



AGENDA

Thursday, June 29, 2017 - 10:00 AM **BOARD OF COUNTY COMMISSIONERS**

Beginning Board Order No. 2017-67

CALL TO ORDER

- Roll Call
- Pledge of Allegiance

I. 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.)*

II. PUBLIC HEARINGS (15 Public Hearings relating to Budget) *(The following items will be individually presented by County staff or other appropriate individuals. Persons appearing shall clearly identify themselves and the organization they represent. In addition, a synopsis of each item, together with a brief statement of the action being requested shall be made by those appearing on behalf of an agenda item.)*

1. Resolution No. ____ Adopting the Clackamas County Budget for the 2017-2018 Fiscal Year, Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018 (Diane Padilla)
2. Resolution No. ____ Adopting Changed Fees for Clackamas County for Fiscal Year 2017-2018 (Laurel Butman, County Administration)

Enhanced Law Enforcement District

3. Resolution No. ____ Adopting the Enhanced Law Enforcement District Budget for the 2017-2018 Fiscal Year, Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018 (Diane Padilla)

Clackamas County Extension and 4-H Service District

4. Resolution No. ____ Adopting the Clackamas County Extension and 4-H Service District Budget for the 2017-2018 Fiscal Year, Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018 (Diane Padilla)

Library Service District of Clackamas County

5. Resolution No. ____ Adopting the Library Service District of Clackamas County 2017-2018 Fiscal Year Budget and Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018 (Gary Barth)

North Clackamas Parks & Recreation District

6. Resolution No. _____ Adopting the North Clackamas Parks & Recreation District's 2017-2018 Fiscal Year Budget and Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018 (Gary Barth)

Clackamas County Development Agency

7. Resolution No. _____ Adopting and Appropriating Funds for the 2017-2018 Fiscal Year Budget for the Clackamas County Development Agency (Dan Johnson)

Service District No. 5, Street Lighting

8. Resolution No. _____ Adopting and Appropriating Funds for the 2017-2018 FY Budget for Clackamas County Service District No. 5 (Wendi Coryell)
9. Resolution No. _____ Setting Rates for Street Lighting Service Charges in Clackamas County Service District No. 5 (Wendi Coryell)

Water Environment Services

10. Resolution No. _____ Adopting and Appropriating Funds for the 2017-2018 FY Budget for Water Environment Services (Greg Geist, Doug Waugh)
11. Board Order No. _____ Amending and Adopting Rates and Charges for Water Environment Services ((Greg Geist, Doug Waugh)
12. Board Order No. _____ Adopting a Methodology and Establishing a New System Development Charge for Water Environment Services (Greg Geist, Doug Waugh)

Service District No. 1

13. Resolution No. _____ Adopting and Appropriating Funds for the 2017-2018 FY Budget for Clackamas County Service District No. 1 (Greg Geist, Doug Waugh)
14. Board Order No. _____ Amending and Adopting Rates and Charges for Clackamas County Service District No. 1 (Greg Geist, Doug Waugh)
15. Board Order No. _____ Establishing New System Development Charges for Clackamas County Service District No. 1 (Greg Geist, Doug Waugh)

III. 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 Work Sessions. 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. Health, Housing & Human Services

1. Approval of an Intergovernmental Agreement with the City of Lake Oswego for Medical Direction for the Lake Oswego Fire Department and Communication Center – *Public Health*
2. Approval of a Renewal Intergovernmental Agreement with Washington County for the Cities Readiness Initiative Program – *Public Health*
3. Approval to Apply for Substance Abuse and Mental Health Services Administration Zero Suicide Grant – *Health Centers*

4. Approval for Renewal of Revenue Intra-Agency Agreement with Clackamas County Community Corrections to Provide Behavioral Health Service to Community Corrections Consumers – *Health Centers*
5. Approval of Amendment No. 1 to the Professional Services Agreement with Folk Time Inc. for Peer Services for the Stewart Community Center and Hilltop Adult Services Center – *Health Centers*
6. Approval of an Intra-Agency Services Agreement with Clackamas County Health Centers Behavioral Health Clinic and Clackamas County Behavioral Health Division for the Transfer of Grant Funds Awarded for Supported Employment Services – *Behavioral Health*
7. Approval of Amendment No. 2 to the Agency Services Contract with Lifeworks NW for Early Assessment and Support Alliance (EASA) Services – *Behavioral Health*
8. Approval of Agency Services Contract Amendment No. 1 with Lifeworks NW for Assertive Community Treatment (ACT) Programs – *Behavioral Health*

B. Department of Transportation & Development

1. Board Order No. _____ Approving the Solid Waste Management Fee Adjustments
2. Resolution No. _____ Supporting the Metro 2040 Community Planning and Development Grants for Housing Authority of Clackamas County Hillside Master Plan and Park Avenue Development and Design Standards Project
3. Approval of Supplemental Project Agreement No. 31035 with Oregon Department of Transportation for the Jennings Ave. OR 99E to Oatfield Road Project
4. Approval of Contract Amendment No. 3 to the Professional Services Contract with Clair Company to Provide On-Call Plan Review and Inspections Services - *Procurement*
5. Approval of a Renewal for the Contract with Pac-Green Nursery and Landscape, LLC. for Landscape Maintenance Services for Various Landscape Roadway Areas in Clackamas County - *Procurement*

C. Elected Officials

1. Approval of Previous Business Meeting Minutes – *BCC*
2. Approval of a Contract with Ron Saunders for Commercial/Industrial Consulting Services for the Department of Assessment and Taxation – *Procurement for the County Assessor*
3. Request by the Clackamas County Sheriff's Office for Approval of an Amendment to the Corizon Health Medical Services Contract - *CCSO*

D. Department of Finance

1. Approval of a Fiscal Year 2017-2018 Work and Financial Plan with the US Department of Agriculture, Animal and Plant Health Inspection Service, Wildlife Services for Predator Management (Trapper)
2. Approval of Contract Amendment No. 4 and Remainder Renewals No. 3 & 4 with Cintas Corporation for Uniform Services for Facilities Management
3. Approval to Use the State of Oregon Contract Documents with TVW, Inc. for Janitorial Services at Various Clackamas County Facilities

E. Community Corrections

1. Approval of an Intergovernmental Agreement with the City of Wilsonville to Provide Work Crew Services for Fiscal Year 2017 - 2018
2. Approval of Intergovernmental Agreement Amendment No. 1 with the City of Happy Valley to Provide Work Crew Services for Fiscal Year 2017-2018
3. Approval of Intergovernmental Agreement Amendment No. 1 with the City of Milwaukie to Provide Work Crew Services for Fiscal Year 2017-2018
4. Approval of Contract Amendment No. 1 and Renewal No. 2 with CODA Inc. to Provide Drug Assessments of Community Corrections Clients at the Transition Center - Procurement

F. Business & Community Services

1. Approval of an Amended and Restated Intergovernmental Agreement between Clackamas County, the City of Oregon City, Metro and the State of Oregon to Continue the Public Partnership on the Willamette Falls Legacy Project

G. Juvenile Department

1. Approval of Amendment No. 3 to Contract 931488 with Metro for Juvenile Work Crew Services
2. Approval of an Intergovernmental Agreement with the State of Oregon acting by and through its Oregon Youth Authority for Individualized Services for Youth Offenders and their Families
3. Approval of an Intergovernmental Agreement with the State of Oregon acting by and through its Oregon Youth Authority for Juvenile Crime Prevention Basic Services and Diversion Services

IV. DEVELOPMENT AGENCY

1. Approval of an Amendment to the Intergovernmental Agreement between the Clackamas County Development Agency and North Clackamas School District #12 for Wichita Center for Family and Community Improvements
2. Approval of a Disposition Agreement and Continuing Control Agreement with Trammel Crow Portland Development, Inc.

V. WATER ENVIRONMENT SERVICES

(Including Service District No. 1)

1. Approval of an Amendment to Easement 43139-EA between Oregon Department of State Lands and Clackamas County
2. Approval of a Service Connection Mortgage in the North Clackamas Service Area for Clackamas County Service District No.1
3. Board Order No. _____ to Create New Accounting Funds for Water Environment Services

VI. COUNTY ADMINISTRATOR UPDATE

VII. COMMISSIONER COMMUNICATION



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Resolution Adopting the Clackamas County 2017-2018
Fiscal Year Budget, making Appropriations and Imposing and
Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018

Purpose/Outcome	Budget adoption for Clackamas County FY 2017-2018
Dollar Amount and Fiscal Impact	The effect is to adopt a budget of \$782,460,147.
Funding Source	Includes Fund Balance, Fees, Licenses, Permits, Fines, Assessments and Other Service Charges, Federal, State Other Grants, Revenue from Bonds and Other Debt, Interfund Transfers, Internal Service Reimbursements, Other Resources and Taxes.
Duration	July 1, 2017-June 30, 2018
Previous Board Action/Review	Budget Committee approval June 7, 2017.
Strategic Plan Alignment	Build public trust through good government
Contact Person	Diane Padilla, 503-742-5425

BACKGROUND:

Attached are the Resolution and exhibits to adopt the budget as published and approved by the Budget Committee and amended by the Board of County Commissioners in accordance with state budget law, and impose taxes.

This Resolution establishes a budget for Clackamas County July 1, 2017 through June 30, 2018 inclusive of \$782,460,147.

RECOMMENDATION:

Staff respectfully recommends that the Board adopt the attached Resolution and exhibits.

Sincerely,

Diane Padilla
Budget Manager

In the Matter of Adopting a Budget, Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018, for Clackamas County

Resolution No.
1 of 2 pages

BE IT RESOLVED that the Board of Commissioners of Clackamas County hereby amends the budget approved by the Clackamas County Budget Committee in compliance with Oregon Local Budget Law and as detailed in the attached Exhibit A which is, by this reference, incorporated herein.

BE IT RESOLVED that the Board of Commissioners of Clackamas County hereby adopts this amended budget in the total of \$710,164,639 and establishes appropriations as detailed in the attached Exhibit B, which is, by this reference, incorporated herein. This budget is now on file at 2051 Kaen Road, in Oregon City, Oregon.

BE IT RESOLVED that the Budget Committee has accepted the recommendations of the Compensation Board for Elected Officials with regard to individual salary adjustments of 5.95% for Board of County Commissioners effective July 1, 2017, an individual salary adjustment of 2.4% for the Treasurer effective July 1, 2017 and an individual salary adjustment of 4.0% for the Assessor effective July 1, 2017.

BE IT RESOLVED that the County Administrator has recommended for passage by the Board of Commissioners a salary range adjustment and general increase of 2.20% for non-represented employees of the County effective July 1, 2017.

BE IT RESOLVED that in conformance with Governmental Accounting Standards Board Statement Number 54, the County acknowledges that amounts transferred from the General Fund in operational support to the Sheriff's Operations Fund (216), The District Attorney Fund (220), The Juvenile Fund (260) and the Community Corrections Fund (219) for Fiscal Year 2017-18 are 'committed funds' as defined in GASB Statement 54.

BE IT RESOLVED that the following ad valorem property taxes are hereby imposed for tax year 2017-2018 upon the assessed value of all taxable property within the district and categorized for purposes of Article XI section 11b as subject to General Government Limitation:

(1) At the rate of \$2.4042 per \$1,000 of assessed value for permanent rate tax in cities which provide their own police patrol service; and

(2) At the rate of \$2.9766 per \$1,000 of assessed value for permanent rate tax in remaining cities and unincorporated areas; and

(3) At the rate of \$0.2480 per \$1,000 of assessed value for local option tax

(4) At the rate of \$0.1000 per \$1,000 of assessed value for general obligation bonds

In the Matter of Adopting a Budget, Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018, for Clackamas County

Resolution No
2 of 2 pages

BE RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

The above statements were approved and declared adopted on this 29th day of June, 2017.

DATED this 29th day of June, 2017

BOARD OF COUNTY COMMISSIONERS

Chair

Recording Secretary

Exhibit A

CHANGES TO 2017-2018 APPROVED BUDGET

Expenditures	Approved by Budget Committee	Change	Revised Budget
General Fund			
Finance	6,933,946	119,000	7,052,946
Add position in Procurement to be paid by Water Environment Services			
Capital Projects Reserve Fund			
Public Ways and Facilities	7,689,608	1,000,000	8,689,608
Add initial OSU Extension Building construction costs to be paid by Clackamas County Extension and 4-H Service District			
Facilities Management Fund			
General Government	11,010,422	293,171	11,303,593
Add department funded maintenance and construction positions			
Budget as approved by Budget Committee			781,047,976
Changes made by Board of County Commissioners			<u>1,412,171</u>
Adopted Budget (includes Reserve for Future Expenditure)			782,460,147

**SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18**

<u>GENERAL FUND</u>	<u>APPROPRIATION</u>
Board of County Commissioners	1,802,345
County Administration	2,175,512
County Counsel	2,763,617
Human Resources	3,974,043
Assessor	7,988,399
Clerk	2,689,707
Transportation & Development	1,290,334
Finance	7,052,946
Treasurer	971,366
Public & Government Affairs	4,555,004
Not Allocated to Organizational Unit:	
Personnel Services	18,563,749
Materials & Services	6,942,452
Debt Service	244,303
Special Payments	27,016,203
Interfund Transfer	107,801,177
Contingency	8,373,138
FUND TOTAL	\$ 204,204,295
 <u>COUNTY FAIR FUND</u>	
Culture, Education and Recreation	1,944,730
Not Allocated to Organizational Unit:	
Special Payments	5,000
Contingency	270,509
FUND TOTAL	\$ 2,220,239
 <u>COUNTY SCHOOL FUND</u>	
Not Allocated to Organizational Unit:	
Special Payments	500
FUND TOTAL	\$ 500
 <u>BUILDING CODES FUND</u>	
General Government	7,573,599
Not Allocated to Organizational Unit:	
Contingency	1,282,494
FUND TOTAL	\$ 8,856,093
 <u>CLACKAMAS COUNTY RESOLUTION SVCS FUND</u>	
General Government	1,552,729
FUND TOTAL	\$ 1,552,729

Exhibit B

SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18

Exhibit B

SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18

BUSINESS & ECONOMIC DEVELOPMENT FUND

Economic Development	4,782,880
Not Allocated to Organizational Unit:	
Interfund Transfer	63,000
Special Payments	25,000
Contingency	384,585
FUND TOTAL	<u>\$ 5,255,465</u>

DISASTER MANAGEMENT FUND

Public Protection	2,711,948
Not Allocated to Organizational Unit:	
Special Payments	621,200
Contingency	286,390
FUND TOTAL	<u>\$ 3,619,538</u>

LAW LIBRARY FUND

Public Protection	421,958
Not Allocated to Organizational Unit:	
Contingency	200,368
FUND TOTAL	<u>\$ 622,326</u>

LIBRARY SERVICES FUND

Culture, Education and Recreation	4,383,267
Not Allocated to Organizational Unit:	
Special Payments	3,100,000
Contingency	75,502
FUND TOTAL	<u>\$ 7,558,769</u>

PARKS FUND

Culture, Education and Recreation	3,221,940
Not Allocated to Organizational Unit:	
Special Payments	10,000
Contingency	279,186
FUND TOTAL	<u>\$ 3,511,126</u>

Exhibit B

SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18

PLANNING FUND

Economic Development	3,769,954
Not Allocated to Organizational Unit:	
Interfund Transfer	320,000
Contingency	201,882
FUND TOTAL	<u>\$ 4,291,836</u>

ROAD FUND

Public Ways and Facilities	40,941,727
Not Allocated to Organizational Unit:	
Interfund Transfer	2,743,366
Special Payments	500,000
Contingency	1,817,345
FUND TOTAL	<u>\$ 46,002,438</u>

SHERIFF FUND

Public Protection	89,998,176
Not Allocated to Organizational Unit:	
Interfund Transfer	1,915,165
Special Payments	225,000
FUND TOTAL	<u>\$ 92,138,341</u>

CODE ENFORCEMENT, RESOURCE CONSERVATION & SOLID WASTE

General Government	3,768,325
Not Allocated to Organizational Unit:	
Interfund Transfer	75,000
Contingency	562,672
FUND TOTAL	<u>\$ 4,405,997</u>

PROPERTY RESOURCES FUND

General Government	1,366,710
Not Allocated to Organizational Unit:	
Special Payments	5,000
Contingency	92,850
FUND TOTAL	<u>\$ 1,464,560</u>

COMMUNITY CORRECTIONS FUND

Public Protection	16,307,546
FUND TOTAL	<u>\$ 16,307,546</u>

**SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18**

DISTRICT ATTORNEY FUND

Public Protection	13,403,302
Not Allocated to Organizational Unit:	
Special Payments	80,000
FUND TOTAL	\$ 13,483,302

JUSTICE COURT FUND

Public Protection	2,151,544
Not Allocated to Organizational Unit:	
Special Payments	1,345,000
Contingency	262,145
FUND TOTAL	\$ 3,758,689

COUNTYWIDE TRANSPORTATION SDC FUND

Public Ways and Facilities	103,931
Not Allocated to Organizational Unit:	
Interfund Transfer	650,000
Contingency	4,338,467
FUND TOTAL	\$ 5,092,398

PUBLIC LAND CORNER PRESERVATION FUND

Public Ways and Facilities	691,158
Not Allocated to Organizational Unit:	
Contingency	204,500
FUND TOTAL	\$ 895,658

HAPPY VALLEY/CLACKAMAS JOINT TRANSPORTATION FUND

Public Ways and Facilities	66,364
Not Allocated to Organizational Unit:	
Special Payments	2,800,000
Contingency	1,561,030
FUND TOTAL	\$ 4,427,394

HEALTH, HOUSING & HUMAN SERVICES ADMINISTRATION FUND

Health and Human Services	1,830,048
Not Allocated to Organizational Unit:	
Interfund Transfer	399,161
Contingency	30,000
FUND TOTAL	\$ 2,259,209

**SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18**

BEHAVIORAL HEALTH FUND

Health and Human Services	23,267,212
Not Allocated to Organizational Unit:	
Special Payments	1,225,222
Contingency	2,791,294
FUND TOTAL	\$ 27,283,728

SOCIAL SERVICES FUND

Health and Human Services	23,225,286
Not Allocated to Organizational Unit:	
Special Payments	953,152
Contingency	612,935
FUND TOTAL	\$ 24,791,373

COMMUNITY DEVELOPMENT FUND

Economic Development	6,713,283
Not Allocated to Organizational Unit:	
Special Payments	400,000
FUND TOTAL	\$ 7,113,283

COMMUNITY SOLUTIONS FUND

Economic Development	5,024,113
FUND TOTAL	\$ 5,024,113

CHILDREN YOUTH & FAMILIES FUND

Health and Human Services	3,565,801
Not Allocated to Organizational Unit:	
Special Payments	1,766,320
FUND TOTAL	\$ 5,332,121

DOG SERVICES FUND

Health and Human Services	2,447,044
Not Allocated to Organizational Unit:	
Contingency	233,266
FUND TOTAL	\$ 2,680,310

**SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18**

EMPLOYER CONTRIBUTION RESERVE FUND

Not Allocated to Organizational Unit:		
Interfund Transfer		650,000
Contingency		2,052,716
	FUND TOTAL	<u>\$ 2,702,716</u>

COUNTY SAFETY NET LEGISLATION LOCAL PROJECTS FUND

Not Allocated to Organizational Unit:		
Materials & Services		12,110
Special Payments		380,132
	FUND TOTAL	<u>\$ 392,242</u>

PUBLIC HEALTH FUND

Health and Human Services		8,516,613
Not Allocated to Organizational Unit:		
Special Payments		456,771
Contingency		603,688
	FUND TOTAL	<u>\$ 9,577,072</u>

CLACKAMAS HEALTH CENTERS FUND

Health and Human Services		32,424,625
Not Allocated to Organizational Unit:		
Contingency		4,804,137
	FUND TOTAL	<u>\$ 37,228,762</u>

TRANSIENT ROOM TAX FUND

Not Allocated to Organizational Unit:		
Materials & Services		103,889
Interfund Transfer		5,086,361
	FUND TOTAL	<u>\$ 5,190,250</u>

TOURISM DEVELOPMENT FUND

Culture, Education and Recreation		5,411,113
Not Allocated to Organizational Unit:		
Special Payments		52,000
Contingency		450,000
	FUND TOTAL	<u>\$ 5,913,113</u>

Exhibit B

SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18

FOREST MANAGEMENT FUND

Culture, Education and Recreation	1,885,686
Not Allocated to Organizational Unit:	
Special Payments	5,000
Interfund Transfer	320,000
Contingency	122,203
FUND TOTAL	<u>\$ 2,332,889</u>

JUVENILE FUND

Public Protection	11,857,351
Not Allocated to Organizational Unit:	
Contingency	150,000
FUND TOTAL	<u>\$ 12,007,351</u>

CLACKAMAS COUNTY DEBT SERVICE FUND

Not Allocated to Organizational Unit:	
Debt Service	9,478,333
FUND TOTAL	<u>\$ 9,478,333</u>

GENERAL OBLIGATION BOND DEBT SERVICE FUND

Not Allocated to Organizational Unit:	
Debt Service	4,557,679
FUND TOTAL	<u>\$ 4,557,679</u>

DTD CAPITAL PROJECTS FUND

Public Ways and Facilities	8,800,905
Not Allocated to Organizational Unit:	
Contingency	79,756
FUND TOTAL	<u>\$ 8,880,661</u>

CAPITAL PROJECTS RESERVE FUND

Public Ways and Facilities	8,689,608
Not Allocated to Organizational Unit:	
Contingency	1,402,149
FUND TOTAL	<u>\$ 10,091,757</u>

**SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18**

LID CONSTRUCTION FUND

Public Ways and Facilities		200,000
Not Allocated to Organizational Unit:		
Contingency		345,658
FUND TOTAL	\$	545,658

STONECREEK GOLF COURSE FUND

Golf Course (Business-type Activity)		2,558,822
Not Allocated to Organizational Unit:		
Interfund Transfer		300,000
Special Payments		5,000
Contingency		319,647
FUND TOTAL	\$	3,183,469

CLACKAMAS BROADBAND UTILITY FUND

Broadband Utility (Business-type Activity)		1,137,485
Not Allocated to Organizational Unit:		
Special Payments		36,000
FUND TOTAL	\$	1,173,485

RECORDS MANAGEMENT FUND

General Government		696,225
FUND TOTAL	\$	696,225

FACILITIES MANAGEMENT FUND

General Government		11,303,593
Not Allocated to Organizational Unit:		
Contingency		188,032
FUND TOTAL	\$	11,491,625

TELECOMMUNICATIONS SERVICES FUND

General Government		2,979,204
FUND TOTAL	\$	2,979,204

TECHNOLOGY SERVICES FUND

General Government		12,869,170
Not Allocated to Organizational Unit:		
Contingency		430,000
FUND TOTAL	\$	13,299,170

Exhibit B

SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18

**SUMMARY OF BUDGETED APPROPRIATIONS
CLACKAMAS COUNTY, OREGON
FISCAL YEAR 2017-18**

CENTRAL DISPATCH FUND

Public Protection		7,481,743
Not Allocated to Organizational Unit:		
Special Payments		284,390
Contingency		200,000
FUND TOTAL		\$ 7,966,133

SELF-INSURANCE FUND

General Government		32,673,270
Not Allocated to Organizational Unit:		
Contingency		2,163,875
FUND TOTAL		\$ 34,837,145

RISK MANAGEMENT CLAIMS FUND

General Government		6,357,379
Not Allocated to Organizational Unit:		
Contingency		6,135,106
FUND TOTAL		\$ 12,492,485

FLEET SERVICES FUND

General Government		6,084,709
Not Allocated to Organizational Unit:		
Contingency		159,130
FUND TOTAL		\$ 6,243,839

DAMASCUS SUCCESSOR PRIVATE PURPOSE TRUST FUND

Not Allocated to Organizational Unit:		
Materials & Services		2,750,000
FUND TOTAL		\$ 2,750,000

TOTAL		710,164,639
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TOTAL APPROPRIATED		710,164,639
TOTAL UNAPPROPRIATED		72,295,508
TOTAL ADOPTED BUDGET		\$ 782,460,147



June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

**APPROVAL OF A RESOLUTION ADOPTING CHANGED FEES
FOR CLACKAMAS COUNTY FOR FISCAL YEAR 2017-2018**

Purpose/Outcomes	The approval of the attached resolution completes the process of adopting new or revised fees for Fiscal Year 2017-2018. If approved, these fees will be incorporated into County Code Appendix A - Fees, and will be effective July 1, 2017.
Dollar Amount and Fiscal Impact	The cost to implement the new fees would be internal to the county involving budgeted staff time and resources.
Funding Source	No new funding.
Duration	Ongoing until amended by the Board
Previous Board Action	The Board heard from individual departments at various study sessions regarding these fees.
Strategic Plan Alignment	Overall the fee changes support programs that align with all of the Board's Strategic Plan priorities.
Contact Person	Laurel Butman, Deputy County Administrator (503) 655-8893.

BACKGROUND:

In 2002, the County began the process of adopting and modifying fees and fines by resolution once annually. All fees and fines are reviewed annually by various departments. After review, departments propose new or revised fees and fines for consideration by the Board in study session. In 2012, it was determined that *fines* should be adopted by ordinance rather than resolution. The attached resolution reflects the new or changed *fees* that have been previously reviewed by the Board and tentatively approved for adoption; no *fines* were added or changed.

RECOMMENDATION:

Staff respectfully recommends that the Board approve and sign the attached resolution adopting revised fees for Clackamas County for Fiscal Year 2017-2018.

