/graffiti removal & repair
- Work as requested. Additional project costs not included in the allocated budget.

PUMP STATIONS

- Work as requested. Additional project costs not included in the allocated budget.



Gregory L. Geist
Director

October 17, 2019

Water Environment Services Board
Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Service Connection Mortgage in the North Clackamas Service Area for
Water Environment Services

Purpose/Outcomes	Approval of a Service Connection Mortgage on the tax lot 22E12B 01700 in order for the property to connect to the public sewerage system.
Dollar Amount and Fiscal Impact	Contract maximum value is \$23,670.00.
Funding Source	Not applicable
Duration	Effective October 17, 2019, and terminates when paid in full, estimate date of July 1, 2029.
Previous Board Action/Review	None.
Counsel Review	This Connection Mortgage was reviewed and approved by County Counsel on September 26, 2019.
Strategic Plan Alignment	1) Build public trust through good government. 2) WES Customers will continue to benefit from a well-managed utility.
Contact Person	Craig Anderson, WES Accountant – 503-742-4583
Contract No.	N/A

BACKGROUND:

The property owner listed on the attached service connection mortgage has applied to Water Environment Services for payment of systems development charges by semi-annual installment payments secured by a mortgage on the property owned by Thomas E. Godfrey Living Trust: Map and Tax Lot: 22E12B 01700. The mortgage is in the amount of \$23,670.00 with final payment due by July 1, 2029.

Approved as to form by County Counsel on September 26, 2019.

RECOMMENDATION:

We respectfully recommend that the Board of County Commissioners, acting as the governing body of Water Environment Services, approve the Service Connection Mortgage between Water Environment Services and Marina D. Healey Trustee of the Thomas E. Godfrey Living Trust.

Respectfully submitted,

Greg Geist
Director, Water Environment Services

No Change in Tax Statements
After recording, return to:
Water Environment Services
Clackamas County Service District No.1
150 Beaver Creek Road
Oregon City, OR 97045

WATER ENVIRONMENT SERVICES
SERVICE CONNECTION MORTGAGE

THIS MORTGAGE ("Mortgage") is made this 17 day of October, 2019 by and between Marina D. Healey Trustee of the Thomas E. Godfrey Living Trust (herein called "Mortgagor") and Water Environment Services, an intergovernmental entity formed pursuant to ORS Chapter 190 (hereinafter called "District").

RECITAL

Mortgagor has voluntarily applied to District to connect to the public sewerage system. By its duly adopted Rules and Regulations, District has imposed system development and collection sewer charges of \$ 23,670.00 for the privilege of connecting the property described on Exhibit A, for tax lot 22E12B 01700 attached hereto and incorporated by reference ("Land"), to the District's sewerage system.

Mortgagor desires to defer payment of the system development and collection sewer charges and the District has agreed to such deferral. Therefore the parties agree as follows:

1. **Definitions.** As used herein the following terms shall have the following meanings.

1.1 **Event of Default.** Any of the happenings and occurrences described in paragraph 4.

1.2 **Fixtures.** To the extent of Mortgagor's interest therein, all fixtures now, or to any time hereafter, attached to or used in any way in connection with the operation, use or occupation of the Real Property (defined below), including, without limitation, all machinery and equipment, furniture and furnishings, screens, awnings, storm windows and doors, window shades, floor coverings, shrubbery, plants, boilers, tanks, furnaces, radiators, fire prevention and extinguishing apparatus, security and access control apparatus, communications apparatus, all heating, lighting, plumbing, gas, electric, ventilation, refrigerating, air conditioning and incinerating equipment of whatever kind and nature, all of which are hereby declared and shall be deemed to be fixtures and accessory to the fee and part of the Real Property as between the parties hereto, their heirs, legal representatives, successors and assigns and all persons claiming by, through or under them.

1.3 Improvements. All buildings and other improvements and all additions thereto and alterations thereof now, or at any time hereafter, located upon the Land or any part thereof.

1.4 Indebtedness. The promissory note made by Mortgagor, payable to District, dated this date, in the amount of \$ 23,670.00, the final payment of which, if not sooner paid is due July 1st, 2029, as may be extended, renewed, modified, or amended, and including any adjustments and interest, principal and payment terms.

1.5 Land. The property described on attached Exhibit A.

1.6 Obligations. The covenants, promises and other obligations (other than the Indebtedness) made or owing by Mortgagor to or due District under this Mortgage.

1.7 Real Property. The Land, the Improvements and the Fixtures together with all rights, privileges, permits, licenses, tenements, hereditaments, rights-of-way, easements and appurtenances of the Land, and all right, title and interest of Mortgagor in and to any streets, ways, alleys or strips adjoining the Land or any part thereof are collectively referred to as "Real Property."