Sincerely,

Don Krupp
County Administrator

In the Matter of a Resolution
Amending Appendix A of
Resolution No. 2016-53 Regarding
FY 2017-2018 Changed Fees for
Clackamas County

Resolution No.

Whereas, the Board of County Commissioners adopted Resolution No. 2016-53 on June 29, 2016 regarding Clackamas County Changed Fees for Fiscal Year 2016-2017; and

Whereas, since that time needed changes to fees in the Sheriff's Office and the Transportation and Development, and Health, Housing, and Human Services departments have arisen as shown in Exhibit A.

NOW THEREFORE, IT IS HEREBY RESOLVED: The attached amendment to Appendix A, be incorporated into the County Code and will be effective immediately.

DATED this 29th day of June, 2017.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Chair

Recording Secretary

Exhibit A – FY 2017-18 Fee Changes

Description	Authorizing Legislation	ORS auth. fee	Fee set by ORS	Code auth. Fee	FEE amount
SHERIFF'S OFFICE					
Use of Large Classroom	§1.01.090			X	\$50/hour
Use of Small Classroom				X	\$35/hour
Range: Daily Lane Use Fee				X	\$18
Range: Specials (Ladies special, cereal event, etc.)				X	\$9
Range Membership				X	\$219
TRANSPORTATION & DEVELOPMENT					
Planning - Land Use Applications					
Replacement Dwelling - EFU District	ZDO §1307.15			x	\$500
Minor Modification	ZDO §1307.15			x	\$235 or 25% of current fee for the application being modified, whichever is greater
Property Line Adjustment - Planning Director Review Type II	ZDO §1307.15			x	\$455
Property Line Adjustment - Planning Staff Review Type I	ZDO §1307.15			x	\$315
Steep Slope Review - Planning Director Review Type II	ZDO §1307.15			x	\$665
Steep Slope Review - Planning Staff Review Type I	ZDO §1307.15			x	\$75
Wireless telecommunication facility – (Planning Director review) Type II	ZDO §1307.15			x	\$845
DTD - Planning - Other Fees					
Pre-Application Conference (Institutional, Commercial, Multi-Family, Industrial)	ZDO §1307.15			x	\$500
Pre-Application Conference (All others)	ZDO §1307.15			x	\$500
Note: Pre-application fees will be credited toward the application fee when a corresponding land use application is submitted by the same applicant within one year of the pre-application conference.					
DTD - ENGINEERING					
Road Right-of-Way Improvements (not requiring a development permit)					
Gates on Public Roads: Preliminary Feasibility Study	Code §1.01.090; 7.03.090			X	\$250
Gates on Public Roads: Review & Permitting	Code §1.01.090; 7.03.090			X	Actual Costs (50% deposit of estimated costs)
Fee in Lieu Of (Sidewalks)	Code §1.01.090			X	Actual Construction Costs (Based on Engineer or County Estimate)

Exhibit A, continued

Description	Authorizing Legislation	ORS auth. fee	Fee set by ORS	Code auth. Fee	FEE amount
TRANSPORTATION MAINTENANCE					
Canby Ferry Ridership Fees					
1-space Vehicle (Car/Pickup/Trailer - ←up to 22 feet in length)	Code §1.01.090			X	\$5
Car or Pickup with trailer ← 22 feet in length	Code §1.01.090			X	\$4
2-space Vehicle (Car/Pickup/Trailer → more than 22 and less than 44 feet in length)	Code §1.01.090			X	\$10
Car or Pickup with trailer > 22 feet in length	Code §1.01.090			X	\$8
3-space Vehicle (Large oversize - vehicle (3 spaces) —more than 44 feet in length, vehicle using one lane)	Code §1.01.090			X	\$15
6-space Vehicle (Large oversize - vehicle using whole ferry)	Code §1.01.090			X	\$30
Punch Pass 20 crossings (1-space vehicle)	Code §1.01.090			X	\$60
DTD - DOG SERVICES					
Licensing					
Fertile					
Valid 0-12 months 1 year	Code §5.01.030			X	\$41
Valid 13-24 months 2 year				X	\$72
Valid 25-36 months 3 year				X	\$108
Altered					
Valid 0-12 months 1 year	Code §5.01.030			X	\$24
Valid 13-24 months 2 year				X	\$44
Valid 25-36 months 3 year				X	\$66
HEALTH, HOUSING & HUMAN SERVICES					
HEALTH CENTERS- Behavioral Health					
Urinalysis	ORS 471.432, 430.375, 813.270, OAR 309-014-0030				Range of \$12 - \$45
Individual Test					
Full Fee					
Indigent					
Multiple (excludes LSD)					
Full Fee					
Indigent					
Multiple (includes LSD)					
Full Fee					
Indigent					
Multiple (DUII Panel)					
Full Fee					
Indigent					
Multiple (includes THC & prescription drugs)					
Full Fee					
Indigent					

Exhibit A, continued

Description	Authorizing Legislation	ORS AUTH. FEE	FEE SET BY ORS	CODE AUTH. FEE	Fee Amount
General Billing Rates for all Behavioral Health Division Treatment Services	ORS 430.630(10)(b), (d)(H), OAR 309-014-0030		x		
Skills Training Service					
Individual					\$0-
Group					\$0
Mental Health Division Sliding Fee Scale	ORS 430.630(10)(g)(K), OAR 309-014-0030, Code §1.01.090		x		Established fees, as set forth in Code are discounted according to the <u>client's sliding scale eligibility</u> according to the current division sliding fee scale <u>per annual Federal Poverty Guidelines</u> .
Dental Services Sliding Fee Scale	Code §1.01.090				Established fees, as set forth above, are discounted according to the <u>client's sliding scale eligibility</u> according to the current division sliding fee scale <u>per annual Federal Poverty Guidelines</u> .
HEALTH CENTERS- Primary Care Services					
Minimum Medical Visit Charge – Patient Fee	Code §1.01.090			x	20
Minimum Surgical Visit Charge - Patient Fee	Code §1.01.090			x	20
Primary Care Services Sliding Fee Scale					Established fees, as set forth above, are discounted according to the <u>client's sliding scale eligibility</u> according to the current division sliding fee scale <u>per annual Federal Poverty Guidelines</u> .

Exhibit A, continued

Description	Authorizing Legislation	ORS AUTH. FEE	FEE SET BY ORS	CODE AUTH. FEE	Fee Amount
Public Health Division					
Restaurants	Code §1.01.090 ORS 624.490		x	x	
0-15 seats		\$ 368.00			\$ 568
16-50 seats		\$ 415.00			\$ 637
51-150 seats		\$ 473.00			\$ 732
151+ seats		\$ 525.00			\$ 846
Limited		\$ 210.00			\$ 324
Temporary Restaurants	ORS 624.490		x		
Single Event		\$ 37.00			\$ 152
Intermittent		\$ 53.00			\$ 152
Seasonal		\$ 53.00			\$ 152
<i>Late Fee</i>					\$ 27
Mobile Units	ORS 624.490		x		
Class I		\$ 132.00			\$ 217
Class II		\$ 132.00			\$ 327
Class III		\$ 132.00			\$ 375
Class IV		\$ 132.00			\$ 391
Commissary		\$ 263.00			\$ 403
Combo Commissary					\$ 77
Warehouses		\$ 105.00			\$ 152
Pool/Spa	ORS 448.035		x		
Year round - primary		\$ 100.00			\$ 489
Year round - secondary		\$ 60.00			\$ 326
Seasonal - primary		\$ 100.00			\$ 267
Seasonal - secondary		\$ 60.00			\$ 191
Day Care	Code §1.01.090			x	
5-15 children					\$ 152
16-40 children					\$ 228
41-75 children					\$ 302
76+ children					\$ 347
Tourist Accommodations	Code §1.01.090			x	
1-10 units					\$ 191
11-25 units					\$ 228
26+ units					\$ 341
Organizational Camps	Code §1.01.090			x	
No food					\$ 164
With food					\$ 407
Picnic Park					
Picnic Park					\$ 229
Recreation Vehicle Parks	Code §1.01.090			x	
1-5 spaces					\$ 334
6-9 spaces					\$ 348
10+ spaces					\$ 378
Schools	Code §1.01.090			x	
Full Kitchen					\$ 302
Satellite Kitchen					\$ 228
Bed & Breakfast	ORS 624.490		x		
Breakfast only		\$ 158.00			\$ 243
Full menu		\$ 158.00			\$ 469
Real Estate Evaluations	Code §1.01.090			x	
Well Inspections					\$ 403
Wells, second revisit					\$ 82

Exhibit A, continued

FEE DESCRIPTION	AUTH. LEGISLATION	FEE SET BY ORS	ORS AUTH. FEE	CODE AUTH. FEE	FEE amount
Vending Machines	ORS 624.490		x		
1 - 10 machines		\$ 27.00			\$ 43
11 - 20 machines		\$ 53.00			\$ 89
21 - 30 machines		\$ 79.00			\$ 132
31 - 40 machines		\$ 105.00			\$ 174
41 - 50 machines		\$ 131.00			\$ 217
51 - 75 machines		\$ 158.00			\$ 262
76 - 100 machines		\$ 210.00			\$ 322
101 - 250 machines		\$ 367.00			\$ 565
251 - 500 machines		\$ 578.00			\$ 887
501 - 750 machines		\$ 788.00			\$ 1,211
751 - 1000 machines		\$ 966.00			\$ 1,484
Plan Reviews	Code §1.01.090			x	
Restaurants 0-50 seats					\$ 410
Restaurants 51-150 seats					\$ 573
Restaurants 151+ seats					\$ 684
Temporary Restaurant					\$ 58
Schools					\$ 529
Bed & Breakfast					\$ 380
Mobile Unit Class I					\$ 246
Mobile Unit Class II					\$ 303
Mobile Unit Class III					\$ 375
Mobile Unit Class IV					\$ 410
Commissary					\$ 380
Warehouses					\$ 160
Pool & Spa	ORS 448.035	\$ 300.00	x		\$ 896
Pool & Spa - Minor alterations	Code §1.01.090			x	\$ 164
Pool & Spa- Add'l Const. Inspection	ORS 448.035	\$ 100.00	x		\$ 152
Tourist 1-10 units	Code §1.01.090			x	\$ 245
Tourist 11-25 units					\$ 245
Tourist 26+					\$ 326
RV 1-5 spaces					\$ 228
RV 6-9 spaces					\$ 228
RV 10+ spaces					\$ 303
Organizational camps					\$ 455
Picnic Park					\$ 303
Day Care Centers					\$ 184

Exhibit A, continued

Type of Service:	Professional Type:	Rate
HEALTH CENTERS LABS		
Panel Tests	Lab Test - Substance Screening	
6000 LabCorp test 791686	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates	\$12.00
6001 LabCorp test 791687	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates + ETG	\$17.50
6002 LabCorp test 791688	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates Barbiturates, Benzodiazepines, and Propoxyphene	\$12.00
6003 LabCorp test 791689	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates Barbiturates, Benzodiazepines, and Propoxyphene + ETG	\$17.50
6004 LabCorp test 791690	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates Barbiturates, Benzodiazepines, PCP, Methadone, Propoxyphene and Methaqualone.	\$12.50
6005 LabCorp test 791691	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates Barbiturates, Benzodiazepines, PCP, Methadone, Propoxyphene and Methaqualone + ETG	\$18.00
6015 LabCorp test 768860	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates + ETG	\$15.00
6016 LabCorp test 768872	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates + ETG	\$20.50
6017 LabCorp test 768884	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates Barbiturates, Benzodiazepines, and Propoxyphene + ETG	\$15.00
6018 LabCorp test 768895	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates Barbiturates, Benzodiazepines, and Propoxyphene + ETG	\$20.50
6019 LabCorp test 768932	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates Barbiturates, Benzodiazepines, PCP, Methadone, Propoxyphene and Methaqualone + ETG	\$15.50
6020 LabCorp test 768909	Includes Amphetamines/ Methamphetamine, Cocaine, Marijuana and Expanded Opiates Barbiturates, Benzodiazepines, PCP, Methadone, Propoxyphene and Methaqualone + ETG	\$21.00
Individual Tests		
6006 LabCorp test 798090	Methadone	\$25.00
6007 LabCorp test 798272	Methaqualone	\$25.00
6008 LabCorp test 790742	Synthetic Cannabinoids (K2, SPICE , JWH-018, JWH-073, JWH-250, JWH-122, JWH-398, JWH-200, RCS-4, AM-2201, MAM-2201, UR-144, XLR-11)	\$45.00
6009 LabCorp test 737610	EtG	\$25.00
6010 LabCorp test 763404	Naltrexone	\$25.00
6011 LabCorp test 764032	Soma/Meprobamate	\$25.00
6012 LabCorp test 811061	Flexeril	\$39.00
6013 LabCorp test 790350	"Bath Salts"	\$45.00
6014 LabCorp test 763400	Buprenorphine	\$25.00



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Resolution Adopting the Clackamas County Enhanced Law Enforcement District
2017-18 Fiscal Year Budget, making Appropriations and Imposing and
Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018

Purpose/Outcome	Budget adoption for Clackamas County Enhanced Law Enforcement District FY 2017-2018
Dollar Amount and fiscal Impact	The effect is to adopt a budget of \$7,010,188
Funding Source	Includes Fund Balance, Taxes and Federal Revenue.
Duration	July 1, 2017-June 30, 2018
Previous Board Action/Review	Budget Committee approval June 5, 2017.
Strategic Plan Alignment	Build public trust through good government
Contact Person	Diane Padilla, 503-742-5425
Contract No.	N/A

BACKGROUND:

Attached is the Resolution to adopt the budget as published and approved by the Budget Committee in accordance with state budget law, and to impose a tax rate for the 2017-2018 fiscal year.

This Resolution establishes a budget for the Enhanced Law Enforcement District July 1, 2017 through June 30, 2018 inclusive of \$7,010,188

RECOMMENDATION

Staff respectfully recommends that the Board adopt the attached Resolution.

Sincerely,

Diane D. Padilla
Budget Manager

In the Matter of Adopting a Budget, Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018 for the Clackamas County Enhanced Law Enforcement District

Resolution No.

BE IT RESOLVED that the Board of County Commissioners of Clackamas County hereby adopts the budget for fiscal year 2017-2018 in the total of \$7,010,188 and establishes appropriations as follows:

General Fund

Public Protection	\$6,828,268.
Not Allocated to Organizational Unit	
Debt Service	<u>181,920.</u>
Total	<u>\$7,010,188.</u>

This budget is now on file at 2051 Kaen Road, in Oregon City, Oregon.

BE IT RESOLVED that the following ad valorem property taxes are hereby imposed for tax year 2017-2018 upon the assessed value of all taxable property within the district and categorized for purposes of Article XI section 11b as subject to General Government Limitation:

At the rate of \$0.7198 per \$1,000 of assessed value for permanent rate tax.

The above resolution statements were approved and declared adopted on this 29th day of June, 2017

BOARD OF COUNTY COMMISSIONERS

Acting as the governing body of the Enhanced Law Enforcement District

Chair

Recording Secretary



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Resolution Adopting the Clackamas County Extension and 4-H Service District
2017-2018 Fiscal Year Budget, making Appropriations and Imposing and
Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018

Purpose/Outcome	Budget adoption for Clackamas County Extension and 4-H Service District FY 2017-2018
Dollar Amount and Fiscal Impact	The effect is to adopt a budget of \$7,894,815
Funding Source	Includes Fund Balance, Taxes, Federal and Miscellaneous Revenue
Duration	July 1, 2017-June 30, 2018
Previous Board Action/Review	Budget Committee approval June 5, 2017.
Strategic Plan Alignment	Build public trust through good government
Contact Person	Diane Padilla, 503-742-5425

BACKGROUND:

Attached are the Resolution to adopt the budget as published and approved by the Budget Committee in accordance with state budget law, and to impose a tax rate for the 2017-2018 fiscal year.

This Resolution establishes a budget for the Clackamas County Extension and 4-H Service District July 1, 2017 through June 30, 2018 inclusive of \$7,894,815.

RECOMMENDATION:

Staff respectfully recommends that the Board adopt the attached Resolution.

Sincerely,

Diane Padilla
Budget Manager

In the Matter of Adopting a Budget, Making Appropriations and Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018, for the Clackamas County Extension and 4-H Service District

Resolution No.

BE IT RESOLVED that the Board of County Commissioners of Clackamas County hereby adopts the budget for fiscal year 2017-2018 in the total of \$7,894,815 and establishes appropriations as follows:

General Fund

Special Payments	\$7,424,628.
Contingency	<u>470,187.</u>
Total	<u>\$7,894,815.</u>

This budget is now on file at 2051 Kaen Road, in Oregon City, Oregon.

BE IT RESOLVED that the following ad valorem property taxes are hereby imposed for tax year 2017-2018 upon the assessed value of all taxable property within the district and categorized for purposes of Article XI section 11b as subject to General Government Limitation:

At the rate of \$0.0500 per \$1,000 of assessed value for permanent rate tax.

The above resolution statements were approved and declared adopted on this 29th day of June, 2017.

BOARD OF COUNTY COMMISSIONERS

Acting as the governing body of the Clackamas County Extension and 4-H Service District

Chair

Recording Secretary



Laura Zentner, CPA
Deputy Director

BUSINESS AND COMMUNITY SERVICES
Development Services Building
150 Beavercreek Road, Oregon City, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Resolution for the Library Service District of Clackamas County
Adopting a 2017/2018 Fiscal Year Budget, Making Appropriations and
Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018

Purpose/Outcome	Approval of a resolution to adopt 2017/2018 Fiscal Year (FY) budget for the Library Service District of Clackamas County.
Dollar Amount and Fiscal Impact	Library Service District budget in the amount of \$20,321,915 for FY 2017/2018.
Funding Source	Property taxes
Duration	July 1, 2017 through June 30, 2018
Previous Board Action/Review	June 5, 2017 – Library Service District Budget Committee approved the FY 2017/2018 budget as presented.
Strategic Plan Alignment	Build public trust through good government.
Contact Person	Laura Zentner, CPA, BCS Deputy Director 503.742.4351

BACKGROUND:

The attached resolution adopts the budget as published and approved by the Budget Committee, and in accordance with the state budget law, to make appropriations and to impose and categorize taxes for the 2017/2018 fiscal year.

This resolution will establish a budget for the Library Service District of Clackamas County in the amount of **\$20,321,915**.

RECOMMENDATION:

Staff respectfully recommends adoption of the attached resolution as presented.

Respectfully submitted,

Laura Zentner, CPA
BCS Deputy Director

A RESOLUTION OF THE BOARD OF
COUNTY COMMISSIONERS ACTING
AS THE GOVERNING BODY OF THE
CLACKAMAS COUNTY LIBRARY
SERVICE DISTRICT IN THE MATTER
OF ADOPTING A 2017/2018 FISCAL YEAR
BUDGET, MAKING APPROPRIATIONS,
IMPOSING AND CATEGORIZING
TAXES FOR THE PERIOD OF
JULY 1, 2017 THROUGH JUNE 30, 2018

Resolution No.

WHEREAS, the proposed expenditures and resources constituting the budget for the Library Service District of Clackamas County for the period of July 1, 2017 through June 30, 2018, inclusive, have been prepared, published, and approved by the Budget Committee, and that the matters discussed at the public hearing were taken into consideration, as provided by statute; and,

WHEREAS, in accordance with ORS 294.438 the notice of this public hearing and a financial summary was published in the Clackamas Review on June 21, 2017; and,

WHEREAS, ORS 294.456 requires Districts to make appropriations, impose and categorize the tax levy when adopting the budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED that:

The budget is hereby adopted for the fiscal year 2017/2018 in the amount of \$20,321,915. The budget appropriation categories are established as follows:

General Fund

Special Payments	<u>\$ 20,321,915</u>
Total	<u>\$ 20,321,915</u>

The following ad valorem property taxes are hereby imposed for tax year 2017/2018 upon the assessed value of all taxable property within the District and categorized for purposes of Article XI section 11b as subject to General Government Limitations:

At the rate of \$0.3974 per \$1,000 of assessed value for permanent rate tax.

ADOPTED this 29th day of June, 2017.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Acting as the governing body of the
Library Service District of Clackamas County

Jim Bernard, Chair

Recording Secretary



Laura Zentner, CPA
Business Operations Director
NORTH CLACKAMAS PARKS AND RECREATION DISTRICT
Development Services Building
150 Beaver Creek Road
Oregon City, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Resolution for North Clackamas Parks & Recreation District
Adopting a 2017/2018 Fiscal Year Budget, Making Appropriations and
Imposing and Categorizing Taxes for the Period of July 1, 2017 through June 30, 2018

Purpose/Outcome	Approval of a resolution to adopt 2017/2018 Fiscal Year (FY) budget for North Clackamas Parks & Recreation District (NCPRD).
Dollar Amount and Fiscal Impact	North Clackamas Parks & Recreation District budget in the amount of \$55,091,141 for FY 2017/2018.
Funding Source	Property taxes, System Development Charges, fees, grants, donations, etc.
Duration	July 1, 2017 through June 30, 2018
Previous Board Action/Review	June 5, 2017 - NCPRD Budget Committee approved the FY 2017/2018 budget as presented.
Strategic Plan Alignment	Build public trust through good government.
Contact Person	Laura Zentner, CPA BCS Deputy Director 503.742.4351

BACKGROUND: The attached resolution and exhibit adopt the budget as published and approved by the Budget Committee, and in accordance with the state budget law, to make appropriations and to impose and categorize taxes for the fiscal year 2017/2018.

This resolution will establish a budget for North Clackamas Parks and Recreation District in the amount of **\$55,091,141**.

RECOMMENDATION:

Staff respectfully recommends adoption of the attached resolution as presented.

Respectfully submitted,

Laura Zentner, CPA
BCS Deputy Director

A RESOLUTION OF THE BOARD OF
COUNTY COMMISSIONERS ACTING AS
THE GOVERNING BODY OF THE NORTH
CLACKAMAS PARKS AND RECREATION
DISTRICT IN THE MATTER OF ADOPTING
A 2017/2018 FISCAL YEAR BUDGET, MAKING
APPROPRIATIONS AND IMPOSING AND
CATEGORIZING TAXES FOR THE PERIOD
OF JULY 1, 2017 THROUGH JUNE 30, 2018

Resolution No.

WHEREAS, the proposed expenditures and resources constituting the budget for the North Clackamas Parks and Recreation District, Clackamas County, Oregon, for the period of July 1, 2017 through June 30, 2018, inclusive, has been prepared, published and approved by the Budget Committee, and that the matters discussed at the public hearing were taken into consideration, as provided by statute; and,

WHEREAS, in accordance with ORS 294.438 the notice of this public hearing and a financial summary was published in the Clackamas Review on June 21, 2017; and,

WHEREAS, ORS 294.456 requires Districts to make appropriations, impose and categorize the tax levy when adopting the budget.

NOW, THEREFORE, IT IS HEREBY RESOLVED that:

The budget is hereby adopted for the fiscal year 2017/2018 in the amount of **\$55,091,141** and establishes appropriations as shown in the attached Exhibit A, which by this reference is made a part of this resolution.

The following ad valorem property taxes are hereby imposed for tax year 2017/2018 upon the assessed value of all taxable property within the District and categorized for purposes of Article XI section 11b as subject to General Government Limitation:

At the rate of \$0.5382 per \$1,000 of assessed value for permanent rate tax.

ADOPTED this 29th day of June, 2017

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Acting as the governing body of the
North Clackamas Parks & Recreation District

Jim Bernard, Chair

Recording Secretary

**North Clackamas Parks and Recreation District
Fiscal Year 2017/2018
Exhibit A**

General Fund

Administration Division	\$ 736,346
Parks Maintenance Division	1,773,627
Recreation Division	540,934
Sports Division	1,342,724
Milwaukie Center Division	705,099
Aquatic Park Division	2,110,975
Marketing & Communications	480,311
Planning Division	561,060
Natural Resources	492,009
Non-departmental	
Special Payments	281,677
Transfers to Other Funds	1,838,697
Contingency	2,093,490
	<u>\$ 12,956,949</u>

Nutrition & Transportation Fund

Nutrition Division	\$ 527,005
Transportation Division	171,187
Non-departmental	
Special Payments	5,000
Transfers to Other Funds	10,300
Contingency	135,346
	<u>\$ 848,838</u>

System Development Charge Zone 1 Fund

Materials and Services	\$ 20,000
Capital Outlay	1,027,770
Transfers to Other Funds	299,633
	<u>\$ 1,347,403</u>

System Development Charge Zone 2 Fund

Materials and Services	\$ 6,000
Capital Outlay	1,393,296
Transfers to Other Funds	190,168
	<u>\$ 1,589,464</u>

System Development Charge Zone 3 Fund

Materials and Services	\$ 12,000
Capital Outlay	6,833,097
Transfers to Other Funds	7,304,438
	<u>\$ 14,149,535</u>

Debt Service Fund - Series 2010

Materials and Services	\$ 20,500
Debt Service	4,088,714
	<u>\$ 4,109,214</u>

Debt Service Fund - Series 2008

Materials and Services	\$ 12,500
Debt Service	5,814,209
	<u>\$ 5,826,709</u>

Capital Projects Fund

Capital Outlay	\$ 9,773,385
	<u>\$ 9,773,385</u>

Fixed Asset Replacement

Materials and Services	\$ 45,000
Capital Outlay	4,434,644
Special Payments	5,000
Transfers to Other Funds	5,000
	<u>\$ 4,489,644</u>

Grand Total	<u>\$ 55,091,141</u>
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Total Appropriated	<u>\$ 55,091,141</u>
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DAN JOHNSON
MANAGER

DEVELOPMENT AGENCY

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

June 29, 2017

Development Agency Board
Clackamas County

Members of the Board:

**A Board Resolution Adopting and Appropriating Funds for the 2017-18 Budget
for the Clackamas County Development Agency**

Purpose/Outcomes	Adopting and Appropriating Funds for the 2017-18 Budget
Dollar Amount and Fiscal Impact	None
Funding Source	Urban Renewal – Tax Increment Financing
Duration	2017-2018 fiscal year
Previous Board Action	Budget Committee Meeting – June 5, 2017
Strategic Plan Alignment	Build public trust through good government
Contact Person	Dave Queener, Program Supervisor – Development Agency 503-742-4322 or davidque@clackamas.us
Contract No.	Not Applicable

BACKGROUND:

Attached is the Fiscal Year 2017-18 budget for the Clackamas County Development Agency, the urban renewal authority for Clackamas County. The budget consists of general operating funds for the Clackamas Town Center plan area (CTC), Clackamas Industrial Development Area (CIA), and North Clackamas Revitalization Area (NCRA).

The Development Agency Budget Committee conducted a public meeting on the proposed budget June 5, 2017. The committee approved the proposed budget and recommends Board approval of the attached Development Agency Budget.

The attached Resolution adopts and appropriates funds for the Development Agency Budget July 1, 2017 through June 30, 2018 inclusive and directs copies of the Budget be transmitted to the County Clerk and Assessor.

RECOMMENDATION:

Approve the attached Resolution adopting and appropriating funds for the FY 2017-18 Clackamas County Development Agency Budget.

Respectfully submitted,

Dave Queener, Program Supervisor
Development Agency

In the Matter of Adopting and
Appropriating Funds for the
2017-18 Budget for the Clackamas
County Development Agency (Tax
Increment Financing Areas)

RESOLUTION NO.:
PAGE 1 of 3

THIS MATTER COMING before the Board of County Commissioners, acting as the governing body of the Clackamas County Development Agency ("Board"), and it appearing to the Board that the operating expenditures and revenues constituting the operating fund and debt service fund budgets for the Clackamas Town Center Development Area, and the operating fund budget for the Clackamas Industrial Development Area, and the operating fund and debt service fund budgets for the North Clackamas Revitalization Area, all of which are tax increment financing plan areas for the period of July 1, 2017 through June 30, 2018 inclusive, have been prepared and published and submitted to the taxpayers for recommendation at a public hearing held on June 29, 2017 as provided by statute; and

IT FURTHER APPEARING to the Board that the opportunity for public comment was made available to any resident of the tax increment financing plan area or the general County; and

IT FURTHER APPEARING to the Board that the Clackamas County Development Agency Budget Committee conducted a public meeting on the proposed FY 2017-18 budget on June 5, 2017 and approved the budget and recommends Board approval;

NOW THEREFORE, IT IS HEREBY RESOLVED that the operating fund budget and debt service fund budget for the Clackamas Town Center Development Area is appropriated as follows:

OPERATING FUND

Public Ways & Facilities	\$ 11,432,283.00
Not Allocated to Organizational Unit Contingency	<u>\$ 1,961,128.00</u>
TOTAL OPERATING FUND EXPENDITURES	\$ 13,393,411.00

DEBT SERVICE FUND

Not Allocated to Organizational Unit Interfund Transfer to Fund 450 Contingency	\$ 12,000,000.00
	<u>\$ 2,849,907.00</u>
TOTAL DEBT SERVICE FUND	\$ 14,849,907.00

In the Matter of Adopting and
Appropriating Funds for the
2017-18 Budget for the Clackamas
County Development Agency (Tax
Increment Financing Areas)

RESOLUTION NO.
PAGE 2 of 3

IT IS FURTHER RESOLVED that the operating
fund budget for the Clackamas Industrial Development Area is appropriated as follows:

OPERATING FUND	
Public Ways & Facilities	\$ 5,278,956.00
Not Allocated to Organizational Unit Contingency	<u>\$ 320,431.00</u>
TOTAL OPERATING FUND EXPENDITURES	\$ 5,599,387.00

IT IS FURTHER RESOLVED that the operating
fund budget and debt service fund budget for the North Clackamas Revitalization Area is
appropriated as follows:

OPERATING FUND	
Public Ways & Facilities	\$ 1,578,939.00
Not Allocated to Organizational Unit Special Payments	\$ 600,000.00
Contingency	<u>\$ 608,912.00</u>
TOTAL OPERATING FUND EXPENDITURES	\$ 2,787,851.00

DEBT SERVICE FUND	
Not Allocated to Organizational Unit Debt Service	\$ 538,420.00
Interfund transfer to Fund 453	\$ 2,250,000.00
Contingency	<u>\$ 574,422.00</u>
TOTAL DEBT SERVICE FUND	\$ 3,362,842.00

In the Matter of Adopting and
Appropriating Funds for the
2017-18 Budget for the Clackamas
County Development Agency (Tax
Increment Financing Areas)

RESOLUTION NO.:
PAGE 3 of 3

IT IS FURTHER RESOLVED that the
FY 2017-18 ad valorem tax, all of which is subject to the General Government Limitation set
forth in section 11b, Article XI of the Oregon Constitution, is certified to the County Assessor for
the North Clackamas Revitalization Plan Area in the maximum amount of revenue that may be
raised by dividing the taxes under section 1c, Article IX, of the Oregon Constitution and ORS
Chapter 457; and

IT IS FURTHER RESOLVED that the Board
hereby adopts the budget for fiscal year 2017-18 in the total of \$54,993,398.00 now on file at the
Development Service Building.

DATED THIS _____ DAY OF JUNE, 2017.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS
Acting as the Governing Body of the
Clackamas County Development Agency

Chair

Recording Secretary



M. BARBARA CARTMILL
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING

150 BEAVERCREEK ROAD OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

A Board Resolution Adopting and Appropriating
Funds for the 2017-2018 Budget for
Clackamas County Service District No. 5

Purpose/Outcomes	Adopting and Appropriating Funds for the 2017-2018 Budget
Dollar Amount and Fiscal Impact	None
Funding Source	District rates establish annual assessments levied against properties benefitting from street lighting
Duration	Fiscal Year 2017-2018
Previous Board Contact	Budget Committee Meeting – June 5, 2017
Strategic Plan Alignment	Ensure safe, healthy and secure communities
Contact Person	Wendi Coryell, Service District Specialist - DTD Engineering – 503-742-4657
Contract No.	None

BACKGROUND:

Attached is the Fiscal Year 2017-2018 budget for the Clackamas County Service District No. 5.

The Service District Budget Committee conducted a public meeting on the proposed budget on June 5, 2017. The committee approved the proposed budget and recommends Board approval of the attached Service District No. 5 budget.

The attached Resolution adopts and appropriates funds for the Service District No. 5 Budget, July 1, 2017 through June 30, 2018 and directs copies of the Budget be transmitted to the County Clerk and Assessor.

RECOMMENDATION:

It is recommended that the Board approve the attached Resolution adopting and appropriating funds for the Clackamas County Service District No. 5 Fiscal Year 2017-2018 Budget.

For additional information, please contact Wendi Coryell at 503-742-4657.

Respectfully submitted,

Wendi Coryell, Service District Specialist
Clackamas County Service District No.5

In the Matter of Adopting and
Appropriating Funds for the
2017-2018 Budget for
Clackamas County Service
District No. 5

RESOLUTION NO.
Page 1 of 1

This matter coming before the Board of County Commissioners, acting as the governing body of Clackamas County Service District No. 5, and it appearing to the Board that the operating expenditures and revenues constituting the Street Lighting Fund budget for Clackamas County Service District No. 5 for the period of July 1, 2017 to June 30, 2018, inclusive, have been prepared, published, and submitted to the taxpayers for recommendations at a public hearing held on June 29, 2017, as provided by statute; and,

It further appearing to the Board that opportunity was given for public testimony at said public hearing; now, therefore,

IT IS HEREBY RESOLVED that the Street Lighting Fund budget for Clackamas County Service District No. 5 be adopted and funds appropriated as follows:

CCSD #5 STREET LIGHTING FUND

Public Ways & Facilities	\$ 3,265,770
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Not Allocated to Organization Unit Contingency	<u>599,776</u>
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TOTAL CCSD #5 STREET LIGHTING FUND EXPENDITURES	\$ 3,865,546
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IT IS FURTHER RESOLVED that this Resolution be entered into the Commissioners' Journal as of July 1, 2017.

ADOPTED this ____ day of _____, 2017.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS
Acting as the Governing Body of
Clackamas County Service District No. 5

Chair

Recording Secretary



M. BARBARA CARTMILL
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

A Board Resolution and Public Hearing Setting Rates for Street Lighting
Service Charges in Clackamas County Service District No. 5

Purpose/Outcomes	Approval of this Resolution will set rates for Street Lighting Service Charges
Dollar Amount and Fiscal Impact	Increase in 11 out of 12 rate categories
Funding Source	District rates establish annual assessments levied against properties benefitting from street lighting
Safety Impact	None
Duration	Fiscal Year 2017-2018
Previous Board Contact	Budget Committee Meeting – June 5, 2017
Contact Person	Wendi Coryell, Service District Specialist - DTD Engineering – 503-742-4657
Contract No.	None

BACKGROUND:

Clackamas County Service District No. 5 supplies street lighting service to unincorporated Clackamas County and the City of Happy Valley. The cost of street lighting is paid by direct assessment of benefiting property owners within the district. Rates for the District were last set on June 25, 2015, by Resolution No. 2015-71.

The District's 2017-2018 recommended budget takes into account rate changes in 11 of the 12 existing rates the District uses to assess property owners benefitting from street lighting service. Rate Schedule M will not change. The proposed rate schedule is projected to produce revenue at a level that will meet the expenses of the district as well as resulting in a forecasted ending fund balance that would accommodate a sufficient reserve for future expenditures to cover the first five (5) months of District expense until revenues become available in November.

RECOMMENDATION:

It is recommended that the Board of County Commissioners, acting in the capacity of governing board for Clackamas County Service District No. 5, approve this Resolution which will adopt the new rate schedule for Clackamas County Service District No. 5.

For additional information, please contact Wendi Coryell at 503-742-4657.

Respectfully submitted,

Wendi Coryell, Service District Specialist
Clackamas County Service District No. 5

In the Matter of a Resolution Setting
Rates for Street Lighting Service
Charges, Clackamas County Service
District No. 5, Clackamas County, Oregon

RESOLUTION NO.
Page 1 of 4

This matter coming before the Board of County Commissioners of Clackamas County, Oregon, acting as the governing body of Clackamas County Service District No. 5, and it appearing to the Board that rates for street light service in Clackamas County Service District No. 5 were last set by Resolution No. 2015-71, and

It further appearing that the rates charged are user fees, and that such assessments are a revenue source essential to the continuing viability of Service District No. 5, and

It further appearing to the Board that rate schedules as established by Commissioners' Resolution No. 2015-71, should be changed to reflect the cost of providing street lighting service in the District for fiscal year 2017-2018 as follows:

Rate Schedule A = \$	36.10	per tax lot each year
Rate Schedule B = \$	50.01	per tax lot each year
Rate Schedule C = \$	70.12	per tax lot each year
Rate Schedule D = \$	1.25	per frontage foot per tax lot each year
Rate Schedule E = \$	8.44	per tax lot each year
Rate Schedule F = \$	62.55	per tax lot each year
Rate Schedule H = \$	91.88	per tax lot each year
Rate Schedule J = \$	122.08	per tax lot each year
Rate Schedule K = \$	84.34	per tax lot each year
Rate Schedule M = \$	1.81	per frontage foot per tax lot each year
Rate Schedule R = \$	262.56	per tax lot each year
Rate Schedule W = \$	245.00	per tax lot each year

RATE SCHEDULE A

Residential lots having access to and benefited by the installation and maintenance of District owned street lights on poles located on adjacent public rights-of-way. Lights in this schedule are primarily District owned and mounted on poles used exclusively for street lights.

RATE SCHEDULE B

Residential lots having access to and benefited by the installation and maintenance of PGE owned street lights on poles located on adjacent public rights-of-way. Lights in this schedule are primarily cobra type lights, owned by PGE, mounted on existing PGE owned distribution poles, and served by overhead wiring.

RATE SCHEDULE C

Residential lots having access to and benefited by the installation and maintenance of PGE owned street lights on poles located on adjacent public rights-of-way. Lights in this schedule are generally cobra type lights on gray fiberglass or aluminum poles or Town & Country lights on redwood or fiberglass poles. They are primarily mounted on PGE owned poles used exclusively for street lights and are served by underground wiring.

RATE SCHEDULE D

Commercial and Industrial lots having access to and benefited by the installation and maintenance of street lights on poles located on adjacent public rights-of-way. Lights and poles in this schedule are owned by the District or PGE and are served by either overhead or underground wiring.

RATE SCHEDULE E

Condominium units which are benefited by the installation and maintenance of street lights on poles located on adjacent public rights-of-way. Lights and poles in this schedule are owned by the District or PGE and are served by either overhead or underground wiring.

RATE SCHEDULE F

Residential lots which are benefited by the installation and maintenance of PGE owned street lights on poles located on adjacent public rights-of-way. Lights in this schedule are primarily mounted on PGE owned poles used exclusively for street lights. This rate schedule represents the former Southwood Park Highway Lighting District.

RATE SCHEDULE H

Residential lots, primarily in the City of Happy Valley, which are benefited by the installation and maintenance of PGE owned street lights on poles located on adjacent public rights-of-way. Lights and poles in this schedule are owned by PGE and are shoebox fixtures on bronze fiberglass poles. They are primarily served by underground wiring.

RATE SCHEDULE J

Residential lots which are benefited by the installation and maintenance of PGE owned street lights on poles located on adjacent public rights-of-way. Lights in this schedule are Hadco Acorn fixtures on ornamental fiberglass or aluminum poles, owned and maintained by PGE, and used exclusively for street lighting. They are primarily served by underground wiring.

RATE SCHEDULE K

High density residential developments which are benefited by the installation and maintenance of PGE owned street lights on poles located on adjacent public rights-of-way. Lights in this schedule are Techtra fixtures on ornamental aluminum shepherd's crook poles, owned and maintained by PGE, and used exclusively for street lighting. They are primarily served by underground wiring.

RATE SCHEDULE M

Commercial lots which are benefited by the installation and maintenance of PGE owned street lights on aluminum or wood poles on adjacent public rights-of-way. Lights in this schedule are high wattage fixtures on decorative aluminum poles, owned and maintained by PGE, and used exclusively for street lighting.

RATE SCHEDULE R

Residential lots which are benefited by the installation and maintenance of PGE owned street lights on poles located on adjacent public rights-of-way. Lights in this schedule are Techtra fixtures on ornamental aluminum shepherd's crook poles, owned and maintained by PGE, and used exclusively for street lighting. They are primarily served by underground wiring.

RATE SCHEDULE W

Residential lots which are benefited by the installation and maintenance of PGE owned street lights on decorative aluminum poles on adjacent public rights-of-way. Lights in this schedule are Westbrook fixtures on decorative aluminum poles, owned and maintained by PGE, and used exclusively for street lighting. They are primarily served by underground wiring.

In the Matter of a Resolution Setting
Rates for Street Lighting Service
Charges, Clackamas County Service
District No. 5, Clackamas County, Oregon

RESOLUTION NO.
Page 4 of 4

It further appearing to the Board that such rates are necessary as a result of clearly defining and distributing operating costs for the District to the appropriate rate schedules; and

It further appearing to the Board that a public hearing was held on June 29, 2017 to take public testimony and said public hearing was duly advertised in the local newspaper; now, therefore,

IT IS HEREBY RESOLVED that commencing with July 1, 2017, the rates for service charges to the users of Clackamas County Service District No. 5 will be as follows:

Rate Schedule A = \$	36.10	per tax lot each year
Rate Schedule B = \$	50.01	per tax lot each year
Rate Schedule C = \$	70.12	per tax lot each year
Rate Schedule D = \$	1.25	per frontage foot per tax lot each year
Rate Schedule E = \$	8.44	per tax lot each year
Rate Schedule F = \$	62.55	per tax lot each year
Rate Schedule H = \$	91.88	per tax lot each year
Rate Schedule J = \$	122.08	per tax lot each year
Rate Schedule K = \$	84.34	per tax lot each year
Rate Schedule M = \$	1.81	per frontage foot per tax lot each year
Rate Schedule R = \$	262.56	per tax lot each year
Rate Schedule W = \$	245.00	per tax lot each year

ADOPTED this _____ day of _____, 2017.

BOARD OF COUNTY COMMISSIONERS
Acting as the Governing Body of the
Clackamas County Service District No. 5

Chair

Recording Secretary



Gregory L. Geist
Director

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

RESOLUTION ADOPTING AND APPROPRIATING FISCAL YEAR 2017-18 BUDGET AND FUNDS FOR WATER ENVIRONMENT SERVICES

Purpose/Outcomes	Adopt and appropriate Fiscal Year 2017-18 budget and funds for Water Environment Services ("WES").
Dollar Amount and Fiscal Impact	The spending level considered necessary by the Budget Committee for WES to meet operations and maintenance, capital, and debt service requirements and to provide reserves amounts to \$19,028,457 for Water Environment Services.
Funding Source	Service district funds. No General funds.
Duration	July 1, 2017 through June 30, 2018
Previous Board Action/Review	None
Strategic Plan Alignment	1. WES Customers will continue to benefit from a well-managed utility. 2. Build public trust through good government.
Contact Person	Doug Waugh, Finance Manager dougwau@clackamas.us
Contract No.	N/A

BACKGROUND:

The attached Resolution and exhibit adopts and appropriates funds for the enterprise fund budget for Fiscal Year 2017-18 for Water Environment Services ("WES"), and further adopts and appropriates the debt service fund budget for WES.

The Budget Committee for WES met on June 5, 2017 to consider its budget. The budget for WES was approved as recommended by staff. Spending levels considered necessary by the Budget Committee for WES to meet its operations and maintenance, capital and debt service requirements and to provide reserves amount to \$19,028,457 for WES.

This resolution to adopt and appropriate Fiscal Year 2017-18 budget and funds has been reviewed and approved by County Counsel.

RECOMMENDATION:

Staff recommends the Board of County Commissioners of Clackamas County, acting as the governing body of Water Environment Services, approve the Resolution adopting and appropriating the budget and funds for Fiscal Year 2017-18 for Water Environment Services.

Respectfully submitted,

Greg Geist, Director
Water Environment Services

A Resolution of the Clackamas County Board
of Commissioners Adopting a 2017-18 Fiscal
Year Budget and Making Appropriations for the
Period of July 1, 2017 through June 30, 2018

RESOLUTION NO.

WHEREAS, the proposed expenditures and resources constituting the budget for Water Environment Services for the period of July 1, 2017 through June 30, 2018, inclusive, has been prepared, published and approved by the Budget Committee, and that the matters discussed at the public hearing were taken into consideration, as provided by statute; and

WHEREAS, in accordance with ORS 294.438 and ORS 294.915, the notice of this public hearing and a financial summary were published in The Oregonian on June 21st, 2017; and

WHEREAS, ORS 294.456 requires municipal corporations to make appropriations when adopting the budget.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, ACTING ON BEHALF OF WATER ENVIRONMENT SERVICES, THAT:

The budget is hereby adopted for the Fiscal Year 2017-2018 in the amount of **\$19,028,457** and establishes appropriation as shown in the attached Exhibit A, which by this reference is made a part of this resolution.

ADOPTED this ___ day of _____, 2017.

CLACKAMAS COUNTY BOARD OF COUNTY
COMMISSIONERS Acting as Governing Body
of Water Environment Services:

Chair

Recording Secretary

**WATER ENVIRONMENT SERVICES
FISCAL YEAR 2017-2018 BUDGET
EXHIBIT A**

SANITARY SEWER OPERATING FUND

Materials and Services	\$ 8,552,261
Special Expenditures	
Transfers	2,000,000
Contingency	1,425,000
TOTAL OPERATING FUND EXPENDITURES	<u>\$ 11,977,261</u>

SANITARY SEWER SYSTEM DEVELOPMENT CHARGE FUND

Capital Outlay	\$ 2,232,000
Special Expenditures	
Contingency	558,000
TOTAL SYSTEM DEVELOPMENT CHARGE FUND EXPENDITURES	<u>\$ 2,790,000</u>

SANITARY SEWER CONSTRUCTION FUND

Capital Outlay	\$ 2,916,051
Special Expenditures	
Contingency	729,013
TOTAL CONSTRUCTION FUND EXPENDITURES	<u>\$ 3,645,064</u>

SURFACE WATER OPERATING FUND

Materials and Services	\$ 351,033
Special Expenditures	
Contingency	35,000
TOTAL OPERATING FUND EXPENDITURES	<u>\$ 386,033</u>

STATE LOAN FUND

Principal and Interest	\$ -
Special Expenditures	
Reserve	53,104
TOTAL DEBT SERVICE FUND EXPENDITURES	<u>\$ 53,104</u>

REVENUE BOND FUND

Principal and Interest	\$ -
Special Expenditures	
Reserve	176,995
TOTAL DEBT SERVICE FUND EXPENDITURES	<u>\$ 176,995</u>



Gregory L. Geist
Director

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

**BOARD ORDER AMENDING AND ADOPTING RATES AND CHARGES FOR
WATER ENVIRONMENT SERVICES**

Purpose/Outcomes	Amend and adopt rates and charges for Water Environment Services.
Dollar Amount and Fiscal Impact	Changes the Equivalent Dwelling Unit (“EDU”) monthly charge for wholesale sanitary sewer service within Water Environment Services (“WES”) Rate Zone One from \$21.50 to \$22.15 per EDU, an additional amount of \$1.35 for the City of Oregon City, an additional amount of \$1.10 for the City of Gladstone, for retail sanitary sewer service from \$31.00 to \$32.00 per EDU, and for retail surface water service from \$4.00 to \$4.10 per Equivalent Service Unit.
Funding Source	Service district funds.
Duration	July 1, 2017 through June 30, 2018
Previous Board Action/Review	None
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. WES Customers will continue to benefit from a well-managed utility. 2. Build public trust through good government.
Contact Person	Doug Waugh, Finance Manager dougwau@clackamas.us
Contract No.	N/A

BACKGROUND:

The attached Order changes the Equivalent Dwelling Unit (“EDU”) monthly charge for wholesale sanitary sewer service within Rate Zone One (contiguous with the boundaries of the Tri-City Service District) of Water Environment Services (“WES”) from \$21.50 to \$22.15 per EDU. The City of Oregon City will be charged an additional amount of \$1.35 per EDU to offset the City’s right of way usage fee. The City of Gladstone will be charged an additional amount of \$1.10 per EDU to offset the City’s right of way usage fee. The monthly service charge for retail sanitary sewer service within Rate Zone One will be adjusted from \$31.00 to \$32.00 per EDU. The monthly service charge for retail surface water service will be adjusted from \$4.00 to \$4.10 per Equivalent Service Unit within Rate Zone Three (contiguous with the boundaries of the Surface Water Management Agency of Clackamas County).

These changes are effective for service rendered on and after July 1, 2017. The Order further requires WES to amend its published service charge schedule to reflect this change.

The change in charges for monthly sanitary sewer service and monthly surface water service for WES is pursuant to the Fiscal Year 2017-2018 budget approved by WES' Budget Committee on June 5, 2017, and adopted by the Board on June 29, 2017.

RECOMMENDATION:

District staff recommends the Board of County Commissioners of Clackamas County, acting as the governing body of Water Environment Services, approve the Order amending and adopting rates and charges for Water Environment Services.

Respectfully submitted,

Greg Geist, Director
Water Environment Services

In the Matter of an Order Amending
and Adopting Rates and Charges for
Water Environment Services,
Clackamas County, Oregon

ORDER NO.

This matter came for hearing before the Board of County Commissioners of Clackamas County, Oregon ("Board"), acting as the governing body of the Water Environment Services ("WES"), in public hearing on June 29th, 2017.

FINDINGS:

WES finds that WES' Rules and Regulations allow for adoption and amendment of rates and charges by order.

In order to meet the continuing obligations and ensure effective performance of WES, the Board further finds that it is necessary to adopt a wholesale sanitary sewer equivalent dwelling unit ("EDU") charge of \$22.15 per EDU. The City may set such additional amounts for monthly sanitary sewer user charges which shall be added to WES' wholesale sanitary sewer charge, and the entire amount shall be billed by the City.

In order to meet the continuing obligations and ensure effective performance of WES, the Board further finds that it is necessary to adopt a retail sanitary sewer charge of \$32.00 per EDU.

In order to meet the continuing obligations and ensure effective performance of WES, the Board further finds that it is necessary to adopt a retail surface water charge of \$4.10 per ESU.

In order to meet continuing obligations and ensure equity amongst ratepayers and avoid a budget deficit, the Board further finds that it is necessary to adopt a methodology that allows for charges to any municipal customer of WES that levies, charges, taxes or otherwise imposes additional costs on WES relating to the use of public right of way within that municipality in an amount equal to the cost of such levy, charge, tax or other cost plus the maximum statutorily allowed interest rate to be charged for late fees.