2. Grant. To secure payment of the Indebtedness and performance and discharge of the Obligations, Mortgagor hereby grants, bargains, sells and conveys and assigns to Mortgagor, a mortgage on the Real Property.

3. Covenants. Until the entire Indebtedness has been paid in full, Mortgagor covenants and agrees as follows:

3.1 Repayment of Indebtedness. Mortgagor agrees to pay to the District system development and collection sewer charges of \$23,670.00 in not less than twenty equal installments of \$1,183.50 on the first day of January and July of each year, together with and in addition to each said installment, interest on the unpaid principal balance, as of the principal payment date, at the prime rate of interest being charged on that date by the bank doing business in Oregon and having the largest deposits. Payments received shall be applied first to accrued interest and then to principal.

3.2 Future Advances. The parties hereto agree that if there is a change in class of service requiring the payment of additional system development and collection sewer charges, District, at its option and if the owner qualifies pursuant to the criteria in the Rules and Regulations, may allow those additional system development and collection sewer charges to be financed and secured by this Mortgage without loss of priority.

3.3 Compliance with Laws. Mortgagor will promptly and faithfully comply with, conform to, and obey all present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental authority or agency which may be applicable to it or to the

Real Property, or any part thereof, or to the use or manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Real Property, or any part thereof, whether or not such law, ordinance, rule, order, regulation or requirement necessitates structural changes or improvements or interferes with the use or enjoyment of the Real Property.

3.4 Payment of Taxes and Other Government Charges. Mortgagor will promptly pay and discharge, or cause to be paid and discharged, before delinquency, all real estate and personal property taxes and other taxes and assessments, water and sewer rates and charges, and other governmental charges and any interest or costs for penalties with respect thereto, and charges for any easement or agreement maintained for the benefit of the Real Property which at any time prior to or after the execution of this Mortgage may be assessed, levied or imposed upon the Real Property, or the rent or income received therefrom, or any use of occupancy thereof, and any other taxes, assessments, fees and governmental charges levied, imposed or assessed upon or against Mortgagor or any of Mortgagor's properties.

3.5 Repair. Mortgagor will keep the Real Property in good order and condition and make all necessary or appropriate repairs, replacements and renewals thereof, and will use Mortgagor's best efforts to prevent any act or thing which might impair the value or usefulness of the Real Property. Mortgagor shall not make any alterations or additions to the Improvements or remove any of the Improvements if such alternations, additions or removal would impair the value of the Real Property.

3.6 Inspection. District shall have the right, individually or through agents, at all reasonable times to inspect the Real Property.

3.7 Indemnification. Mortgagor shall indemnify and hold District and District's elected officials, agents, legal representatives, heirs, successors and assigns harmless against any and all claims, demands, losses, liabilities, costs and expenses arising out of or in any way related to or affecting the Real Property or Mortgagor's use thereof.

3.8 Construction Liens. Mortgagor shall not permit or suffer any construction or similar lien on any of the Real Property, except as such liens may be filed in the normal course by contractors, suppliers and the like. Mortgagor shall remove or cause the removal of all such liens by payment of amounts due on account thereof. If Mortgagor desires to contest any such lien, immediately upon the commencement of any litigation concerning the same, Mortgagor may contest the lien by posting a bond necessary for its removal.

4. Events of Default. Each of the following shall be an Event of Default.

4.1 Failure to Pay. The failure of the Mortgagor to pay any portion of the Indebtedness when it is due.

4.2 Other Defaults. The failure of Mortgagor to observe or perform any of the Obligations, other than as specified in this paragraph 4, within 10 days after notice from District specifying the nature of the deficiency. No notice of default and opportunity to cure shall be required if during the prior 12 months District has already sent a notice to Mortgagor concerning a deficiency in performance of the same obligation.

4.3 Insolvency. The insolvency of Mortgagor; abandonment of the Real Property, or any parcel or portion thereof; an assignment by Mortgagor for the benefit of creditors; the filing by Mortgagor of a voluntary petition in bankruptcy or an adjudication that Mortgagor is bankrupt; the appointment of a receiver for the property of Mortgagor; or the filing of an involuntary petition in bankruptcy and the failure of Mortgagor to secure the dismissal of the petition within 30 days after filing. Any Event of Default under this paragraph 4 shall apply and refer to Mortgagor, any guarantor of the Indebtedness, and to each of the individuals or entities which are collectively referred to as "Mortgagor."