The Board further finds that to implement such methodology for Fiscal Year 2017-18, WES shall charge the City of Oregon City \$1.35 per EDU served by Oregon City, in addition to the \$22.15 wholesale EDU rate, all effective July 1, 2017, pursuant to WES' approved budget. WES shall charge the City of Gladstone \$1.10 per EDU served by Gladstone, in addition to the \$22.15 wholesale EDU rate, all effective July 1, 2017, pursuant to WES' approved budget.

The Board, having held a hearing, considered testimony, factual supporting materials and the above findings and rate methodology, and being fully advised, it is:

ORDERED:

1. WES' published service charge schedule is amended to read that effective July 1, 2017, for all services rendered after said date, WES' wholesale sewer service charge shall be \$22.15 per month for each dwelling unit or equivalent dwelling unit as assigned each class of service, which shall be paid by the City for each user from the date of connection of such user to the sewerage system within Rate Zone One (contiguous with the boundaries of the Tri-City Service District). Payment shall be made to the City in which the property is located for subsequent remittance to WES, except for those areas billed directly to the users by WES. WES shall bill for and directly receive the retail charge of \$32.00 for retail sanitary sewer customers within Rate Zone One. WES shall bill the City of Oregon City an additional \$1.35 per EDU, pursuant to the adopted rate methodology. WES shall bill the City of Gladstone an additional \$1.10 per EDU, pursuant to the adopted rate methodology. WES shall set the sewer service charges for each user based upon WES' service charge schedule. WES' published service charge schedule shall be amended to read that effective July 1, 2017, for all services rendered after said date, WES' retail surface water service charge shall be \$4.10 per month for each service unit or equivalent service unit within Rate Zone Three (contiguous with the boundaries of the Surface Water Management Agency of Clackamas County). WES staff is directed to publish the amended service charge schedule in accordance with this Order.
2. In all other respects, the Rules and Regulations of WES remain in full force and effect.
3. An executed copy hereof shall be kept on file at Water Environment Services.

PASSED this 29th day of June, 2017, after public hearing by the Board of County Commissioners at its regular meeting.

BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, OREGON
Acting as Governing Body of
Water Environment Services

Chair

Recording Secretary



Gregory L. Geist
Director

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

ADOPTING A METHODOLOGY AND ESTABLISHING A NEW SYSTEM DEVELOPMENT CHARGE FOR WATER ENVIRONMENT SERVICES

Purpose/Outcomes	Ensuring continued collection of system development charges from new development within Water Environment Services (“WES”).
Dollar Amount and Fiscal Impact	Projected to allow continued collection of ~\$178,200 in Sanitary Sewer System Development Charges (“SDC”) revenues annually.
Funding Source	No General Funds involved.
Duration	Permanent.
Previous Board Action/Review	In June 2016, the Board approved an SDC increase to \$2,765. In November 2016, the Board created WES, and approved this spring the integration of Tri-City Service District into WES FY17-18
Strategic Plan Alignment	1. WES Customers will continue to benefit from a well-managed utility. 2. Build public trust through good government.
Contact Person	Doug Waugh, Finance Manager dougwau@clackamas.us
Contract No.	N/A

BACKGROUND:

Water Environment Services, an intergovernmental partnership formed under ORS Chapter 190 (“WES”), is on schedule to begin providing services within the boundaries of the Tri-City Service District (“TCSD”) and the Surface Water Management Agency of Clackamas County (“SWMACC”) as of July 1, 2017, and within the boundaries of Clackamas County Service District No. 1 (“CCSD#1”) as of July 1, 2018.

In order for WES to assume the duties of collecting the existing sanitary sewer system development charge (“SDC”) fees within the boundaries of WES’ Rate Zone One as of July 1, 2017, the governing body of WES is required to adopt the methodology previously established by TCSD. This will allow WES to continue collecting the already-established SDC charges adopted by TCSD.

In 2008, the governing body of CCSD#1 and TCSD adopted the “Water Environment Services Wastewater Rate Analysis & SDC Update,” completed by Donovan Enterprises, Inc., establishing the methodology behind the SDCs to be charged by CCSD#1 and TCSD in accordance with statutory requirements, attached to the proposed implementing resolution as Exhibit A.

Aside from adopting the methodology, the Board will also need to adopt the specific SDC fee amount. On June 25, 2015, the governing body of TCSD updated the Capital Improvement Plan ("CIP") based on the Portland State University growth study, updated facility study regarding capacity, and the impact of SDC on WES finances, contained in the "Wastewater System Development Charge Update," attached to the proposed implementing resolution as Exhibit B.

In addition, on April 14, 2015, the Tri-City Advisory Committee recommended annual increases to Tri-City Service District's Sanitary Sewer SDC to bring it up to \$3,855 over 5 years, with an increase in the SDC to \$3,125 for fiscal year 2017-2018. The proposed adoption for WES includes a fee of \$3,125 in keeping with the Advisory Committee's recommendation, but implemented through the WES entity rather than TCSD. This charge will only apply within Rate Zone One of WES, which matches the boundaries of TCSD.

RECOMMENDATION:

Staff respectfully recommends that the Board of County Commissioners, acting as the governing body of Water Environment Services, adopts the resolution and attached reports establishing a system development charge methodology for WES and establishing a sanitary sewer system development charge of \$3,125 for WES' Rate Zone One.

Respectfully submitted,

Greg Geist, Director
Water Environment Services

The Matter of an Order by Clackamas County Board of Commissioners, Acting as the Governing Body of WES, Adopting a System Development Charge Methodology and Establishing a New System Development Charge for WES

ORDER NO.

This matter coming before the Board of County Commissioners of Clackamas County, Oregon ("Board"), acting as the governing body of Water Environment Services, an intergovernmental entity created pursuant to Oregon Revised Statutes Chapter 190 ("WES"), in the Board's regular business meeting on June 29, 2017.

WHEREAS, WES shall begin providing services within the boundaries of the Tri-City Service District ("TCSD") and the Surface Water Management Agency of Clackamas County ("SWMACC") as of July 1, 2017, and within the boundaries of Clackamas County Service District No. 1 ("CCSD#1") as of July 1, 2018; and

WHEREAS, in order for WES to collect a System Development Charge ("SDC"), ORS Chapter 223.304 requires the governing body to adopt a methodology that aligns to certain statutory principles; and

WHEREAS, in 2008, the Board adopted the "Water Environment Services Wastewater Rate Analysis & SDC Update" ("SDC Report") establishing the methodology behind the SDCs to be charged by both CCSD#1 and TCSD in accordance with statutory requirements, which was supplemented in 2015 by the "Wastewater System Development Charge Update" ("SDC Update"), both attached hereto as Exhibit A; and

WHEREAS, on June 25, 2015, the Board adopted the "Wastewater System Development Charge Update" (the "SDC Update"), attached hereto as Exhibit B, which updated TCSD's Capital Improvement Plan ("CIP") based on the Portland State University growth study, updated facility study regarding capacity, and analyzed the impact of Sanitary Sewer System Development Charges ("SDC") on WES finances;

WHEREAS, on April 14, 2015, the Tri-City Advisory Committee recommended the Board adopt an increase in the SDC to \$3,125 for fiscal year 2017-2018; and

WHEREAS, in order for WES to assume the duties of collecting the existing SDC fees already established by TCSD within the boundaries of Rate Zone One as of July 1, 2017, the Board as the governing body of WES is required to adopt the same methodology used to establish the fees from 2008 and adopt a specific SDC.

The Matter of an Order by Clackamas County Board of Commissioners, Acting as the Governing Body of WES, Adopting a System Development Charge Methodology and Establishing a New System Development Charge for WES

ORDER NO.

FINDINGS:

The Board finds that WES' Rules and Regulations allow for the establishment of a Sanitary Sewer Systems Development Charge ("SDC") by order, pursuant to Chapter 2, Section 9.1.2.

In order to meet the continuing obligations and ensure effective performance of WES, the Board further finds that it is necessary to adopt the SDC Report and SDC Update to establish an SDC methodology, and also to establish an SDC of \$3,125.

The Board, having held a hearing and considered the factual supporting materials and the above findings, and being fully advised, it is:

ORDERED:

1. The SDC Report and the SDC Update, including the revised CIP, are hereby adopted, establishing the System Development Charge methodology to be used by Water Environment Services, as shown in the attached Exhibit A and Exhibit B, which by this reference are made a part of this order; and
2. Effective July 1, 2017, the WES system development charge within Rate Zone One (contiguous with the boundaries of the Tri-City Service District) for sanitary sewer service shall be Three Thousand One Hundred Twenty-Five Dollars (\$3,125.00) per equivalent dwelling unit as defined and applied by the WES SDC ordinance and the above-adopted methodology; and
3. WES staff is directed to publish these updated SDC charges where appropriate, in accordance with this order; and
4. An executed copy hereof shall be kept on file at WES.

ADOPTED this 29 day of June, 2017.

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS Acting as Governing Body of Water Environment Services:

Chair

Recording Secretary

EXHIBIT A



Wastewater & Stormwater Rate & SDC Analysis Final Report

Prepared by



April, 2008

Prepared for

Water Environment Services
A Department of Clackamas County, Oregon



Water Environment Services Wastewater Rate Analysis & SDC Update 2008



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Executive Summary

This study addresses the levels and structure of rates needed to support current and future infrastructure investments along with the operations and maintenance of the wastewater, and surface water management utilities managed by Water Environment Services (WES). WES was created in August, 1984, to administer several county service districts formed under ORS Chapter 451. The enabling legislation establishes county service districts as independent municipal corporations authorized to provide specific services within specified boundaries in Clackamas County. The Board of County Commissioners is designated as the governing body with the County Administrator serving as the Administrator of the Districts. Under this statutory authority, WES manages the following districts:

- ✦ Clackamas County Service District No. 1 (CCSD No. 1) – CCSD No. 1 is comprised of four separate, non-contiguous wastewater service areas, as well as a surface water management (SWM) service area. Both wastewater and SWM services are provided in the North Clackamas Service Area. CCSD No. 1 owns and operates the Kellogg Creek wastewater treatment plant, located along the Willamette River in Milwaukie. This plant serves the North Clackamas Service Area in addition to the wastewater flows from the City of Milwaukie. Wastewater-only service is provided in the Hoodland, Boring, and Fischer’s Forest Park Service Areas. Each service area is served by completely separate collection and treatment facilities.
- ✦ Tri-City Service District (TCSD) – TCSD provides wastewater transmission and treatment services for customers in the cities of Oregon City, West Linn, and a portion of Gladstone. Treatment services are provided at the Tri-City advanced wastewater treatment plant. Since 1998, the Tri-City plant provides growth-related wastewater treatment capacity and services for both TCSD and CCSD No. 1. These treatment services are paid for by each district according to their respective use, as delineated in the Interim Diversion Agreement approved by the Board of County Commissioners in February, 1999. TCSD does not deliver SWM services to customers in the TCSD area. These services are delivered by each of the three member Cities.
- ✦ Surface Water Management Agency of Clackamas County (SWMACC) – SWMACC was formed in 1992 under the provisions of ORS Chapter 451. As the result of a court decree, the Oregon Department of Environmental Quality (DEQ) required all municipalities whose surface water flows to the Tualatin River to develop and implement management plans to improve the water quality of the river. Clackamas County was required to provide a dedicated source of funding for surface water management to ensure long-term implementation of the water quality program. Consequently, SWMACC was formed as a service district to serve those unincorporated areas which drain to the lower Tualatin River and the Oswego lake basin. The Clackamas County Board of Commissioners is the governing body of SWMACC. Fiscal and accounting functions are provide by personnel of WES, The County’s Departments of Transportation and Development, Treasury, and General Services.

The focus for this rate study is for years covering the period 2007-08 through 2012-13. The wastewater and surface water management system development charge (SDC) updates relied on the newly adopted five year capital improvement plans for each utility. A detailed discussion of the wastewater rate and SDC recommendations is contained in the body of this report.

At this time, no changes are recommend to the current schedule of SWM fees and SDCs in CCSD No. 1 or in SWMACC. Also, no changes are recommended to the wastewater SDCs in TCSD.

The recommended schedule of future wastewater rates for CCSD No. 1 and TCSD are contained in Tables 1 and 2 respectively. The recommended schedule of wastewater SDCs for CCSD No. 1 are contained in Tables 3. Please note, all recommended future rate adjustments are assumed to be implemented on July 1 of each year (i.e., the first day of each forecasted fiscal year).

Recommended Wastewater Rates

Table 1 - Current and Recommended Monthly Wastewater Rates for CCSD No. 1

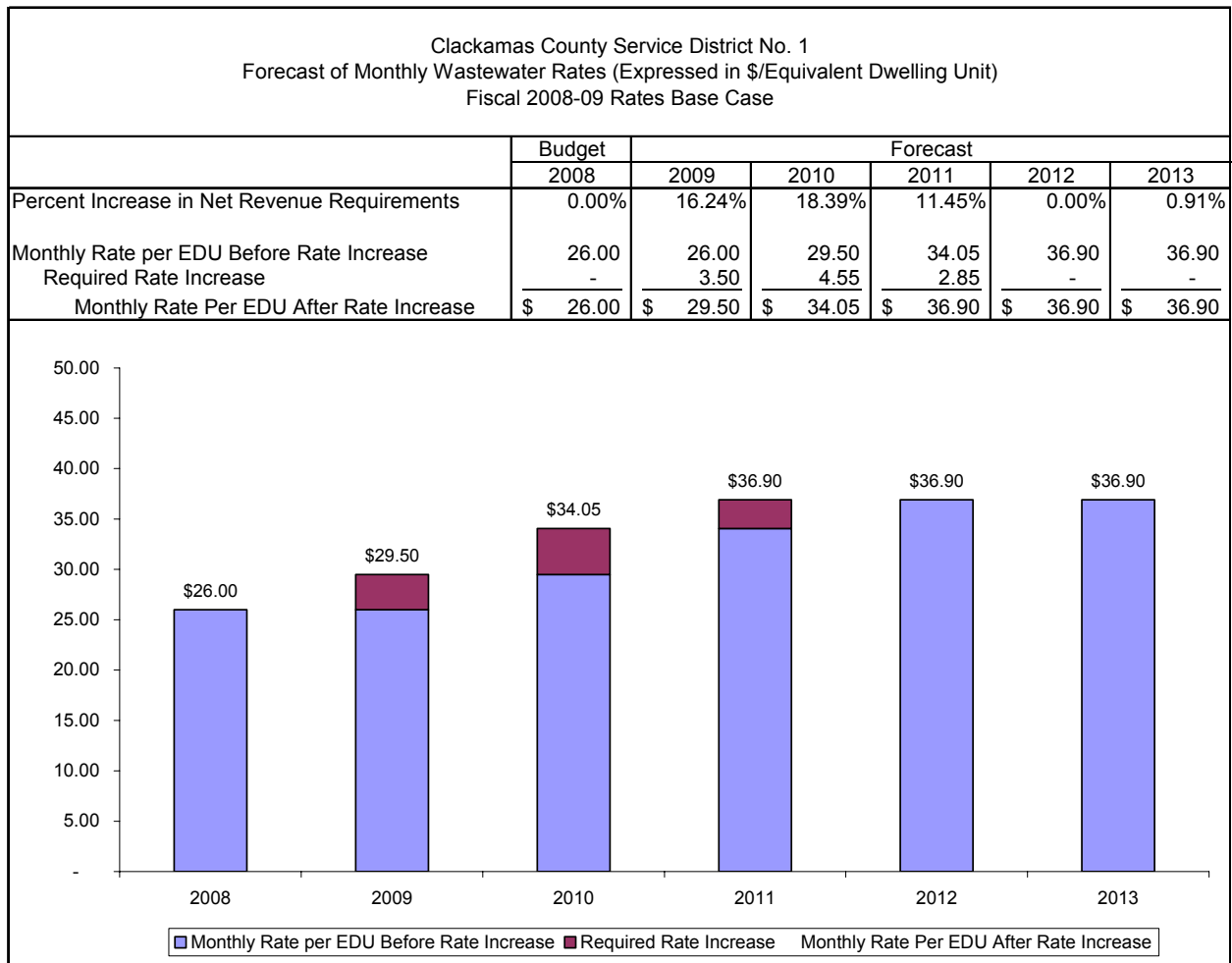
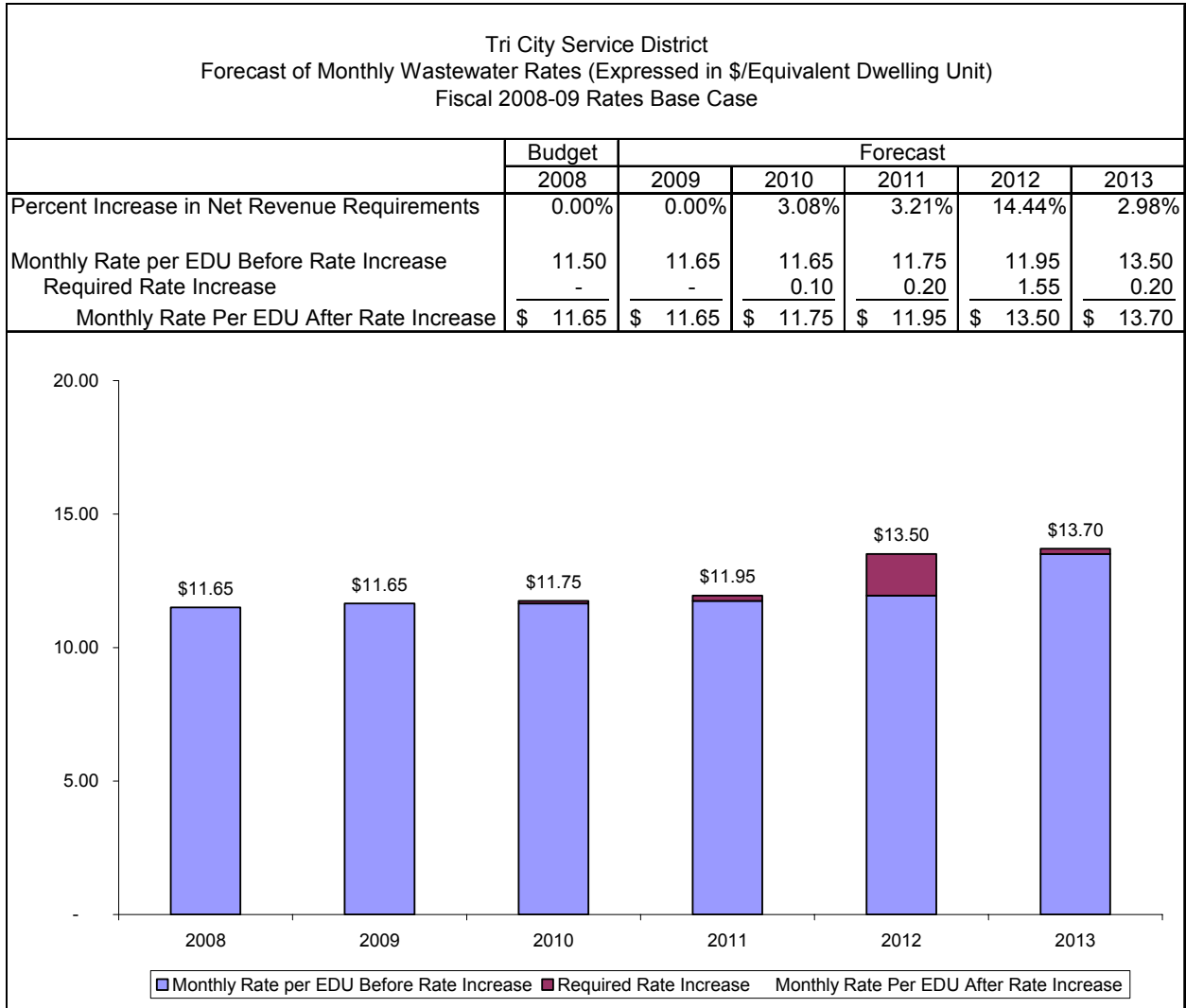


Table 2 - Current and Recommended Monthly Wastewater Rates for TCSD



Recommended Schedules of SDCs

Table 3 - Recommended Schedule of Residential SDCs

Water Environment Services Proposed Schedule of Wastewater System Development Charges Fiscal 2008-09 Rates Base Case						
	Budget	Forecast				
	2008	2009	2010	2011	2012	2013
CCSD No. 1:						
Wastewater	\$ 2,200	\$ 3,700	\$ 5,144	\$ 6,616	\$ 6,815	\$ 7,019
Surface Water Management	\$ 205	\$ 205	\$ 205	\$ 205	\$ 205	\$ 205
TCSO:						
Wastewater	\$ 2,020	\$ 2,020	\$ 2,020	\$ 2,020	\$ 2,020	\$ 2,020
SWMACC:						
Surface Water Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Snapshot of the Results of the Study

CCSD No. 1 - Wastewater

Management of wastewater within the region is at an important crossroads. The Clackamas County area is quickly approaching the point where it must move forward with a specific strategy to provide additional treatment capacity for both the existing service areas and for the developing areas of Damascus, Boring and Happy Valley. This immediacy also creates an opportunity to review the current configuration of treatment facilities and collection systems.

This rate and SDC analysis can be characterized as a study of the Interim Capacity Expansion Project. The goal of this project is to provide eight to ten years of interim capacity for CCSD No. 1 at the Tri-City plant on an accelerated track; and, to do so without substantially increasing the operational risk to either CCSD No. 1 or TCSO. The total investment for CCSD No. 1 is currently estimated at \$114.5 million and will take three years to implement.

A fast track program such as the interim capacity expansion project cannot be financed with cash. The rate increases required to meet construction cash flow demands would simply be untenable. Therefore, a significant borrowing commitment by CCSD No. 1 will have to be undertaken. Our analysis indicates CCSD No. 1 will have to borrow in each year of the three years of the expansion program. Beginning with the fiscal year 2008-09, we are forecasting gross borrowing of \$38.9, \$33.6, and \$18.9 million dollars respectively. The details of the capital funding plan are shown in Table 4.

Table 4 – Forecasted Interim Capacity Expansion Project Funding Plan

Capital Improvements Financing	2008	2009	2010	2011	2012	2013
Capital Costs to be Funded	-	35,410,806	41,057,828	35,920,628	2,960,926	12,352,459
less: Use of Wastewater Fund Cash Balance	-					
less: System Development Charge Contributions						
less: Use of Wastewater Construction Fund Cash Balance			10,500,000	18,700,000	2,960,927	12,352,460
less: Contributions From Utility Rates						
Amount to be Financed	-	35,410,806	30,557,828	17,220,628	-	-
Interim Borrowing:						
BANs Issued:	-	-	-	-	-	-
less: Borrowing Cost	-	-	-	-	-	-
less: Interest Payments	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-
Net Available from BANS	-	-	-	-	-	-
Long-term Borrowing:						
Revenue Bonds:						
Amount Borrowed	-	38,916,457	33,583,037	18,925,461	-	-
less: Financing Cost	-	389,165	335,830	189,255	-	-
less: Reserve Funding	-	3,116,487	2,689,379	1,515,579	-	-
less: Refunding of BANs	-	-	-	-	-	-
Net Funds from Revenue Bonds	-	35,410,806	30,557,828	17,220,628	-	-
General Obligation Bonds:						
Amount Borrowed	-	-	-	-	-	-
less: Financing Cost	-	-	-	-	-	-
less: Reserve Funding	-	-	-	-	-	-
less: Refunding of BANs	-	-	-	-	-	-
Net Funds from G.O. Bonds	-	-	-	-	-	-
New Annual Debt Service:						
Principal & Interest Repayment	-	3,116,487	5,805,866	7,321,444	7,321,444	7,321,444
Administration Fee	-	-	-	-	-	-
Total Annual Debt Service	-	3,116,487	5,805,866	7,321,444	7,321,444	7,321,444

The monthly wastewater rate increases that are projected for CCSD No. 1 are for the most part driven by the incremental annual increases in debt service resulting from the interim capacity expansion project.

Analysis of the proposed five year CIP indicates CCSD No. 1 could charge an improvement fee SDC of \$6,616 vs the current total SDC of \$2,200 per EDU. Once again, the cost of the interim capacity expansion project is driving this increase. Clearly, this increase in the unit SDC is substantial. For modeling purposes, the project team compared immediate implementation of the \$6,616 to a linear, three year phase-in to mitigate the price impact on development. The team modeled both strategies to evaluate the impact on monthly user charges. We chose the three year phase-in period, because it was consistent with the assumed construction schedule for the interim capacity expansion project. The monthly rate forecasts in both cases showed increases in the first three years followed by level rates. The reasons for the leveling off of the rates in the fourth and fifth years of the forecast are the very modest capital improvement costs for those years. At best, these last two years are placeholders because of the fluidity of the CIP (post Interim Capacity Expansion Project). The three year phase-in of SDCs is feasible and did not materially adversely impact rates vis-à-vis the immediate implementation of the \$6,616 SDC.

CCSD No. 1 - SWM

The surface water management program is planning on moving forward with basin planning, enhanced maintenance, and a new program of watershed assessments for the upcoming fiscal year. The new program activity will conduct watershed assessments and develop Watershed Action Plans in three basins including: Kellogg-Mt. Scott; Cow-Sieben; and Rock Creek.

The goal of the watershed assessments are to identify, prioritize, and sequence specific projects and actions necessary to address factors that are limiting watershed health. The main goal of the Watershed Action Plans is to protect, restore, and enhance the health and function of the watersheds. One of the outcomes of WES's Action plans are to be able to prioritize what actions and activities related to stormwater infrastructure maintenance, plan review, erosion control, water quality monitoring, and specific watershed enhancement projects should be conducted in specific sub-basin areas.

Even with a significant increase in operating expenses to fund the development of the Watershed Action Plans, the current monthly rate of \$6.00 per Equivalent Service Unit (ESU) will be sufficient to fund SWM system revenue requirements over the forecast horizon. Please note – it is assumed the significant increase in appropriation for the project (object code 431350, \$648,652) will be a one time phenomenon. Forecast years assume appropriations for this line item back down to historical levels (i.e., ~\$60,000).

Analysis of the proposed five year CIP indicates CCSD No. 1 could charge an improvement fee of \$580 vs the current total SDC of \$205 per ESU. The cost of the proposed \$3.125 million stormwater decant facility is driving this increase. Conversations with District management and administration indicate the exact timing of SWM capital expenditures is difficult to estimate at this time. For this reason, the project team recommends holding off on the implementation of the \$580 per ESU SDC until firmer implementation plans can be developed. Modeling indicates through the combination of cash on hand, rate revenues, and projected SDC cash flows, no borrowings will be required for SWM CIP over the five year forecast horizon.

TCSO - Wastewater

No rate increase is recommended for the budget year FY 2008-09. Prudent use of cash on hand in combination with projected growth in the TCSO customer base are expected to be sufficient to fund sanitary system revenue requirements. Modeling indicates the District will require rate adjustments in the future to mitigate the effects of inflation in FY 2009-10, and FY 2011-12. However, in FY 2011-12, rates are expected to increase in excess of price level adjustments as diversion contract revenues from CCSD No. 1 cease.

Analysis of the proposed five year CIP indicates the District could charge an improvement fee of \$2,026 vs the current total SDC of \$2,020 per EDU. This difference is di minimis and therefore, the project team is not recommending any changes to the current sanitary SDC for the TCSO. In general, the five year CIP for TCSO is modest. As the Interim Capacity Expansion Project unfolds, it is likely the future TCSO CIP will change materially. For this forecast horizon though, modeling indicates the District can fund its capital requirements with a combination of cash on hand, rate revenues, and SDC cash flows. No new borrowings are indicated.

SWMACC - SWM

No rate increase is recommended for SWMACC over the forecast horizon. The combination of cash on hand and revenue generated from the \$4.00 per ESU per month rate are projected to be sufficient to fund operating expenses, contingencies and unappropriated ending fund balances.

As in prior years, the operating expenses of the SWMACC are focused on regulatory compliance, water quality testing, small maintenance and capital projects, minor mitigation, and inter-basin coordination.

The District currently does not impose a SWM SDC. The project team is not recommending the implementation of a SWM SDC at this time.

Summary of Consultant Recommendations

✦ CCSD No. 1 Wastewater

- ✓ In order to fund projected revenue requirements for Fiscal 2008-09, it is recommended the Board of Commissioners raise monthly wastewater rates from their current level of \$26.00 per EDU to \$29.50 per EDU. District staff should continually monitor the District's five year financial plan and adjust user fees in the future to match project wastewater system revenue requirements as the Interim Capacity Expansion Project unfolds.
- ✓ Modeling indicates the District will need to borrow approximately \$38.9 million in fiscal 2008-09. The above referenced rate increase should generate sufficient cash to fund the principal, interest, and coverage requirements that will result from this new indebtedness. It is recommended the Board of Commissioners direct District staff to begin the due diligence processes for the issuance of this new indebtedness.
- ✓ It is recommended the Board of Commissioners increase the wastewater SDC from its current level of \$2,200 to \$6,616 over a three year period. For fiscal 2008-09, it is recommended the wastewater SDC be increased to \$3,700. It is further recommended that District staff monitor the level and pace of capital spending on the Interim Capacity Expansion Project and make regular progress reports to the Board of Commissioners.

✦ CCSD No. 1 – SWM

- ✓ The combination of cash on hand and projected dedicated revenues should be sufficient to eliminate the need for a rate increase in fiscal 2008-09 and over the balance of the five year forecast horizon. However, if conditions change from the base case, District staff should apprise the Board of Commissioners of the change in condition and prepare an action plan to address any material operational/capital requirements.
- ✓ The current \$205 per ESU SWM SDC should remain in force. Modeling has indicated the Board of Commissioners could charge a SWM SDC of \$580; but, the timing of capital expenditures (particularly for the regional SWM decant facility) is in flux. District staff should continue to analyze the timing and implementation of capital expenditures on regional SWM projects and report status to the Board of Commissioners on a regular basis.

✦ TCSD - Wastewater

- ✓ No rate increase is recommended for fiscal 2008-09.
- ✓ No SDC increase is recommended for fiscal 2008-09
- ✓ Modeling indicates the District will have sufficient cash on hand to meet its modest capital investment plans over the five year forecast horizon.
- ✓ The fluidity and interconnectivity of the Interim Capacity Expansion Project will require District staff to be diligent in the monitoring of future capital requirements over the next five years. It is recommended that District staff report regularly to the Board of Commissioners on the progress of the capacity expansion at the Tri-City wastewater treatment plant, and the implications this expansion will have on future plans for investment at this facility.

✦ SWMACC - SWM

- ✓ No rate increases are recommended at this time.
- ✓ There is no need to the implementation of a SWM SDC in the SWMACC service area at this time.
- ✓ Current cash flow are projected to be sufficient to meet program revenue requirements over the five year forecast horizon.



Analysis Section A – CCSD No. 1 Wastewater

Wastewater System Revenue Requirements and Rates

The revenue requirements analysis determines the amount of revenue needed from rates. This is related to utility cash flow or income requirements, constraints of bond covenants, and specific fiscal policies related to the District's wastewater operations. To facilitate this critical task, the project team developed a five year revenue requirements model which allows for evaluation of alternative policies and strategies. The model performed several revenue sufficiency tests, such as cash flow, coverage and earnings, against which the sufficiency of current rates was measured. Annual deficiencies or surpluses were noted and gross rate adjustments were computed. To meet the District's need to implement a rate adjustment to meet fiscal year 2008-2009 requirements, the team evaluated the revenue requirements as follows: review of the utility's current fiscal policies and their impact on the revenue requirements to ensure that the rate model reflects the financial objectives of CCSD No. 1. We also evaluated the impact of changes in policy, such as capital improvement funding approaches and reserve levels, to determine the impact of changes on revenue requirements. Through the linkage of the analysis to the model fund balances, rate strategies concerning uniform increases, single or multi-year increases, were evaluated on an ongoing basis in terms of compliance with all fiscal constraints. The principal driver for the wastewater revenue requirements analysis of CCSD No. 1 was the scale and timing of capital improvements for the Interim Capacity Expansion Project. The detailed revenue requirement tasks included:

- ✦ Development of the revenue requirement model. Project revenues and expenses. Identify and develop applicable revenue sufficiency tests. Determine projected revenue shortfalls (if any) for the test year (2008-2009) and present results to staff and the project team.
- ✦ Determination of overall revenue shortfalls by year for the five-year study period. Identify annual increases needed to meet annual revenue requirements.
- ✦ Evaluate impacts of capital funding strategies on revenue requirement projections. This task included evaluating fiscal policies related to capital financing, including preferences for debt or equity funding. Also, analyses were done to evaluate reserve levels for debt or equity funding, reserve levels for contingencies, and replacement of funding (i.e., explicit funding of depreciation). Finally, an effort was undertaken to evaluate the feasibility of developing alternative sources of funds, including grants, special low interest loans, special fees, and SDC's. More discussion of SDCs will follow.
- ✦ Evaluation of rate implementation strategies for effects on utility financial performance and condition.
- ✦ Review revenue requirements findings with staff, stakeholders, and the Board.

The final results of the wastewater revenue requirements analysis for CCSD No. 1 are shown in Table 5.

Table 5 – CCSD No. 1 Forecasted Wastewater Revenue Requirements and Monthly Rates

Clackamas County Service District No. 1 Projection of Wastewater Fund Revenue Requirements FY2008-09 Rates Base Case									
Line Item Description	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Projection of Cash Flow:									
Sales and Services:									
Service Charges - Before Rate Increase	8,401,979	8,740,928	9,398,459	10,353,274	10,595,971	12,316,933	14,581,404	16,250,442	16,250,442
Service Charges - TCSD	-	-	93,776	95,000	95,000	97,850	100,786	103,809	106,923
City Payments	1,684,572	1,303,722	912,569	1,800,000	2,082,946	2,365,893	2,648,839	2,728,304	2,810,153
Building Rental Fees	27,000	18,000	1,500	-	-	-	-	-	-
Connection Charges from Cities	65,832	37,400	16,464	18,447	10,000	10,300	10,609	10,927	11,255
Other Connection Charges	949,587	479,921	474,380	176,000	150,000	154,500	159,135	163,909	168,826
Capital Reimbursement From Cities	73,985	198,842	219,443	-	-	-	-	-	-
Fees:									
Non-bonded Installment - Principal	677,893	339,659	302,043	97,007	61,000	-	-	-	-
Non-bonded Installment - Interest	107,906	70,997	55,614	35,621	31,000	-	-	-	-
Intergovernmental Revenue:									
Grants	-	-	3,628	-	-	-	-	-	-
Insurance	-	-	-	267,000	-	-	-	-	-
Transfers from Other Funds - IN:									
Special Assessment Fund	-	-	-	350,116	-	-	-	-	-
Bond Sale:									
Interim Borrowing (Assessments)	-	-	-	-	-	-	-	-	-
State Loans	-	-	-	-	-	-	-	-	-
Other Bond Proceeds	-	-	-	-	-	-	-	-	-
Interest Income	197,778	-	473,949	236,788	241,310	43,338	43,338	44,071	52,126
Other Revenues:									
Miscellaneous	1,031,978	980,715	1,055,705	814,385	857,000	882,710	909,191	936,467	964,561
Total Revenues	13,218,510	12,170,184	13,007,530	14,243,638	14,124,227	15,871,523	18,453,302	20,237,929	20,364,287
less: Operations & maintenance expense	7,324,245	8,331,280	8,499,953	10,012,274	10,954,210	11,405,204	11,875,846	11,772,589	12,267,423
less: transfers to debt service funds	964,671	949,163	948,351	915,860	4,038,698	6,730,791	8,246,493	8,244,909	8,245,207
less: Transfers to Other Funds (not including construction)	-	-	-	-	-	-	-	-	-
less: Budgeted contingency	-	-	-	-	852,281	-	-	-	-
Net Cash	4,929,594	2,889,741	3,559,226	3,315,504	(1,720,962)	(2,264,471)	(1,669,038)	220,431	(148,343)
Net Deficiency/(Surplus)	(4,929,594)	(2,889,741)	(3,559,226)	(3,315,504)	1,720,962	2,264,471	1,669,038	(220,431)	148,343
Test of Coverage Requirement:									
Operating Revenues:									
Sales and Services	11,202,955	10,778,813	11,116,591	12,442,721	12,933,917	14,945,475	17,500,772	19,257,391	19,347,600
Fees	785,799	410,656	357,657	132,628	92,000	-	-	-	-
Intergovernmental Revenues	-	-	3,628	267,000	-	-	-	-	-
Transfers From Other Funds - IN	-	-	-	350,116	-	-	-	-	-
System Development Charges	2,045,573	3,447,880	1,741,429	1,940,662	3,330,000	4,629,625	6,616,041	6,814,523	7,018,958
Transfers (To) From Rate Stabilization Account	-	-	-	-	-	-	-	-	-
Total Operating Revenues	14,034,327	14,637,349	13,219,305	15,133,127	16,355,917	19,575,100	24,116,814	26,071,914	26,366,558
Operating Expenses:									
Operations & Maintenance Expense	7,324,245	8,331,280	8,499,953	10,012,274	10,954,210	11,405,204	11,875,846	11,772,589	12,267,423
Transfers to Other Funds (Not Including Construction)	-	-	-	-	-	-	-	-	-
Budgeted contingency	-	-	-	-	852,281	-	-	-	-
Total Operating Expenses	7,324,245	8,331,280	8,499,953	10,012,274	11,806,491	11,405,204	11,875,846	11,772,589	12,267,423
Net Operating Income	6,710,082	6,306,069	4,719,352	5,120,853	4,549,426	8,169,896	12,240,967	14,299,325	14,099,135
Nonoperating Income (Expense):									
Interest Income:									
Sanitary Sewer Operating Fund	197,778	-	473,949	236,788	241,310	43,338	43,338	44,071	52,126
Sanitary Sewer SDC Fund	97,166	327,628	440,915	381,895	96,222	-	-	866	-
Sanitary Sewer Construction Fund	84,232	221,250	135,930	278,382	202,260	655,647	314,539	127,984	103,522
Special Assessment Fund	34,041	102,971	112,223	101,666	-	-	-	-	-
State Loan Fund	1,753	5,189	5,000	4,000	2,290	4,113	4,277	4,448	4,626
Revenue Bond Fund (65% Sanitary)	14,297	50,590	46,976	33,517	26,530	125,484	192,072	230,203	233,882
Other Nonoperating Income	1,031,978	980,715	1,055,705	814,385	857,000	882,710	909,191	936,467	964,561
Total Nonoperating Income	1,461,245	1,688,343	2,270,698	1,850,633	1,425,612	1,711,292	1,463,417	1,344,038	1,358,717
Total Net Revenues Available for Debt Service	8,171,327	7,994,412	6,990,050	6,971,486	5,975,038	9,881,188	13,704,385	15,643,363	15,457,853
Debt Service:									
Senior Lien Parity Obligations:									
Series 1994 Bonds (after refunding)	681,325	683,050	681,450	-	-	-	-	-	-
Series 2002A Bonds	215,363	212,063	243,238	233,788	229,063	223,988	218,650	213,138	207,450
Series 2002B Refunding Bonds	256,872	258,399	256,425	700,830	704,186	701,813	702,817	702,149	703,401
Oregon DEQ Revolving Loan	227,011	226,293	225,546	224,769	223,956	223,112	222,232	221,316	220,362
New revenue bonds	-	-	-	-	3,116,487	5,805,866	7,321,444	7,321,444	7,321,444
Total Senior Lien Parity Obligations	1,380,570	1,379,805	1,406,659	1,159,387	4,273,691	6,954,778	8,465,143	8,458,047	8,452,657
Senior Lien Parity Obligations Coverage Recognized	5.92	5.79	4.97	6.01	1.40	1.42	1.62	1.85	1.83
Senior Lien Parity Obligations Coverage Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Senior Lien Coverage Deficiency	-	-	-	-	-	-	-	-	-
Net Deficiency/(Surplus)	-	-	-	-	-	-	-	-	-
Projection of Revenue Sufficiency:									
Maximum Deficiency					1,720,962	2,264,471	1,669,038	-	148,343
Percent Increase Required Over Current Rate Revenues				0.00%	16.24%	18.39%	11.45%	0.00%	0.91%
Wastewater rates reconciliation:									
Revenues recognized from current rates				10,353,274	10,595,971	12,316,933	14,581,404	16,250,442	16,250,442
Add revenues from rate increase				-	1,720,962	2,264,471	1,669,038	-	148,343
Total revenues recognized from rate increase				10,353,274	12,316,933	14,581,404	16,250,442	16,250,442	16,398,784
Effective billable retail EDUs - Clackamas County Service District No. 1				33,900	34,800	35,700	36,700	37,700	38,700
Calculated monthly service charge per retail EDU				\$ 25.45	\$ 29.49	\$ 34.04	\$ 36.90	\$ 35.92	\$ 35.31
Actual monthly service charge per retail EDU				\$ 26.00					
Calculated monthly service charge rounded to the nearest nickel per retail EDU					\$ 29.50	\$ 34.05	\$ 36.90	\$ 35.90	\$ 35.30
Proposed monthly service charge rounded to the nearest nickel per retail EDU					\$ 29.50	\$ 34.05	\$ 36.90	\$ 36.90	\$ 36.90

Wastewater SDC Methodology Update

The framework for SDC calculation is established by Oregon Revised Statute (ORS) 223.297-314 which is the basis for this review. Under statute, SDC's are one-time fees imposed on new development and have two components: reimbursement and improvement.

The reimbursement fee considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is “future system users contribute no more than an equitable share to the cost of existing facilities.” The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.

The improvement fee portion of the SDC is based on the cost of planned future facilities that expand the system’s capacity to accommodate growth or increase its level of performance. In developing an analysis of the improvement portion of the fee, each project in the District’s capital improvement plan is evaluated to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. An example is a facility which improves collection system capacity to better serve current customers. The costs for this type of project must be eliminated from the improvement fee calculation. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of additional equivalent dwelling units to be served by the District’s facilities over the planning period. Such a fee represents the greatest potential for future SDC changes.

For this review, WES has stated a number of objectives:

- ✦ Review the basis for the charge to ensure a consistent methodology with the benefit of the data contained in the newly adopted Wastewater System Capital Improvement Plan;
- ✦ Review the District’s current rationale for the reimbursement and improvement elements of the SDC;
- ✦ Review the District’s current wastewater system SDC methodology to be sure that is consistent with the District’s approach to charges for other District-delivered services (SDCs);
- ✦ Consider possible revisions to the structure or basis of the charge that might improve equity or proportionality to demand; and
- ✦ Provide clear, orderly documentation of the assumptions, methodology, and results, so that District staff can, by reference, respond to questions or concerns from the public.

SDC Legal Authorization

SDCs are authorized by Oregon Revised Statute (ORS) 223.297-314. The statute is specific in its definition of system development charges, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or expansion of existing development, and assessed at the time of development approval or increased usage of the system. SB 939, passed

by the 2003 legislature, included many procedural adjustments and clarifications to ORS 223. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned/future capital facilities that serve the developing property.

Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

The methodology used to determine the improvement fee portion of the SDC must consider the cost of projected capital improvements needed to increase system capacity or level of performance. In other words, the cost of planned projects that correct existing deficiencies or do not otherwise increase capacity would not be SDC eligible. The improvement fee must also provide a credit for construction of a qualified public improvement.

SDC Methodology

Existing and Future Wastewater Demand

Existing wastewater service demand was derived from consultations with District engineering and finance staff. Based on this data, it is estimated that as of fiscal 2007-08, the District served a total of 34,800 retail EDUs. In addition to these retail EDUs, analysis indicates the District serves 10,414 wholesale EDUs in the communities of Milwaukie and Johnson City.

After establishing existing demand conditions, the next step was to forecast future demand based on the criteria established by the District's Capacity Management Program (CMP) for the pending Interim Capacity Expansion Project. Based on the data contained in the CMP, the investments that are expected to be made over the next five years for capacity expansion will serve 8,500 EDUs.

Reimbursement Fee Methodology

The reimbursement fee represents a buy-in to the cost, or value, of wastewater capacity within the existing system. Generally, if a system were adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted:

- First, the cost of the system to the District's customers may be far less than the total plant-in-service. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less.

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- ✦ Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points.

- ✦ First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including collection lines, local facilities, and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing.
- ✦ Second, the cost basis is allocated between used and unused capacity, or capacity available to serve growth. In the absence of a detailed asset by asset analysis, it is appropriate to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to meter equivalents over the planning period. This approach reflects the philosophy, consistent with the Districts CMP, that facilities have been sized to meet the demands of the customer base within the established planning period.

Table 6 contains the data that was used to derive the recommended wastewater reimbursement fee SDC (expressed in \$/EDU). Please note, the recommended reimbursement fee for this analysis is zero. This is because the CCSD No. 1 system as currently configured is at effective full capacity. Regardless of the financial basis in the wastewater treatment infrastructure, there is no remaining capacity available for new customers to “buy into” at this time. Hence the need for the Interim Capacity Expansion Project.

Table 6 – CCSD No. 1 Wastewater Reimbursement Fee Methodology

Clackamas County Service District No. 1 Reimbursement Fee SDC Calculations			
Utility plant in service- original cost ¹			
Sewerage treatment plant	\$ 61,717,708		
Sewerage treatment line system	82,476,564		
Equipment	7,795,141		
Land	2,338,528		
Construction work in progress	8,862,365		
Subtotal utility plant in service original cost	163,190,306	\$ 163,190,306	
Less: accumulated depreciation ¹			
Sewerage treatment plant	(25,117,275)		
Sewerage treatment line system	(22,415,563)		
Equipment	(6,657,198)		
Subtotal accumulated depreciation	(54,190,036)	(54,190,036)	
Utility plant in service net of accumulated depreciation ¹			109,000,270
Less: grants and contributed capital: ²			
EPA Clean Water Act grants	(10,896,488)		
Contributed capital - Milwaukie	(1,581,052)		
Contributed capital - Johnson City	(67,548)		
Subtotal grants and contributed capital	(12,545,087)	(12,545,087)	
Less: principal outstanding on long term debt: ¹			
DEQ Clean Water State Revolving Loan - 4.11%	(1,472,188)		
Improvement bonds - 7.60%-10.05%	(320,424)		
Revenue bonds - 2.00%-6.50%	(9,790,000)		
Deferred amount on revenue bond refunding	545,496		
Subtotal principal outstanding on long term debt	(11,037,116)	(11,037,116)	
Utility plant in service net of accumulated depreciation, grants, contributed capital, and principal outstanding on long term debt			\$ 85,418,067
Projected existing capacity available to serve new customers (expressed in EDUs)			-
Calculated reimbursement fee per EDU			ZERO

Improvement Fee Methodology

The improvement fee represents a proportionate share of the cost to expand the system to accommodate growth. This charge is based on the capital improvement plan established by the District and specifically on costs allocable to growth. Statute requires that the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The key step in determining the improvement fee is identifying capital improvement projects that expand the system and the share of those projects attributable to growth. Some projects may be entirely attributable to growth, such as a collection line that exclusively serves a newly developing area. Other projects, however, are of mixed purpose, in that they may expand capacity, but they also improve service or correct a deficiency for existing customers. An

example might be a pump station that both expands collection capacity and corrects a chronic capacity issue for existing users. In this case, a rational allocation basis must be defined.

The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the wastewater system's capacity to accommodate growth or increase its level of performance have been included in the cost basis of the fee. As part of the Plan, District Staff and their engineering consultants were asked to review the planned capital improvement list in order to assess SDC eligibility. The criteria shown below were developed to guide the District's evaluation:

Water Environment Services STEPS TOWARD EVALUATING <u>CAPITAL IMPROVEMENT LISTS FOR SDC ELIGIBILITY</u>	
<u>ORS 223</u>	
1.	Capital improvements mean the facilities or assets used for wastewater collection, transmission, treatment, and disposal. This definition DOES NOT ALLOW costs for operation or routine maintenance of the improvements.
2.	The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related.
3.	An increase in system capacity is established if a capital improvement increases the "level of performance or service" provided by existing facilities or provides new facilities.
<u>Under the WES approach, the following rules will be followed</u>	
1.	REPAIR COSTS ARE NOT TO BE INCLUDED;
2.	REPLACEMENT COSTS WILL NOT BE INCLUDED UNLESS THE REPLACEMENT INCLUDES AN UPSIZING OF SYSTEM CAPACITY AND/OR THE LEVEL OF PERFORMANCE OF THE FACILITY IS INCREASED;
3.	NEW REGULATORY COMPLIANCE FACILITY REQUIREMENTS FALL UNDER THE LEVEL OF PERFORMANCE DEFINITION AND SHOULD BE PROPORTIONATELY INCLUDED;
4.	COSTS WILL NOT BE INCLUDED WHICH BRING DEFICIENT SYSTEM UP TO ESTABLISHED DESIGN LEVELS.