4.4 Transfer. The sale, conveyance, transfer or other disposition of the Real Property, or any part thereof, or any interest therein, including the transfer of possessory rights therein, directly or indirectly, either voluntarily, involuntarily or by operation of law, by contract, deed or otherwise, without District's prior written consent, which consent shall not be unreasonably withheld. The District may attach such conditions to its consent as District may determine in its sole discretion, including without limitation, an increase in the interest rate or the payment of transfer of assumption fees and the payment of administrative and legal fees and costs incurred by District.

4.5 The default under any superior encumbrance to this Mortgage.

5. Remedies. Upon the occurrence of any Event of Default, District may exercise any one or more of the following remedies:

5.1 Acceleration. Declare the unpaid portion of the Indebtedness to be immediately due and payable.

5.2 Foreclosure. Foreclose this Mortgage in the manner provided by law for mortgage foreclosures.

5.3 Receiver. District shall be entitled, as a matter of right, without notice and ex parte, and without regard to the value or occupancy of the security, or the solvency of Mortgagor or the adequacy of the Real Property as security, to have a receiver appointed to enter upon and take possession of the Real Property, collect the rents therefrom, and apply the same as the court

may direct. Any receiver appointed may serve without bond. District shall not be disqualified to serve as receiver. The expense of the receivership shall be secured by this Mortgage.

5.4 Remedies Cumulative and Concurrent. The rights and remedies of District as provided in the Indebtedness and this Mortgage shall be cumulative and concurrent and may be pursued separately, successively, or together against Mortgagor or against other obligors, or against the Real Property, or any one or more of them, at the sole discretion of District, and may be exercised as often as occasion therefore shall arise.

5.5 Nonwaiver. The election of District not to exercise any option or remedy which they may have under this Mortgage with respect to any Event of Default shall not be deemed a waiver of District's right to exercise such rights or options as to any proceeding or subsequent Event of Default, nor shall it be deemed a waiver with respect to that Event of Default or any other remedy available to District under this Mortgage, the Note or applicable law.

5.6 Termination of Services. Mortgagor agrees that sanitary sewer service is necessary and vital for the continued use and functioning of the subject real property. If a default occurs under the terms of this Trust Deed, which default is not cured thirty days following written notice to Mortgagor, the beneficiary, in addition to any other remedies, may terminate sewer service to the subject property. Mortgagor, or its successors or assigns, shall be responsible for all costs associated with disconnection of service and reconnection to the public sewerage system.

6. Miscellaneous.

6.1 District's Right to Act. Upon an Event of Default, District may, at District's option and without waiver of the default, perform the same on behalf of Mortgagor. Expenditures made or charges incurred by District for the foregoing purposes shall be paid by Mortgagor to District immediately upon demand and shall be secured by this Mortgage. Nothing herein shall require District to advance monies for any purpose or to do any other act, and District shall not incur any persona liability because of District's action or inaction under this paragraph.

6.2 Time of Essence. Time is of the essence in the payment of the Indebtedness and the Performance of the Obligations under and secured by this Mortgage.

6.3 Applicable Law. This Mortgage shall be governed by and construed according to the laws of the State of Oregon.

6.4 Interpretation. In interpreting this Mortgage, the singular shall include the plural. If Mortgagor consists of more than one person or entity, each such person and entity shall be jointly and severally liable to pay the Indebtedness and perform the Obligations.

6.5 Severability. In case any one or more of the Obligations shall be invalid, illegal or unenforceable in any respect, the validity of the Indebtedness and remaining Obligation shall be in no way effected, prejudiced or disturbed thereby.

6.6 Modification. This Mortgage may only be modified by an instrument or instruments in writing, signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

IN WITNESS WHEREOF, the Mortgagor has set his/her/their hand on the day and year first herein above written.

Marina D. Healey Trustee _____
(Legal owner) (Legal owner)

14261 SE. Chariton St. Clackamas _____
Mailing Address Oregon 97015 Mailing Address

STATE OF OREGON)
County of Clackamas) ss.

This instrument was acknowledged before me on this 3 day of October, 2019 by Marina D. Healey Trustee

Meredith Nolan
Notary Public for Oregon
My Commission Expires: December 28, 2020

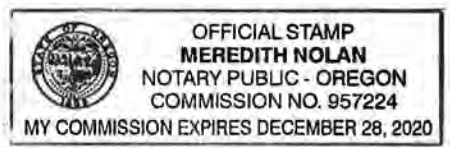


EXHIBIT "A"

All of that portion described in deed reference Clackamas County Official Record 2012-32829

(Tax Lot 22E12B 01700)