In developing the improvement fee, the project team in consultation with District staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedule developed by the District. The improvement fee is calculated as a function of the estimated number of projected additional Equivalent dwelling Units (EDUs) to be served by the facilities over the planning horizon. The following table lays out the CIP, and the allocation of the costs between existing customers and future customers (i.e., growth):

Table 7 – Project Cost Allocation Table

Project ID	Project Description	Actual or Uninflated Dollars			Percentage Allocations	
		YTD Acutals thru 2/21/08	Year-end Est. 07/08	Capital Cost (08/09-12/13)	SDC Eligible	Replacement
P111890	COLL-PS Bioxide	32,445	-	75,000	0.0%	100.00%
	HD-Disinfection system replacement	-	-	75,000	0.0%	100.00%
	KC-Sludge recirc pumps (2)	-	-	100,000	0.0%	100.00%
	COLL-SCADA/Radio for pump stations	-	-	125,000	0.0%	100.00%
P111884	CMP - 06 Liquids Expansion Phase I	868,777	3,758,374	65,841,626	42.0%	58.00%
	CMP-05 Transmission System Phase 2	-	-	30,675,000	42.0%	58.00%
P111877	CMP - 01 Kellogg Plant Impr Phase 1	-	964,247	5,296,453	0.0%	100.00%
	Vehicle Replacement Program	-	-	110,000	0.0%	100.00%
	088335 Ford F150 4x4	23,946	-	-	0.0%	100.00%
	088336 TV Truck Replacement	28,362	172,000	-	0.0%	100.00%
	COLL-Timberline PS upgrade (Hoodland)	-	-	250,000	0.0%	100.00%
	Hydrocleaner replacement 008391	-	-	275,000	0.0%	100.00%
	KC-Engine generator	-	-	-	0.0%	100.00%
	CMP-08 Liquids Expansion 2	-	-	4,300,000	64.0%	36.00%
	Boring Weir Removal	-	-	35,000	0.0%	100.00%
P111866	CMP-04 Transmission System Phase 1	129,772	768,228	4,888,000	42.0%	58.00%
	CMP - Transmission Pre-Design	215,790	426,210	-	0.0%	100.00%
	CMP- 03 Rock Creek Basin FM and PS	-	-	3,700,000	100.0%	0.00%
	Development Cost Sharing	-	-	600,000	0.0%	100.00%
	Rock Creek Phase 2c	-	5,000	450,000	100.0%	0.00%
	CMP- 09 Outfall	-	-	1,700,000	64.0%	36.00%
	Piazza SW Facility Retrofit	-	-	50,000	0.0%	100.00%
	Collection System R&R (Master Plan)	-	-	200,000	0.0%	100.00%
	Westhill Reimbursement	-	-	1,400,000	100.0%	0.00%
P121887	Hoodland Outfall & Timberline Force Main	113,205	-	50,000	0.0%	100.00%
	CMP- 02 Kellogg Plant Impr Phase 2	-	-	665,000	0.0%	100.00%
P111872	172nd Ave. Improvements	39,841	30,000	1,800,000	100.0%	0.00%
	KC-Compactor	-	-	75,000	0.0%	100.00%
P111860	Rock Creek Phase 2 A&B	1,308,036	500,000	-	100.0%	0.00%
P111713	Rock Creek Interceptor	706,037	15,000	-	100.0%	0.00%
P111806	CMMS	128,284	30,000	-	0.0%	100.00%
P111815	KC VFD	5,096	22,000	-	0.0%	100.00%
P111861	Sunnyside III B	9,156	600,000	80,000	0.0%	100.00%
P111864	Biosolids Consolidation Study	110,660	-	-	0.0%	100.00%
P111865	New Plant Prelim Design	275,196	-	-	36.0%	64.00%
P111871	Monroe Sewer	29,230	29,230	-	0.0%	100.00%
P111873	162nd AVE Sewer Ext	117,262	117,262	-	0.0%	100.00%
P111874	Air Dryer Replacement	11,290	-	-	0.0%	100.00%
P111876	KC Mixer Replacement	56,373	-	-	0.0%	100.00%
P111878	Main Lift Pump Reprogramming	15,200	-	-	0.0%	100.00%
P111891	Greene Berry	15,425	-	-	0.0%	100.00%
	CCSD#1 Totals	\$4,239,384	\$7,437,551	\$122,816,079	\$53,779,943	\$69,036,136

Once the future costs to serve growth have been segregated (i.e., the numerator), they can be divided into the total number of new EDUs that will use the capacity derived from those investments (i.e., the denominator). The following table shows the calculations that were used to arrive at the unit cost of service per future EDU:

Table 8 – SDC Improvement Fee Calculations

Clackamas County Service District No. 1 Improvement Fee SDC Calculations - Using the FY09 Budgeted Five Year CIP							
	2008	2009	2010	2011	2012	2013	Total
CIP inflation rate:			3.00%	3.00%	3.00%	3.00%	
Uninflated CIP from WES CIP Matrix expressed in FY08 dollars:							
Funded by existing customers (rates)	20,957,412	24,029,308	19,487,909	19,487,909	1,526,507	3,035,000	69,036,136
Funded by future customers (SDCs)	<u>14,453,394</u>	<u>15,832,661</u>	<u>14,370,728</u>	<u>14,370,728</u>	<u>1,183,160</u>	<u>7,940,000</u>	<u>53,779,943</u>
Total	35,410,806	39,861,969	33,858,637	33,858,637	2,709,667	10,975,000	122,816,079
Inflated CIP:							
Funded by existing customers (rates)	20,957,412	24,750,187	20,674,723	20,674,723	1,668,055	3,415,919	71,466,297
Funded by future customers (SDCs)	<u>14,453,394</u>	<u>16,307,641</u>	<u>15,245,905</u>	<u>15,245,905</u>	<u>1,292,871</u>	<u>8,936,540</u>	<u>56,236,351</u>
Total	35,410,806	41,057,828	35,920,628	35,920,628	2,960,926	12,352,459	127,702,648
SDC Calculations:							
Capital investments to serve growth							\$ 56,236,351
Forecast of growth EDUs served							8,500
Unit improvement SDC							<u>\$ 6,616</u>
Phase-in of SDC							
Three Years	2,200	3,672	5,144	6,616			

Wastewater SDC Conclusions and Recommendations

- ✦ The District currently charges a wastewater SDC of \$2,200 for a new single family residence to connect to the wastewater system. The results of this study indicate that the District would be justified in increasing this charge to \$6,616. The District should consider a phasing in of this increase over a three year time frame; consistent with the proposed construction schedule for the Interim Capacity Expansion Project.
- ✦ The Consultant team has reviewed the District’s current methodology for calculating its wastewater SDC and found that it complies with statutory construction requirements for the reimbursement and improvement fees. There is no need to modify this current methodology.
- ✦ Some of the most significant revisions to ORS 223 since its inception in 1991 have dealt with record keeping and notification requirements. Under ORS 223.311 the District must prepare by, January 1 of each year, an accounting of SDC receipts and expenditures. This accounting should be reported to the Board of County Commissioners on an annual basis and made available for public inspection.



Analysis Section B – CCSD No. 1 Surface Water Management

Surface Water Management Revenue Requirements and Rates

Prior to 1993, WES worked cooperatively with other governmental agencies (i.e., the County's Department of Transportation and Development (DTD), Oregon Department of Transportation (ODOT), etc.) to provide flood control and rudimentary surface water quality management services. Acting under authority granted by the Federal Clean Water Act, the Environmental Protection Agency (EPA) and the Oregon Department of Environmental Quality (DEQ) required the County to develop and implement a program to address water quality issues in the urban areas of the County. Recognizing the County lacked a governance structure to address water quality problems, in 1993 WES received authority from the Portland Metropolitan Area Local Government Boundary Commission to expand the responsibilities of CCSD No. 1 to address both surface water quantity and quality concerns. Since 1993, the surface water management activities in CCSD No. 1 have been budgeted and accounted for on an enterprise basis.

The operating fund is the financial engine of the SWM enterprise. The principal operating revenues of the service area are provided from user fees and charges to residences and businesses within the CCSD No. 1 boundaries. The base fee of \$4.00 per month per single family dwelling, first initiated in 1993, was increased to \$6.00 per month by the Board of Commissioners in 2001. There have been no further increases since then and no increase is proposed under the district's current fiscal 2008-09 budget. Business and institutional customers are charged based on their measured impervious area (i.e., as a function of multiples of the impervious area typical for a single family home).

Expenditures out of the operating fund are categorized under the general headings of materials and services, capital outlay, and transfers. The district also budgets for contingencies and unappropriated ending fund balances on an annual basis. For the current fiscal 2008-09 budget year, expenses are planned to be incurred on a programmatic basis. Program elements provided by these proposed expenditures include:

- Development of a Watershed Action Plans
- Continued acquisition of water quality data for the Willamette Basin
- Management of programs for source control
- Public information and awareness activities
- Operation and maintenance of structural assets
- Coordination among other Basin jurisdictions
- Normal day-to-day administrative functions

Itemized in Table 9 is a line item summary of the historical and projected revenue requirements for SWM operations in CCSD No. 1.

Table 9 - Forecast of CCSD No. 1 SWM Revenue Requirements

North Clackamas Surface Water Management Area Projection of SWM Operating Fund Revenue Requirements							
Line Item Description	Actual 2007	Estimated 2008	Budget 2009	Forecast			
				2010	2011	2012	2013
Projection of Cash Flow:							
Gross Revenues:							
Sales and Services:	3,377,878	3,440,844	3,492,457	3,585,177	3,677,897	3,780,920	3,883,942
Fees:	217,896	-	-	-	-	-	-
Intergovernmental Revenue:	-	-	-	-	-	-	-
Bond Sale Proceeds:	-	-	-	-	-	-	-
SDCs in Support of Debt Service	-	-	-	-	-	-	-
Interest Income	159,032	59,845	61,418	59,864	72,689	85,070	96,999
Miscellaneous Revenues	239,792	210,700	200,000	206,000	212,180	218,545	225,102
Gross Operating Revenues and SDC's in support of Debt Service	3,994,598	3,711,389	3,753,875	3,851,041	3,962,766	4,084,535	4,206,042
less: Operations & Maintenance Expense	2,473,297	2,270,130	3,609,871	3,138,632	3,264,178	3,394,745	3,530,534
less: Transfers OUT (General Fund and Equipment Fund)	-	-	-	-	-	-	-
less: Cash Financing of Capital Improvements	-	-	-	-	-	-	-
less: Existing Debt Service	376,583	377,370	378,470	378,470	378,470	378,470	378,470
less: New Debt Service	-	-	-	-	-	-	-
less: Reserve for Contingency	-	-	-	-	-	-	-
less: Use of Operating Fund Balance	-	-	(248,893)	-	-	-	-
Net Cash	1,144,718	1,063,889	14,427	333,939	320,119	311,320	297,038
Net Deficiency/(Surplus)	(1,144,718)	(1,063,889)	(14,427)	(333,939)	(320,119)	(311,320)	(297,038)
Test of Coverage Requirement:							
Operating Expenses	2,473,297	2,270,130	3,609,871	3,138,632	3,264,178	3,394,745	3,530,534
Debt Service on Series 1994 Sewer Revenue & 2000B Sewer Refunding Bonds:							
Interest	98,333	85,120	54,020	54,020	54,020	54,020	54,020
Principal	278,250	292,250	324,450	324,450	324,450	324,450	324,450
Total NCSWA Share of Debt Service on Revenue Bonds	376,583	377,370	378,470	378,470	378,470	378,470	378,470
Debt Service on New Serial Revenue Bonds	-	-	-	-	-	-	-
Additional Coverage Required: 20%	75,317	75,474	75,694	75,694	75,694	75,694	75,694
Total Revenue Required with Coverage	2,925,196	2,722,974	4,064,035	3,592,796	3,718,342	3,848,909	3,984,698
Gross Revenues Allowable for Coverage Test:							
Gross Operating Revenues	3,994,598	3,711,389	3,753,875	3,851,041	3,962,766	4,084,535	4,206,042
Use of Operating Fund Balance	-	-	248,893	-	-	-	-
System Development Charges	193,877	175,808	184,500	190,035	217,485	224,009	230,729
Gross Revenues Allowable for Coverage Test	4,188,475	3,887,197	4,187,268	4,041,076	4,180,251	4,308,544	4,436,772
Coverage Recognized	4.55	4.29	1.53	2.38	2.42	2.41	2.39
Coverage Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Net Deficiency/(Surplus)	(1,263,279)	(1,164,223)	(123,233)	(448,280)	(461,909)	(459,635)	(452,073)
Projection of Revenue Sufficiency:							
Maximum Deficiency			-	-	-	-	-
Percent Increase Required Over Current Rate Revenues			0.00%	0.00%	0.00%	0.00%	0.00%
Revenue Recovered From Existing Rates and Charges			3,492,457	3,585,177	3,677,897	3,780,920	3,883,942
add: Revenue From Growth in the Customer Base			92,720	92,720	103,022	103,022	103,022
add: Revenues Recovered From Rate Increase			-	-	-	-	-
Total Revenues Recovered From Rates & Charges after Increase			3,585,177	3,677,897	3,780,920	3,883,942	3,986,964

SDC Methodology

The District manages a separate CCSD No. 1 SWM System Development Charge (SDC) fund in compliance with ORS 223. In 1998, the district instituted a SWM SDC of \$205 per equivalent single family residential home; referred to as an Equivalent Service Unit (ESU). This fee has not been adjusted since that time, and is not scheduled to be increased in the current fiscal 2008-09 budget year. Generally, at the time of land use permitting, this fee is paid by developers to reimburse the district for the SWM capacity that has been (or will be) built to accommodate the developer's estimated stormwater runoff contribution to the system. The resources that are available in this fund are used to pay for scheduled capital improvements that expand the capacity or level of service of the SWM infrastructure. Under statute, these resources can also be used to support the payment of debt service. The district sold revenue bonds in 1994 (and then advance refunded them in 2002) to help fund its capital improvement program requirements. To date, the district has not transferred cash from the SDC fund to support debt service, but cash from this source could be used in the future to meet/support debt service obligations.

Existing and Future Wastewater Demand

For consistency of analysis, it has been assumed the existing SWM service demands match those of the wastewater service demands. As discussed in the wastewater section for CCSD No. 1, this data was derived from consultations with District engineering and finance staff. Based on this data, it is estimated that as of fiscal 2007-08, the District served a total of 34,800 retail ESUs. The District does not deliver SWM services within the jurisdictional boundaries of the wholesale wastewater customers of Milwaukie and Johnson City.

After establishing existing demand conditions, the next step was to forecast future demand based on the criteria established in the wastewater analysis. Based on the data from that analysis, the proposed SWM investments that are expected to be made over the next five years for capacity expansion will serve 8,500 ESUs.

Reimbursement Fee Methodology

As a matter of policy, CCSD No. 1 has established the value of existing capacity in the District as a function of the "book value" of utility plant in service. Book value is defined as the original cost of the facility less accumulated depreciation. Facilities that have either been contributed by developers, property owners (property tax based contributions) or funded through federal/state grants are defined as contributed capital and would be removed from this reimbursement cost base. Those surface water management facilities that have been built and placed in service within the boundaries of the District have been evaluated in terms of any additional capacity provided to the system. This analysis concluded that existing storm water facilities have been constructed to correct existing deficiencies or accommodate current connections to the system. Accordingly, there is no additional/available capacity provided through these facilities and, therefore, no basis for applying a reimbursement fee to new development.

Improvement Fee Methodology

The basis for the costs included under the improvement portion of the SDC entailed a detailed analysis of individual projects necessary to expand surface water storage/conveyance capacity or increase the level of performance of these facilities. The resulting projects were then reviewed in terms of a two step engineering and cost analysis. The first step assessed the existing condition of the surface water management system facility. Where this assessment determined that the existing system was deficient - either in terms of design or current operating condition - to accommodate existing customers and flows, the corresponding costs necessary to correct existing deficiencies or under-sizing were deleted from the cost base. The analysis then isolated those costs necessary to expand/improve the system in order to accommodate anticipated future customers. The improvement costs necessary to store, treat, and/or convey future flows became the sole basis for the improvement portion of the SDC. The resulting capital improvement list and the allocation of cost is detailed in Table 10.

Table 10 – SWM Project Cost Allocation Table

Project ID	Project Description	Actual or Uninflated Dollars			Percentage Allocations	
		YTD Actuals thru 2/21/08	Year-end Est. 07/08	Capital Cost (08/09-12/13)	SDC Eligible	Replacement
	Existing Detention Pond Retrofits	-	-	325,000	0%	100%
	Auto WQ Sampler Replacement	-	-	60,000	0%	100%
	UIC Replacement with WQ Fac.	-	-	350,000	0%	100%
	Vactor Replacement	-	-	300,000	0%	100%
	Rock Cr Regional Detention Facilities	-	-	1,500,000	100%	0%
P151753	Major Storm Sewer Outfall	294,965	-	-	0%	100%
P151780	KB Recycling	25,971	-	-	0%	100%
P151788	Sub Regional Wetland Facility (Pacific Habitat)	3,303	-	4,690	0%	100%
P151848	Piazza SW Facility	84,144	-	-	0%	100%
P151875	Monterey Storm Improvements	14,087	14,088	-	0%	100%
	Watershed Action Plan CIP Recomm.	-	-	1,375,000	0%	100%
X	COLL- Decant facility upgrade	-	-	3,125,000	100%	0%
	CCSD#1 SWM Totals	\$422,470	\$14,088	\$7,039,690	\$4,625,000	\$2,414,690

The engineering analysis estimates that these additional facilities will provide enough capacity to accommodate 8,500 new ESU's through the planning period. The project schedule contained in the adopted CIP is then adjusted for inflation to reflect the total CIP cost recoverable through the improvement SDC. This figure is then divided by the overall growth in ESU's to arrive at a fee of \$580 per ESU. The improvement portion of the fee is required due to the District's need to plan for and provide surface water storage, treatment and conveyance system capacity necessary to accommodate growth. These calculations that derived the \$580 figure are shown in Table 11.

Table 11 – SWM SDC Improvement Fee Calculations

Clackasam County Service District No. 1 Improvement Fee SDC Calculations - Using the FY09 Budgeted Five Year CIP							
	2008	2009	2010	2011	2012	2013	Total
CIP inflation rate:			3.00%	3.00%	3.00%	3.00%	
Uninflated CIP from WES CIP Matrix expressed in FY08 dollars:							
Funded by existing customers (rates)	54,690	250,000	450,000	625,000	1,035,000		2,414,690
Funded by future customers (SDCs)	<u>62,500</u>	<u>1,062,500</u>	<u>1,675,000</u>	<u>1,675,000</u>	<u>150,000</u>		<u>4,625,000</u>
Total	117,190	1,312,500	2,125,000	2,300,000	1,185,000		7,039,690
Inflated CIP:							
Funded by existing customers (rates)	54,690	257,500	477,405	682,954	1,164,902		2,637,451
Funded by future customers (SDCs)	<u>62,500</u>	<u>1,094,375</u>	<u>1,777,008</u>	<u>1,830,318</u>	<u>168,826</u>		<u>4,933,027</u>
Total	117,190	1,351,875	2,254,413	2,513,272	1,333,728		7,570,478
SDC Calculations:							
Capital investments to serve growth							\$ 4,933,027
Forecast of growth EDUs served							8,500
Unit improvement SDC							<u>\$ 580</u>

As the above reference analysis indicates, the Board of Commissioners could charge a SWM SDC of \$580; but, the timing of capital expenditures (particularly for the regional SWM decant facility) is in flux. District staff should continue to analyze the timing and implementation of capital expenditures on regional SWM projects and report status to the Board of Commissioners on a regular basis. The current \$205 per ESU SWM SDC should remain in force until better information becomes available.



Analysis Section C – Tri-City Service District Wastewater

Wastewater Revenue Requirements and Rates

The same revenue requirements analysis that was employed in CCSD No. 1 was used for TCSD. Simply stated, the revenue requirements analysis determines the amount of revenue needed from rates. Modeling indicates the District will have sufficient cash on hand to meet its modest capital investment plans over the five year forecast horizon, and meet its operating obligations. No rate increase is recommended for the budget year FY 2008-09. Prudent use of cash on hand in combination with projected growth in the TCSD customer base are expected to be sufficient to fund sanitary system revenue requirements. Modeling indicates the District will require rate adjustments in the future to mitigate the effects of inflation in FY 2009-10, and 2011-12. However, in FY 2011-12, rates are expected to increase in excess of price level adjustments as diversion contract revenues from CCSD No. 1 cease.

The fluidity and interconnectivity of the Interim Capacity Expansion Project will require District staff to be diligent in the monitoring of future capital requirements over the next five years. It is recommended that District staff report regularly to the Board of Commissioners on the progress of the capacity expansion at the Tri-City wastewater treatment plant, and the implications this expansion will have on future plans for investment and operations at this facility.

The results of the revenue requirements analysis for TCSD are shown in Table 12.

Table 12 - Forecast of TCSD Wastewater Revenue Requirements

Clackamas County Service District No. 1 Projection of Wastewater Fund Revenue Requirements FY2008-09 Rates Base Case									
Line Item Description	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Projection of Cash Flow:									
Sales and Services:									
Service Charges Before Rate Increase									
Oregon City	1,507,537	1,800,573	1,778,743	1,994,806	2,014,754	2,014,754	2,076,801	2,143,374	2,452,787
West Linn	1,156,920	1,369,395	1,223,382	1,425,960	1,440,220	1,440,220	1,484,573	1,532,162	1,753,342
Gladstone	413,811	464,868	527,320	584,644	584,644	584,644	602,649	621,967	711,753
Miscellaneous	139,079	181,447	143,091	139,155	141,242	141,242	145,592	150,259	171,950
Pump station maintenance	7,380	11,770	7,093	6,000	6,000	6,180	6,365	6,556	6,753
Septage disposal & misc. revenue	65,306	54,046	55,810	51,880	53,177	54,772	56,415	58,108	59,851
Transfer from other funds	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	451,950	459,455	517,773	518,000	544,000	560,320	577,130	-	-
Interest Income	9,636	25,533	94,416	38,020	38,127	39,070	29,435	26,113	26,113
Total Revenues	3,751,619	4,367,087	4,347,628	4,758,465	4,822,164	4,841,202	4,978,961	4,538,539	5,182,550
less: Operations & maintenance expense	3,429,807	3,935,536	3,908,194	4,081,394	4,769,233	4,912,310	5,059,679	5,123,410	5,277,112
less: Debt service	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
less: Use of Fund Balance	-	-	-	-	(69)	-	-	-	-
Net Cash	262,912	373,109	381,179	624,071	-	(128,755)	(138,147)	(642,071)	(151,525)
Net Deficiency/(Surplus)	(262,912)	(373,109)	(381,179)	(624,071)	-	128,755	138,147	642,071	151,525
Test of Coverage Requirement:									
Operating Revenues:									
Sales and Services:									
System Development Charges	739,833	700,566	901,417	588,702	836,280	879,353	918,414	959,210	1,001,818
Total Operating Revenues	4,491,452	5,067,653	5,249,045	5,347,167	5,658,444	5,720,556	5,897,375	5,497,749	6,184,368
Operating Expenses:									
Operations & Maintenance Expense	3,429,807	3,935,536	3,908,194	4,081,394	4,769,233	4,912,310	5,059,679	5,123,410	5,277,112
Other Expense	-	-	-	-	-	-	-	-	-
Total Operating Expenses	3,429,807	3,935,536	3,908,194	4,081,394	4,769,233	4,912,310	5,059,679	5,123,410	5,277,112
Net Operating Income	1,061,645	1,132,117	1,340,851	1,265,773	889,211	808,246	837,695	374,339	907,256
Debt Service:									
Senior Lien Parity Obligations:									
Existing revenue bonds	-	-	-	-	-	-	-	-	-
New revenue bonds	-	-	-	-	-	-	-	-	-
Special assessment fund	-	-	-	-	-	-	-	-	-
State SRF loan	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
Total Senior Lien Parity Obligations	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
Senior Lien Parity Obligations Coverage Recognized	18.02	19.37	23.02	23.88	16.78	14.02	14.59	6.54	15.93
Senior Lien Parity Obligations Coverage Required	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Senior Lien Coverage Deficiency	-	-	-	-	-	-	-	-	-
Net Deficiency/(Surplus)	-	-	-	-	-	-	-	-	-
Projection of Revenue Sufficiency:									
Maximum Deficiency				-	-	128,755	138,147	642,071	151,525
Percent Increase Required Over Current Rate Revenues				0.00%	0.00%	3.08%	3.21%	14.44%	2.98%
Wastewater rates reconciliation:									
Revenues recognized from current rates:									
Oregon City				1,994,806	2,014,754	2,014,754	2,076,801	2,143,374	2,452,787
West Linn				1,425,960	1,440,220	1,440,220	1,484,573	1,532,162	1,753,342
Gladstone				584,644	584,644	584,644	602,649	621,967	711,753
Miscellaneous				139,155	141,242	141,242	145,592	150,259	171,950
Subtotal revenues recognized from current rates				4,144,565	4,180,860	4,180,860	4,309,615	4,447,761	5,089,832
Add revenues from rate increase:									
Oregon City				-	-	62,047	66,573	309,414	73,020
West Linn				-	-	44,353	47,589	221,180	52,197
Gladstone				-	-	18,005	19,318	89,786	21,189
Miscellaneous				-	-	4,350	4,667	21,691	5,119
Subtotal revenues from rate increase				-	-	128,755	138,147	642,071	151,525
Total revenues recognized from rate increase				-	-	128,755	138,147	642,071	151,525
Total revenues recognized from rate increase									
Oregon City				1,994,806	2,014,754	2,076,801	2,143,374	2,452,787	2,525,807
West Linn				1,425,960	1,440,220	1,484,573	1,532,162	1,753,342	1,805,540
Gladstone				584,644	584,644	602,649	621,967	711,753	732,942
Miscellaneous				139,155	141,242	145,592	150,259	171,950	177,069
Total revenues recognized from rate increase				4,144,565	4,180,860	4,309,615	4,447,761	5,089,832	5,241,358
Effective billable retail EDUs - Tri-City Service District				29,772	30,189	30,612	31,040	31,475	31,915
Calculated monthly service charge per retail EDU				\$ 11.60	\$ 11.55	\$ 11.75	\$ 11.95	\$ 13.50	\$ 13.70
Actual monthly service charge per retail EDU				\$ 11.65					

Wastewater SDC Methodology Update

In 1997, WES updated the Tri-City Service District's system development charge calculation (SDC) for wastewater services. This was done in conjunction with the facilities planning underway for the Tri-City Treatment Plant and collection system. The Board of County Commissioners adopted a "Capital Improvement Plan for the Tri-City Service District" as part of the FY '98 budget review process. That CIP and the update of the previous projects list for on-going facility construction were the basis for preparation of that SDC calculation. Staff's analysis of the funding sources for existing facilities and its assessment of available wastewater capacity at that time established that a reimbursement fee of \$219 per EDU was required. They also concluded that an improvement fee of \$1,801 per EDU was required; bringing the total SDC per EDU to its current level of \$2,020.

SDC Methodology

Existing and Future Wastewater Demand

Existing wastewater service demand was derived from consultations with District engineering and finance staff. Based on this data, it is estimated that as of fiscal 2007-08, the District served a total of 29,772 retail EDUs.

After establishing existing demand conditions, the next step was to forecast future demand based on the criteria established by the District's Capacity Management Program (CMP) for the Tri-City Plant and trunk collection system. Based on the data contained in the CMP, the investments that are expected to be made over the next five years for capacity expansion will serve 2,500 EDUs.

Reimbursement Fee Methodology

The methodology contained in the 1997 SDC Report, establishes the value of existing capacity in the Tri-City Plant and facilities as a function of the "book value" of these assets. These facilities and their calculated book value are contained in the following asset schedule shown in Table 13.

Table 13 – TCSD Wastewater Reimbursement Fee Methodology

Tri-City Service District Reimbursement Fee SDC Calculations		
Utility plant in service- original cost ¹		
Collection plant	\$ 19,292,300	
Pumping plant	4,286,232	
Treatment plant	48,103,333	
General plant	6,105,847	
Land and easements	2,379,564	
Construction work in progress	<u>3,787,577</u>	
Subtotal utility plant in service original cost	83,954,853	\$ 83,954,853
Less: accumulated depreciation ¹		
Collection plant	(6,396,680)	
Pumping plant	(2,696,294)	
Treatment plant	(24,254,965)	
General plant	<u>(3,154,642)</u>	
Subtotal accumulated depreciation	(36,502,581)	<u>(36,502,581)</u>
Utility plant in service net of accumulated depreciation ¹		47,452,272
Less: grants and contributed capital: ²		
EPA Clean Water Act grants		(36,936,813)
Less: principal outstanding on long term debt: ¹		
DEQ Clean Water State Revolving Loan - 3.98%		<u>(420,561)</u>
Utility plant in service net of accumulated depreciation, grants, contributed capital, and principal outstanding on long term debt		\$ 10,094,898
Value of existing net plant in service available to serve new growth	7.75%	\$ 782,015
Projected existing capacity available to serve new customers (expressed in EDUs)		32,272
Calculated reimbursement fee per EDU		\$ 24

¹ Source: Tri-City Service District Comprehensive Annual Financial Report for the year ended June 30, 2007

² Source: Tri-City Service District Service District No. 1 records

Facilities that have either been contributed by developers, property owners (property tax based contributions) or funded through federal/state grants are defined as contributed capital and have been removed from this reimbursement cost base. Because these reimbursement facilities have been paid for by existing ratepayers, it is consistent that their value also be a function of existing customers' relative contribution to these facilities. None of these projects are currently being financed through revenue bonds, however, the State Revolving Fund Loan is paying for the alternative disinfection and the Tri-City Master Plan (Phase 2) projects. The outstanding debt principal has been deleted from this reimbursement cost base. Therefore, the pricing of this remaining capacity in the Tri-City facilities is a function of the "book value" of these facilities divided by the projected demand on the system as measured in projected wastewater flow to the Tri-City Plant. This per EDU calculation for existing and available capacity then becomes the basis for valuing this capacity available to new customer connections. In terms of "future system users contributing no more than an equitable share to the cost of existing facilities," the book value used in this analysis is a reasonable approach toward applying current asset value as the basis for pricing increments of available capacity at the Tri-City Plant.

The Department of Utilities, through its ORS 451 District structure, owns and maintains the Tri-City Wastewater Treatment Plant along with the wastewater collection system located outside the incorporated areas of Gladstone, Oregon City and West Linn. The District has 29,772 EDU's connected to the system. During certain wet weather conditions this number of connections places demands that approach effective permitted treatment capacity at the Tri-City wastewater treatment plant. However, during dry weather conditions, infiltration and inflow decreases thereby reducing hydraulic loads on the plant. The District and the cities are in the process of implementing an improvement program to mitigate infiltration and inflow within the system. Although certain wet weather conditions cause upset conditions at the treatment plant, engineering analysis indicates that there is capacity at the plant to support additional connections to the system. The amount of available capacity is 29,772 EDU's. Based on this analysis, an estimated 7.75% of the existing Tri-City facilities' capacity is available to accommodate growth within the District. This percentage of available capacity is then applied to the book value of these assets to determine the cost base for the reimbursement fee.

Improvement Fee Methodology

As in the case for CCSD No. 1, the basis for the costs included under the improvement portion of the SDC is the result of a detailed analysis of individual projects necessary to expand wastewater treatment or increase the level of performance of these treatment/conveyance facilities. The resulting projects were then reviewed in terms of a two step engineering and cost analysis. The first step assessed the existing condition of the wastewater system facility. Where this assessment determined the existing system was deficient - either in terms of design or current operating condition - to accommodate existing customers and flows, the corresponding costs were deleted from the cost base. The analysis then isolated those costs necessary to expand/improve the wastewater treatment system in order to accommodate anticipated future customers. The improvement costs necessary to convey and treat future flows became the sole basis for the improvement portion of the SDC. The resulting capital improvement list and the allocation of cost is detailed in Table 14.

Table 14 – TCSD Wastewater Project Cost Allocation Table

Project ID	Project Description	Actual or Uninflated Dollars			Percentage Allocations	
		YTD Acutals thru 2/21/08	Year-end Est. 07/08	Capital Cost (08/09-12/13)	SDC Eligible	Replacement
	COLL-PS Bioxide	-	-	75,000	0%	100%
	TC-Sludge recirc pumps (2)	-	-	100,000	0%	100%
	COLL-SCADA/Radio for pump stations	-	-	125,000	0%	100%
	CMP - 06 Liquids Expansion Phase I	-	200,000	9,800,000	47%	53%
	TC-Sec. Clarifier drive replacement	-	-	50,000	0%	100%
	TC-VFD RAS and WAS upgrade	-	-	250,000	0%	100%
	COLL-Willamette PS Upgrades	-	-	400,000	0%	100%
P201889	TC-Centrifuge spare parts	47,114	-	300,000	0%	100%
	COLL-Tri-City outfall	-	-	500,000	0%	100%
	TC-Boiler replacement	-	-	100,000	0%	100%
	TC-Biosolids Equip. Replacement Digester	-	-	362,000	0%	100%
		-	-	300,000	100%	0%
P201789	Seismic Improvement Project	86,954	1,000	-	0%	100%
P201798	Burnside Park Bridge	153,937	12,000	-	0%	100%
P201859	Bolton/River PS Trolley Hoist	12,033	58,000	-	0%	100%
P201862	Inter. Cap. Prelim. Design	303,669	40,331	-	100%	0%
P201874	TC Air Dryer Facility	13,261	-	-	0%	100%
P201880	Conveyor Belt Replacement	23,463	-	-	0%	100%
P201881	Centrifuge Back Drive Replacement	6,958	-	-	0%	100%
P201886	Centrifuge Repair	38,523	84,000	-	0%	100%
P201888	West Linn Flow Control Structure	2,726	50,000	-	0%	100%
P201816	VFD Replacemnt	5,583	52,000	-	0%	100%
	TCSD Totals	\$694,221	\$497,331	\$12,362,000	\$4,906,000	\$7,456,000

The total capital cost for new investment in the wastewater treatment system is \$12,362,000 expressed in current dollars. Again, those are projects or portions of projects determined to be necessary in order to accommodate growth in the Tri-City Service District. The engineering analysis estimates that enough additional capacity to accommodate 2,500 new EDU's will be required through the five year planning period. The project schedule contained in the adopted CIP is then adjusted for inflation to reflect the total CIP cost recoverable through the improvement SDC. This figure is then divided by the overall growth in EDU's to establish a fee per EDU. The calculations that arrive at the improvement fee are shown in Table 15.

Table 15 – TCSD Wastewater SDC Improvement Fee Calculations

Tri-City Service District Improvement Fee SDC Calculations - Using the FY09 Budgeted Five Year CIP							
	2008	2009	2010	2011	2012	2013	Total
CIP inflation rate:			3.00%	3.00%	3.00%	3.00%	
Uninflated CIP from WES CIP Matrix expressed in FY08 dollars:							
Funded by existing customers (rates)	3,441,000	1,893,000	1,730,000		15,000	377,000	7,456,000
Funded by future customers (SDCs)	1,974,000	1,222,000	1,410,000		-	300,000	4,906,000
Total	5,415,000	3,115,000	3,140,000		15,000	677,000	12,362,000
Inflated CIP:							
Funded by existing customers (rates)	3,441,000	1,949,790	1,835,357		16,391	424,317	7,666,855
Funded by future customers (SDCs)	1,974,000	1,258,660	1,495,869		-	337,653	5,066,182
Total	5,415,000	3,208,450	3,331,226		16,391	761,969	12,733,036
SDC Calculations:							
Capital investments to serve growth							\$ 5,066,182
Forecast of growth EDUs served							2,500
Unit improvement SDC							\$ <u>2,026</u>

As the analysis shows, the proposed five year CIP indicates the District could charge an improvement fee of \$2,026 vs the current total SDC of \$2,020 per EDU. This difference is di minimis and therefore, the project team is not recommending any changes to the current sanitary SDC for the TCSD. In general, the five year CIP for TCSD is modest. As the Interim Capacity Expansion Project unfolds, it is likely the future TCSD CIP will change materially. For this forecast horizon though, modeling indicates the District can fund its capital requirements with a combination of cash on hand, rate revenues, and SDC cash flows.



Analysis Section D – Surface Water Management Agency of Clackamas County

For the purpose of this study, SWMACC was not modeled with the intensity afforded the other service districts within the WES portfolio. SWMACC is in essence a regulatory construct designed to deliver monitoring and analysis services. Very little conventional utility enterprise activities are envisioned for SWMACC. No rate increase is recommended for SWMACC over the forecast horizon. The combination of cash on hand and revenue generated from the \$4.00 per ESU per month rate are projected to be sufficient to fund operating expenses, contingencies and unappropriated ending fund balances.

As in prior years, the operating expenses of the District are focused on regulatory compliance, water quality testing, small maintenance and capital projects, minor mitigation, and inter-basin coordination. The District currently does not impose a SWM SDC. The project team is not recommending the implementation of a SWM SDC at this time.



Technical Appendix A – CCSD No. 1 Wastewater System Rate Model Output

Macroeconomic Assumptions

Clackamas County Service District No. 1 Summary of Wastewater System Macroeconomic Assumptions							
	Estimated 2007	Estimated 2008	Budget 2009	Forecast			
				2010	2011	2012	2013
General Inflation Forecast:			3.00%	3.00%	3.00%	3.00%	3.00%
Operating Cost Inflation Factors:							
General off supplies			3.00%	3.00%	3.00%	3.00%	3.00%
Chemicals, uniforms, other supplies			3.00%	3.00%	3.00%	3.00%	3.00%
Repairs and maintenance supplies			3.00%	3.00%	3.00%	3.00%	3.00%
Small tools and equipment			3.00%	3.00%	3.00%	3.00%	3.00%
Purchased sewage treatment			3.00%	3.00%	3.00%	3.00%	3.00%
Sludge removal expense			3.00%	3.00%	3.00%	3.00%	3.00%
Permit fees			3.00%	3.00%	3.00%	3.00%	3.00%
Professional and Technical Services:							
Accounting and auditing			3.00%	3.00%	3.00%	3.00%	3.00%
Management consultant			3.00%	3.00%	3.00%	3.00%	3.00%
Architectural			3.00%	3.00%	3.00%	3.00%	3.00%
Engineering			3.00%	3.00%	3.00%	3.00%	3.00%
Environmental			3.00%	3.00%	3.00%	3.00%	3.00%
Legal			3.00%	3.00%	3.00%	3.00%	3.00%
Medical			3.00%	3.00%	3.00%	3.00%	3.00%
Financial services			3.00%	3.00%	3.00%	3.00%	3.00%
Miscellaneous professional services			3.00%	3.00%	3.00%	3.00%	3.00%
Information services (data processing)			3.00%	3.00%	3.00%	3.00%	3.00%
Laboratory services			3.00%	3.00%	3.00%	3.00%	3.00%
Buildings and grounds			3.00%	3.00%	3.00%	3.00%	3.00%
WES labor			3.00%	5.00%	5.00%	5.00%	5.00%
DTD & other county services			3.00%	3.00%	3.00%	3.00%	3.00%
Communications			3.00%	3.00%	3.00%	3.00%	3.00%
Travel			3.00%	3.00%	3.00%	3.00%	3.00%
Printing and binding			3.00%	3.00%	3.00%	3.00%	3.00%
Insurance expense			3.00%	3.00%	3.00%	3.00%	3.00%
Utilities			3.00%	3.00%	3.00%	3.00%	3.00%
Repairs and maintenance			3.00%	3.00%	3.00%	3.00%	3.00%
Facilities and equipment rental			3.00%	3.00%	3.00%	3.00%	3.00%
Miscellaneous charges			3.00%	3.00%	3.00%	3.00%	3.00%
Interagency coordination			3.00%	3.00%	3.00%	3.00%	3.00%
Allocated costs			3.00%	3.00%	3.00%	3.00%	3.00%
Contra accounts			3.00%	3.00%	3.00%	3.00%	3.00%
Capital Outlay							
Capital construction			3.00%	3.00%	3.00%	3.00%	3.00%
Equipment			3.00%	3.00%	3.00%	3.00%	3.00%
Transfers OUT Inflation Factors:							
Construction fund			3.00%	3.00%	3.00%	3.00%	3.00%
Debt service funds			3.00%	3.00%	3.00%	3.00%	3.00%
Revenue bonds			3.00%	3.00%	3.00%	3.00%	3.00%
Special assessment fund			3.00%	3.00%	3.00%	3.00%	3.00%
State SRF loan			3.00%	3.00%	3.00%	3.00%	3.00%
Interest Earnings Rate			4.00%	4.00%	4.00%	4.00%	4.00%
Forecasted growth rate in EDUs (per TM-1)		1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
Milwaukie growth rate at infill			1.25%	1.25%	1.25%	1.25%	1.25%
Johnson City growth rate at infill			1.00%	1.00%	1.00%	1.00%	1.00%
Equivalent Dwelling Units (EDUs)							
Wholesale Customers:							
Milwaukie	9,815	10,001	10,127	10,253	10,381	10,511	10,642
Johnson City	277	282	288	288	288	288	288
Total wholesale customers	10,092	10,284	10,414	10,541	10,669	10,799	10,930
Retail Customers:							
Total retail customers	33,100	33,900	34,800	35,700	36,700	37,700	38,700
Total treatment EDUs	43,192	44,184	45,214	46,241	47,369	48,499	49,630
Forecasted SDC:							
Reimbursement							
Improvement	2,200	2,200	3,700	5,144	6,616	6,815	7,019
Forecasted Unit SDCs	\$ 2,200	\$ 2,200	\$ 3,700	\$ 5,144	\$ 6,616	\$ 6,815	\$ 7,019
Reserve Policy:	Working Capital (contingency in the operating fund) - 60 days of sanitary sewer operating expenses.						

Wastewater SDC Calculations

Clackamas County Service District No. 1 Improvement Fee SDC Calculations - Using the FY09 Budgeted Five Year CIP							
	2008	2009	2010	2011	2012	2013	Total
CIP inflation rate:			3.00%	3.00%	3.00%	3.00%	
Uninflated CIP from WES CIP Matrix expressed in FY08 dollars:							
Funded by existing customers (rates)	20,957,412	24,029,308	19,487,909	1,526,507	3,035,507	3,035,000	69,036,136
Funded by future customers (SDCs)	<u>14,453,394</u>	<u>15,832,661</u>	<u>14,370,728</u>	<u>1,183,160</u>	<u>7,940,000</u>	<u>7,940,000</u>	<u>53,779,943</u>
Total	35,410,806	39,861,969	33,858,637	2,709,667	10,975,000		122,816,079
Inflated CIP:							
Funded by existing customers (rates)	20,957,412	24,750,187	20,674,723	1,668,055	3,415,919	3,415,919	71,466,297
Funded by future customers (SDCs)	<u>14,453,394</u>	<u>16,307,641</u>	<u>15,245,905</u>	<u>1,292,871</u>	<u>8,936,540</u>	<u>8,936,540</u>	<u>56,236,351</u>
Total	35,410,806	41,057,828	35,920,628	2,960,926	12,352,459		127,702,648
SDC Calculations:							
Capital investments to serve growth							\$ 56,236,351
Forecast of growth EDUs served							8,500
Unit improvement SDC							<u>\$ 6,616</u>
Phase-in of SDC							
Three Years	2,200	3,672	5,144	6,616			

Clackamas County Service District No. 1 Reimbursement Fee SDC Calculations			
Utility plant in service- original cost ¹			
Sewerage treatment plant		\$ 61,717,708	
Sewerage treatment line system		82,476,564	
Equipment		7,795,141	
Land		2,338,528	
Construction work in progress		<u>8,862,365</u>	
Subtotal utility plant in service original cost		163,190,306	\$ 163,190,306
Less: accumulated depreciation ¹			
Sewerage treatment plant		(25,117,275)	
Sewerage treatment line system		(22,415,563)	
Equipment		<u>(6,657,198)</u>	
Subtotal accumulated depreciation		(54,190,036)	<u>(54,190,036)</u>
Utility plant in service net of accumulated depreciation ¹			109,000,270
Less: grants and contributed capital: ²			
EPA Clean Water Act grants		(10,896,488)	
Contributed capital - Milwaukie		(1,581,052)	
Contributed capital - Johnson City		<u>(67,548)</u>	
Subtotal grants and contributed capital		(12,545,087)	(12,545,087)
Less: principal outstanding on long term debt: ¹			
DEQ Clean Water State Revolving Loan - 4.11%		(1,472,188)	
Improvement bonds - 7.60%-10.05%		(320,424)	
Revenue bonds - 2.00%-6.50%		(9,790,000)	
Deferred amount on revenue bond refunding		<u>545,496</u>	
Subtotal principal outstanding on long term debt		(11,037,116)	(11,037,116)
Utility plant in service net of accumulated depreciation, grants, contributed capital, and principal outstanding on long term debt			\$ 85,418,067
Projected existing capacity available to serve new customers (expressed in EDUs)			-
Calculated reimbursement fee per EDU			ZERO

¹ Source: Clackamas County Service District No. 1 Comprehensive Annual Financial Report for the year ended June 30, 2007

² Source: Clackamas County Service District No. 1 records

Capital Improvement Plan Schedule

Clackamas County Service District No. 1 Summary of Wastewater Capital Improvement Projects										
Cost Escalation Rate		3.00%								
		FISCAL YEARS								
Preferred Funding Source	Cost in FY	Fiscal Year	Project	Project Number	2008	2009	2010	2011	2012	2013
	35,410,806	2009	Year 1 of 5 year CIP		-	35,410,806	-	-	-	-
	39,861,969	2010	Year 2 of 5 year CIP		-	-	41,057,828	-	-	-
	33,858,637	2011	Year 3 of 5 year CIP		-	-	-	35,920,628	-	-
	2,709,667	2012	Year 4 of 5 year CIP		-	-	-	-	2,960,926	-
	10,975,000	2013	Year 4 of 5 year CIP		-	-	-	-	-	12,352,459
	122,816,079		Net Construction Cost		-	35,410,806	41,057,828	35,920,628	2,960,926	12,352,459

		2008	2009	2010	2011	2012	2013
Bonding Schedule		-	35,410,806	41,057,828	35,920,628	2,960,926	12,352,459

Future Debt Sizing and Service

Clackamas County Service District No. 1 Summary of Wastewater Funding Strategies						
Assumptions: Fund Earnings % 4.00% Issuance Cost: Short-Term 0.00% Long-Term: Revenue Bonds 1.00% G.O. Bonds 0.00%		Interim Financing: BANS Used? (1=Y,0=N) 0 BAN Interest Rate: 4.98% Long-Term Financing: Revenue Bonds: Life of Debt (Years) 20 Interest Rate 4.98% Coverage Factor Required 1.35 Fund Reserve from Proceeds? (1=Y,0=N) 1 Administration Fee (on Outstanding Bal) 0.0% General Obligation Bonds: Life of Debt (Years) 20 Interest Rate 4.98% Fund Reserve from Proceeds? (1=Y,0=N) 0				
Fiscal Year	2008	2009	2010	2011	2012	2013
Type of Long Term Debt Issued (1=Y,0=N):						
Revenue Bonds	1	1	1	1	1	1
General Obligation Bonds	0	0	0	0	0	0
Capital Improvements Financing	2008	2009	2010	2011	2012	2013
Capital Costs to be Funded	-	35,410,806	41,057,828	35,920,628	2,960,926	12,352,459
less: Use of Wastewater Fund Cash Balance	-					
less: System Development Charge Contributions						
less: Use of Wastewater Construction Fund Cash Balance			10,500,000	18,700,000	2,960,927	12,352,460
less: Contributions From Utility Rates						
Amount to be Financed	-	35,410,806	30,557,828	17,220,628	-	-
Interim Borrowing:						
BANS Issued:	-	-	-	-	-	-
less: Borrowing Cost	-	-	-	-	-	-
less: Interest Payments	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-
Net Available from BANS	-	-	-	-	-	-
Long-term Borrowing:						
Revenue Bonds:						
Amount Borrowed	-	38,916,457	33,583,037	18,925,461	-	-
less: Financing Cost	-	389,165	335,830	189,255	-	-
less: Reserve Funding	-	3,116,487	2,689,379	1,515,579	-	-
less: Refunding of BANS	-	-	-	-	-	-
Net Funds from Revenue Bonds	-	35,410,806	30,557,828	17,220,628	-	-
General Obligation Bonds:						
Amount Borrowed	-	-	-	-	-	-
less: Financing Cost	-	-	-	-	-	-
less: Reserve Funding	-	-	-	-	-	-
less: Refunding of BANS	-	-	-	-	-	-
Net Funds from G.O. Bonds	-	-	-	-	-	-
New Annual Debt Service:						
Principal & Interest Repayment	-	3,116,487	5,805,866	7,321,444	7,321,444	7,321,444
Administration Fee	-	-	-	-	-	-
Total Annual Debt Service	-	3,116,487	5,805,866	7,321,444	7,321,444	7,321,444

Wastewater SDC Fund Cash Flow Forecast

Clackamas County Service District No. 1 Statement of Cash Flow and Changes in Fund Balance - Wastewater SDC Fund									
	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Resources									
Beginning fund balance:	6,796,715	6,998,180	9,542,426	9,000,861	3,848,883	907,992	-	-	22,518
Sales and services:									
System Development Charges	2,045,573	3,447,880	1,741,429	1,940,662	3,330,000	4,629,625	6,616,041	6,814,523	7,018,958
Interest Income	97,166	327,628	440,915	381,895	96,222	-	-	866	-
Total Resources	<u>8,939,454</u>	<u>10,773,688</u>	<u>11,724,770</u>	<u>11,323,418</u>	<u>7,275,105</u>	<u>5,537,617</u>	<u>6,616,041</u>	<u>6,815,389</u>	<u>7,041,476</u>
Requirements									
Capital Outlays:									
Capital construction	1,941,274	1,231,262	2,723,909	5,023,548	6,367,113	5,537,617	6,616,041	1,292,871	7,041,476
Equipment	-	-	-	-	-	-	-	-	-
Total capital outlays	<u>1,941,274</u>	<u>1,231,262</u>	<u>2,723,909</u>	<u>5,023,548</u>	<u>6,367,113</u>	<u>5,537,617</u>	<u>6,616,041</u>	<u>1,292,871</u>	<u>7,041,476</u>
Transfers to other funds - OUT									
Construction fund	-	-	-	2,450,987	-	-	-	5,500,000	-
Contingency	-	-	-	-	636,711	-	-	-	-
Unappropriated Ending Fund Balance:	6,998,180	9,542,426	9,000,861	3,848,883	271,281	-	-	22,518	-
Total ending fund balance	<u>6,998,180</u>	<u>9,542,426</u>	<u>9,000,861</u>	<u>3,848,883</u>	<u>907,992</u>	<u>-</u>	<u>-</u>	<u>22,518</u>	<u>-</u>
Total Requirements	<u>8,939,454</u>	<u>10,773,688</u>	<u>11,724,770</u>	<u>11,323,418</u>	<u>7,275,105</u>	<u>5,537,617</u>	<u>6,616,041</u>	<u>6,815,389</u>	<u>7,041,476</u>

Wastewater Construction Fund Cash Flow Forecast

Clackamas County Service District No. 1 Statement of Cash Flow and Changes in Fund Balance - Wastewater Construction Fund									
	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Sources of Funds:									
Beginning fund balance	-	5,750,709	11,626,853	9,279,415	8,090,398	17,359,771	13,053,035	1,283,615	5,243,544
Bond proceeds	-	-	-	-	38,916,457	33,583,037	18,925,461	-	-
Loan proceeds	-	-	-	-	3,500,000	-	-	-	-
Transfers from other funds - IN									
Tri-City Service District Capacity Payment	-	-	-	-	-	-	-	-	-
Operating fund	6,500,000	8,000,000	2,771,928	3,000,000	2,400,000	-	-	-	-
SDC fund	-	-	-	2,450,987	-	-	-	5,500,000	-
Total transfers from other funds - IN	<u>6,500,000</u>	<u>8,000,000</u>	<u>2,771,928</u>	<u>5,450,987</u>	<u>2,400,000</u>	<u>-</u>	<u>-</u>	<u>5,500,000</u>	<u>-</u>
Miscellaneous income	95,435	-	13,050	35,000	-	-	-	-	-
Interest income	84,232	221,250	135,930	278,382	202,260	655,647	314,539	127,984	103,522
Total Resources	<u>6,679,667</u>	<u>13,971,959</u>	<u>14,547,761</u>	<u>15,043,784</u>	<u>53,109,115</u>	<u>51,598,456</u>	<u>32,293,035</u>	<u>6,911,599</u>	<u>5,347,066</u>
Requirements:									
Materials & Services:									
Bond issuance costs	-	-	-	-	389,165	335,830	189,255	-	-
Capital outlay:									
Capital construction	928,958	2,233,845	5,268,346	6,953,386	32,243,693	35,520,211	29,304,587	1,668,055	5,310,983
Equipment	-	111,261	-	-	-	-	-	-	-
Total capital outlays	<u>928,958</u>	<u>2,345,106</u>	<u>5,268,346</u>	<u>6,953,386</u>	<u>32,243,693</u>	<u>35,520,211</u>	<u>29,304,587</u>	<u>1,668,055</u>	<u>5,310,983</u>
Transfers to other funds - OUT									
Revenue bond fund - reserve requirement	-	-	-	-	3,116,487	2,689,379	1,515,579	-	-
Contingency	-	-	-	-	3,224,369	-	-	-	-
Unappropriated Ending Fund Balance	5,750,709	11,626,853	9,279,415	8,090,398	14,135,402	13,053,035	1,283,615	5,243,544	36,082
Total ending fund balance	<u>5,750,709</u>	<u>11,626,853</u>	<u>9,279,415</u>	<u>8,090,398</u>	<u>17,359,771</u>	<u>13,053,035</u>	<u>1,283,615</u>	<u>5,243,544</u>	<u>36,082</u>
Total Requirements	<u>6,679,667</u>	<u>13,971,959</u>	<u>14,547,761</u>	<u>15,043,784</u>	<u>53,109,115</u>	<u>51,598,456</u>	<u>32,293,035</u>	<u>6,911,599</u>	<u>5,347,066</u>

Wastewater Long Term Debt Funds Cash Flow Forecast

Clackamas County Service District No. 1 Statement of Cash Flow and Changes in Fund Balance - Revenue Bond Fund									
	Actual			Estimated 2008	Budget 2009	2010	2011	2012	2013
	2005	2006	2007						
Resources:									
Beginning fund balance	(47,433)	1,726,519	1,808,281	1,718,837	1,632,614	4,620,854	7,279,297	8,871,721	9,012,742
Interfund transfers - IN									
Sanitary sewer operating fund	698,765	701,411	698,399	699,860	3,819,698	6,507,679	8,024,261	8,023,593	8,024,845
Surface water management operating fund	377,748	379,177	377,551	378,340	380,152	377,900	378,440	378,080	378,754
Sanitary constructio fund					3,116,487	2,689,379	1,515,579	-	-
DEQ clean water SRF fund									
Special assessment fund	1,520,000	-	-	-	-	-	-	-	-
Total transfers - IN	2,596,513	1,080,588	1,075,950	1,078,200	7,316,337	9,574,957	9,918,279	8,401,673	8,403,599
Principle collections	395,026	179,377	58,825	80,000	50,000				
Interest collections	52,293	36,617	22,698	16,000	10,000				
Proceeds from advance refunding of callable bonds	-	-	-	-	-				
Interest income	21,995	77,830	72,270	51,565	40,815	193,052	295,495	354,158	359,818
Total Resources	3,018,394	3,100,931	3,038,024	2,944,602	9,049,766	14,388,863	17,493,072	17,627,553	17,776,160
Requirements:									
Existing Debt Service:									
Series 1994 Bonds (after refunding)	681,325	683,050	681,450	-	-	-	-	-	-
Series 2002A Bonds	215,363	212,063	243,238	233,788	229,063	223,988	218,650	213,138	207,450
Series 2002B Refunding Bonds	395,188	397,538	394,500	1,078,200	1,083,363	1,079,713	1,081,256	1,080,229	1,082,155
Total existing debt service	1,291,875	1,292,650	1,319,188	1,311,988	1,312,425	1,303,700	1,299,906	1,293,366	1,289,605
Future Debt Service:									
New revenue bonds					3,116,487	5,805,866	7,321,444	7,321,444	7,321,444
Revenue bond(s) reserve requirements					3,116,487	5,805,866	7,321,444	7,321,444	7,321,444
Unappropriated Ending Fund Balance	1,726,519	1,808,281	1,718,837	1,632,614	1,504,367	1,473,432	1,550,277	1,691,298	1,843,666
Total Requirements	3,018,394	3,100,931	3,038,024	2,944,602	9,049,766	14,388,863	17,493,072	17,627,553	17,776,160

Clackamas County Service District No. 1 Statement of Cash Flow and Changes in Fund Balance - Special Assessment Fund									
	Actual			Estimated 2008	Budget 2009	2010	2011	2012	2013
	2005	2006	2007						
Resources:									
Beginning fund balance	1,787,156	322,137	445,330	577,297	-	-	-	-	-
Interfund transfers - IN									
Sanitary sewer operating fund	40,106	24,352	24,352	-	-	-	-	-	-
Surface water management operating fund	-	-	-	-	-	-	-	-	-
Special assessment fund	-	-	-	-	-	-	-	-	-
Total transfers - IN	40,106	24,352	24,352	-	-	-	-	-	-
Principle collections	8,036	13,606	13,458	1,935					
Interest collections	12,904	6,616	6,286	1,819					
Interest income	34,041	102,971	112,223	101,666					
Total Resources	1,882,243	469,682	601,649	682,717	-	-	-	-	-
Requirements:									
Existing Debt Service:									
Hoodland Service Area Assessment Bonds payable by ratepayers	40,106	24,352	24,352	332,601	-	-	-	-	-
Transfers to other funds - OUT									
Revenue bond fund	1,520,000	-	-	-	-	-	-	-	-
General fund	-	-	-	350,116	-	-	-	-	-
Future Debt Service:									
New revenue bonds									
Unappropriated Ending Fund Balance	322,137	445,330	577,297	-	-	-	-	-	-
Total Requirements	1,882,243	469,682	601,649	682,717	-	-	-	-	-

Clackamas County Service District No. 1
Statement of Cash Flow and Changes in Fund Balance - DEQ Clean Water State Revolving Loan Fund

	Actual			Estimated	Budget	2010	2011	2012	2013
	2005	2006	2007	2008	2009				
Resources:									
Beginning fund balance	111,012	111,554	113,850	119,289	114,520	111,854	115,966	120,244	124,692
Interfund transfers - IN									
Sanitary sewer operating fund	225,800	223,400	225,600	216,000	219,000	223,112	222,232	221,316	220,362
Surface water management operating fund	-	-	-	-	-	-	-	-	-
Special assessment fund	-	-	-	-	-	-	-	-	-
Total transfers - IN	225,800	223,400	225,600	216,000	219,000	223,112	222,232	221,316	220,362
Principle collections	-	-	-	-	-	-	-	-	-
Interest collections	-	-	-	-	-	-	-	-	-
Proceeds from advance refunding of callable bonds	-	-	-	-	-	-	-	-	-
Interest income	1,753	5,189	5,000	4,000	2,290	4,113	4,277	4,448	4,626
Total Resources	338,565	340,143	344,450	339,289	335,810	339,078	342,476	346,008	349,680
Requirements:									
Existing Debt Service:									
Oregon DEQ Revolving Loan	227,011	226,293	225,546	224,769	223,956	223,112	222,232	221,316	220,362
Future Debt Service:									
New revenue bonds									
Transfers to other funds - OUT									
Revenue bond fund									
Reserve Requirement	108,422	108,422	108,422	108,422	108,422	108,422	108,422	108,422	108,422
Unappropriated Ending Fund Balance	3,132	5,428	10,482	6,098	3,432	7,544	11,822	16,270	20,896
Total Requirements	338,565	340,143	344,450	339,289	335,810	339,078	342,476	346,008	349,680

Operating Fund Cash Flow Forecast

Clackamas County Service District No. 1 Statement of Cash Flow and Changes in Fund Balance - Wastewater Operating Fund Base Case									
Line Item Description	Actual				Budget 2009	Forecast			
	2005	2006	2007	Estimated 2008		2010	2011	2012	2013
Resources									
Beginning Fund Balance	8,955,214	7,384,808	2,052,117	2,319,282	2,634,786	1,087,067	1,087,067	1,087,067	1,307,498
Revenues:									
Sales and Services:									
Service Charges - Before Rate Increase	8,401,979	8,740,928	9,398,459	10,353,274	10,595,971	12,316,933	14,581,404	16,250,442	16,250,442
Service Charges - From Rate Increase					1,720,962	2,264,471	1,669,038	-	148,343
Service Charges - TCSD			93,776	95,000	95,000	97,850	100,786	103,809	106,923
City Payments	1,684,572	1,303,722	912,569	1,800,000	2,082,946	2,365,893	2,648,839	2,728,304	2,810,153
Building Rental Fees	27,000	18,000	1,500	-	-	-	-	-	-
Connection Charges from Cities	65,832	37,400	16,464	18,447	10,000	10,300	10,609	10,927	11,255
Other Connection Charges	949,587	479,921	474,380	176,000	150,000	154,500	159,135	163,909	168,826
Capital Reimbursement From Cities	73,985	198,842	219,443	-	-	-	-	-	-
Fees:									
Non-bonded Installment - Principal	677,893	339,659	302,043	97,007	61,000	-	-	-	-
Non-bonded Installment - Interest	107,906	70,997	55,614	35,621	31,000	-	-	-	-
Intergovernmental Revenue:									
Grants			3,628	-	-	-	-	-	-
Insurance				267,000	-	-	-	-	-
Transfers from Other Funds - IN:									
Special Assessment Fund	-	-	-	350,116	-	-	-	-	-
Bond Sale:									
Interim Borrowing (Assessments)									
State Loans									
Other Bond Proceeds									
Interest Income	197,778	-	473,949	236,788	241,310	43,338	43,338	44,071	52,126
Other Revenues:									
Miscellaneous	1,031,978	980,715	1,055,705	814,385	857,000	882,710	909,191	936,467	964,561
Total Revenues	13,218,510	12,170,184	13,007,530	14,243,638	15,845,189	18,135,995	20,122,340	20,237,929	20,512,630
Total Sources of Funds	\$ 22,173,724	\$ 19,554,992	\$ 15,059,647	\$ 16,562,920	\$ 18,479,975	\$ 19,223,062	\$ 21,209,407	\$ 21,324,996	\$ 21,820,128
Requirements									
Materials and Services:									
New treatment plant operating costs	-	-	-	-	-	-	-	-	-
General off supplies	55,392	60,240	71,020	76,607	79,065	81,437	83,890	86,396	88,988
Chemicals, uniforms, other supplies	272,200	265,015	261,561	302,150	373,527	384,733	396,275	408,163	420,408
Repairs and maintenance supplies	403,154	559,576	369,488	229,487	342,821	353,106	363,699	374,610	385,848
Small tools and equipment	23,062	12,303	15,759	34,798	32,050	33,012	34,002	35,022	36,073
Purchased sewage treatment	41,973	43,814	51,253	70,000	82,500	84,975	87,524	90,150	92,854
Sludge removal expense	11,598	11,257	10,130	12,750	16,250	16,738	17,240	17,757	18,290
Permit fees	40,789	35,878	37,316	58,860	60,960	62,789	64,672	66,613	68,611
Professional and Technical Services:									
Accounting and auditing	18,600	21,650	18,206	22,750	27,700	28,531	29,387	30,269	31,177
Management consultant	106,316	142,333	117,937	181,553	360,026	370,827	381,952	393,410	405,212
Architectural	-	-	-	-	-	-	-	-	-
Engineering	4,220	23,040	20,616	75,911	38,250	39,398	40,579	41,797	43,051
Environmental	5,000	-	18	-	-	-	-	-	-
Legal	20,882	129,824	24,581	13,000	12,000	12,360	12,731	13,113	13,506
Medical	1,019	2,689	2,203	3,489	3,386	3,488	3,592	3,700	3,811
Financial services	32,500	15,406	21,300	56,526	57,153	58,868	60,634	62,453	64,326
Miscellaneous professional services	135,799	242,950	451,756	613,038	473,333	487,533	502,159	517,224	532,740
Information services (data processing)	520,409	552,428	450,423	534,705	570,002	587,102	604,715	622,857	641,542
Laboratory services	200,139	243,623	227,206	242,836	315,425	324,888	334,634	344,673	355,014
Buildings and grounds	20,191	22,444	17,744	28,085	33,877	34,893	35,940	37,018	38,129
WES labor	4,567,654	5,148,734	5,470,767	5,866,439	6,118,391	6,424,311	6,745,526	7,082,802	7,436,943
DTD & other county services	263,196	297,865	321,723	381,276	460,522	474,338	488,568	503,225	518,322
Communications	81,851	76,815	93,945	108,909	98,751	101,714	104,765	107,908	111,145
Travel	3,792	5,549	4,143	6,527	8,758	9,021	9,291	9,570	9,857
Printing and binding	34,321	31,959	34,810	43,314	57,357	59,078	60,850	62,676	64,556
Insurance expense	144,750	148,427	152,253	126,591	138,610	142,768	147,051	151,463	156,007
Utilities	436,459	468,022	547,015	510,545	580,128	597,532	615,458	633,922	652,939
Repairs and maintenance	122,224	139,921	207,619	203,443	232,235	239,202	246,378	253,769	261,383
Facilities and equipment rental	327,943	328,155	357,292	156,855	378,692	390,053	401,754	413,807	426,221
Miscellaneous charges	62,933	117,750	169,433	138,844	219,209	225,785	232,559	239,536	246,722
Interagency coordination	456,552	459,455	517,773	518,000	544,000	560,320	577,130	-	-
Allocated costs	(369)	(186,867)	(408,446)	-	-	-	-	-	-
Contra accounts	(1,090,304)	(1,088,975)	(1,136,891)	(605,014)	(760,768)	(783,591)	(807,099)	(831,312)	(856,251)
Total Operations	7,324,245	8,331,280	8,499,953	10,012,274	10,954,210	11,405,204	11,875,846	11,772,589	12,267,423
Capital Outlay:									
Capital construction	-	222,432	520,133	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total capital outlays	-	222,432	520,133	-	-	-	-	-	-
Transfers:									
Construction fund	6,500,000	8,000,000	2,771,928	3,000,000	2,400,000	-	-	-	-
Other Clackamas County Funds	-	-	-	-	-	-	-	-	-
Debt service funds									
Existing revenue bonds	698,765	701,411	698,399	699,860	703,211	701,813	702,817	702,149	703,401
New revenue bonds	-	-	-	-	3,116,487	5,805,866	7,321,444	7,321,444	7,321,444
Special assessment fund	40,106	24,352	24,352	-	-	-	-	-	-
State SRF loan	225,800	223,400	225,600	216,000	219,000	223,112	222,232	221,316	220,362
Total interfund transfers - OUT	7,464,671	8,949,163	3,720,279	3,915,860	6,438,698	6,730,791	8,246,493	8,244,909	8,245,207
Ending Fund Balance:									
Contingency	-	-	-	-	852,281	-	-	-	-
Unappropriated Ending Fund Balance	7,384,808	2,052,117	2,319,282	2,634,786	234,786	1,087,067	1,087,067	1,307,498	1,307,498
Total Ending Fund Balance	7,384,808	2,052,117	2,319,282	2,634,786	1,087,067	1,087,067	1,087,067	1,307,498	1,307,498
Total Uses of Funds	\$ 22,173,724	\$ 19,554,992	\$ 15,059,647	\$ 16,562,920	\$ 18,479,975	\$ 19,223,062	\$ 21,209,407	\$ 21,324,996	\$ 21,820,128

Wastewater System Revenue Requirements and Rates

Clackamas County Service District No. 1 Projection of Wastewater Fund Revenue Requirements FY2008-09 Rates Base Case									
Line Item Description	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Projection of Cash Flow:									
Sales and Services:									
Service Charges - Before Rate Increase	8,401,979	8,740,928	9,398,459	10,353,274	10,595,971	12,316,933	14,581,404	16,250,442	16,250,442
Service Charges - TCSD	-	-	93,776	95,000	95,000	97,850	100,786	103,809	106,923
City Payments	1,684,572	1,303,722	912,569	1,800,000	2,082,946	2,365,893	2,648,839	2,728,304	2,810,153
Building Rental Fees	27,000	18,000	1,500	-	-	-	-	-	-
Connection Charges from Cities	65,832	37,400	16,464	18,447	10,000	10,300	10,609	10,927	11,255
Other Connection Charges	949,587	479,921	474,380	176,000	150,000	154,500	159,135	163,909	168,826
Capital Reimbursement From Cities	73,985	198,842	219,443	-	-	-	-	-	-
Fees:									
Non-bonded Installment - Principal	677,893	339,659	302,043	97,007	61,000	-	-	-	-
Non-bonded Installment - Interest	107,906	70,997	55,614	35,621	31,000	-	-	-	-
Intergovernmental Revenue:									
Grants	-	-	3,628	-	-	-	-	-	-
Insurance	-	-	-	267,000	-	-	-	-	-
Transfers from Other Funds - IN:									
Special Assessment Fund	-	-	-	350,116	-	-	-	-	-
Bond Sale:									
Interim Borrowing (Assessments)	-	-	-	-	-	-	-	-	-
State Loans	-	-	-	-	-	-	-	-	-
Other Bond Proceeds	-	-	-	-	-	-	-	-	-
Interest Income	197,778	-	473,949	236,788	241,310	43,338	43,338	44,071	52,126
Other Revenues:									
Miscellaneous	1,031,978	980,715	1,055,705	814,385	857,000	882,710	909,191	936,467	964,561
Total Revenues	13,218,510	12,170,184	13,007,530	14,243,638	14,124,227	15,871,523	18,453,302	20,237,929	20,364,287
less: Operations & maintenance expense	7,324,245	8,331,280	8,499,953	10,012,274	10,954,210	11,405,204	11,875,846	11,772,589	12,267,423
less: transfers to debt service funds	964,671	949,163	948,351	915,860	4,038,698	6,730,791	8,246,493	8,244,909	8,245,207
less: Transfers to Other Funds (not including construction)	-	-	-	-	-	-	-	-	-
less: Budgeted contingency	-	-	-	-	852,281	-	-	-	-
Net Cash	4,929,594	2,889,741	3,559,226	3,315,504	(1,720,962)	(2,264,471)	(1,669,038)	220,431	(148,343)
Net Deficiency/(Surplus)	(4,929,594)	(2,889,741)	(3,559,226)	(3,315,504)	1,720,962	2,264,471	1,669,038	(220,431)	148,343
Test of Coverage Requirement:									
Operating Revenues:									
Sales and Services	11,202,955	10,778,813	11,116,591	12,442,721	12,933,917	14,945,475	17,500,772	19,257,391	19,347,600
Fees	785,799	410,656	357,657	132,628	92,000	-	-	-	-
Intergovernmental Revenues	-	-	3,628	267,000	-	-	-	-	-
Transfers From Other Funds - IN	-	-	-	350,116	-	-	-	-	-
System Development Charges	2,045,573	3,447,880	1,741,429	1,940,662	3,330,000	4,629,625	6,616,041	6,814,523	7,018,958
Transfers (To) From Rate Stabilization Account	-	-	-	-	-	-	-	-	-
Total Operating Revenues	14,034,327	14,637,349	13,219,305	15,133,127	16,355,917	19,575,100	24,116,814	26,071,914	26,366,558
Operating Expenses:									
Operations & Maintenance Expense	7,324,245	8,331,280	8,499,953	10,012,274	10,954,210	11,405,204	11,875,846	11,772,589	12,267,423
Transfers to Other Funds (Not Including Construction)	-	-	-	-	-	-	-	-	-
Budgeted contingency	-	-	-	-	852,281	-	-	-	-
Total Operating Expenses	7,324,245	8,331,280	8,499,953	10,012,274	11,806,491	11,405,204	11,875,846	11,772,589	12,267,423
Net Operating Income	6,710,082	6,306,069	4,719,352	5,120,853	4,549,426	8,169,896	12,240,967	14,299,325	14,099,135
Nonoperating Income (Expense):									
Interest Income:									
Sanitary Sewer Operating Fund	197,778	-	473,949	236,788	241,310	43,338	43,338	44,071	52,126
Sanitary Sewer SDC Fund	97,166	327,628	440,915	381,895	96,222	-	-	866	-
Sanitary Sewer Construction Fund	64,232	221,250	135,930	278,382	202,260	655,647	314,539	127,984	103,522
Special Assessment Fund	34,041	102,971	112,223	101,666	-	-	-	-	-
State Loan Fund	1,753	5,189	5,000	4,000	2,290	4,113	4,277	4,448	4,626
Revenue Bond Fund (65% Sanitary)	14,297	50,590	46,976	33,517	26,530	125,484	192,072	230,203	233,882
Other Nonoperating Income	1,031,978	980,715	1,055,705	814,385	857,000	882,710	909,191	936,467	964,561
Total Nonoperating Income	1,461,245	1,688,343	2,270,698	1,850,633	1,425,612	1,711,292	1,463,417	1,344,038	1,358,717
Total Net Revenues Available for Debt Service	8,171,327	7,994,412	6,990,050	6,971,486	5,975,038	9,881,188	13,704,385	15,643,363	15,457,853
Debt Service:									
Senior Lien Parity Obligations:									
Series 1994 Bonds (after refunding)	681,325	683,050	681,450	-	-	-	-	-	-
Series 2002A Bonds	215,363	212,063	243,238	233,788	229,063	223,988	218,650	213,138	207,450
Series 2002B Refunding Bonds	256,872	258,399	256,425	700,830	704,186	701,813	702,817	702,149	703,401
Oregon DEQ Revolving Loan	227,011	226,293	225,546	224,769	223,959	223,112	222,232	221,316	220,362
New revenue bonds	-	-	-	-	3,116,487	5,805,866	7,321,444	7,321,444	7,321,444
Total Senior Lien Parity Obligations	1,380,570	1,379,805	1,406,659	1,159,387	4,273,691	6,954,778	8,465,143	8,458,047	8,452,657
Senior Lien Parity Obligations Coverage Recognized	5.92	5.79	4.97	6.01	1.40	1.42	1.62	1.85	1.83
Senior Lien Parity Obligations Coverage Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Senior Lien Coverage Deficiency	-	-	-	-	-	-	-	-	-
Net Deficiency/(Surplus)	-	-	-	-	-	-	-	-	-
Projection of Revenue Sufficiency:									
Maximum Deficiency	-	-	-	-	1,720,962	2,264,471	1,669,038	-	148,343
Percent Increase Required Over Current Rate Revenues	-	-	-	0.00%	16.24%	18.39%	11.45%	0.00%	0.91%
Wastewater rates reconciliation:									
Revenues recognized from current rates	-	-	-	10,353,274	10,595,971	12,316,933	14,581,404	16,250,442	16,250,442
Add revenues from rate increase	-	-	-	-	1,720,962	2,264,471	1,669,038	-	148,343
Total revenues recognized from rate increase	-	-	-	10,353,274	12,316,933	14,581,404	16,250,442	16,250,442	16,398,784
Effective billable retail EDUs - Clackamas County Service District No. 1	-	-	-	33,900	34,800	35,700	36,700	37,700	38,700
Calculated monthly service charge per retail EDU	-	-	-	\$ 25.45	\$ 29.49	\$ 34.04	\$ 36.90	\$ 35.92	\$ 35.31
Actual monthly service charge per retail EDU	-	-	-	\$ 26.00	-	-	-	-	-
Calculated montly service charge rounded to the nearest nickel per retail EDU	-	-	-	\$ 29.50	\$ 29.50	\$ 34.05	\$ 36.90	\$ 35.90	\$ 35.30
Proposed monthly service charge rounded to the nearest nickel per retail EDU	-	-	-	\$ 29.50	\$ 29.50	\$ 34.05	\$ 36.90	\$ 36.90	\$ 36.90



Technical Appendix B – CCSD No. 1 Surface Water Management Rate Model Output

Macroeconomic Assumptions

North Clackamas Surface Water Management Area Summary of Assumptions									
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Inflation Forecast	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest Earnings Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Growth Customer Base*	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Unit SWM SDC	\$ 205.00	\$ 205.00	\$ 205.00	\$ 205.00	\$ 205.00	\$ 211.15	\$ 217.48	\$ 224.01	\$ 230.73
Retail ESUs per San. Study			33,100	33,900	34,800	35,700	36,700	37,700	38,700
Reserve Policy: Working Capital (contingency in the operating fund) - 30 days of SWM system operating expenses. SWM Reserve Fund - 1% of SWM system fixed assets.									

Surface Water SDC Calculations

Clackamas County Service District No. 1 Surface Water Management Improvement Fee SDC Calculations - Using the FY09 Budgeted Five Year CIP							
	2008	2009	2010	2011	2012	2013	Total
CIP inflation rate:			3.00%	3.00%	3.00%	3.00%	
Uninflated CIP from WES CIP Matrix expressed in FY08 dollars:							
Funded by existing customers (rates)		54,690	250,000	450,000	625,000	1,035,000	2,414,690
Funded by future customers (SDCs)		62,500	1,062,500	1,675,000	1,675,000	150,000	4,625,000
Total		117,190	1,312,500	2,125,000	2,300,000	1,185,000	7,039,690
Inflated CIP:							
Funded by existing customers (rates)		54,690	257,500	477,405	682,954	1,164,902	2,637,451
Funded by future customers (SDCs)		62,500	1,094,375	1,777,008	1,830,318	168,826	4,933,027
Total		117,190	1,351,875	2,254,413	2,513,272	1,333,728	7,570,478
SDC Calculations:							
Capital investments to serve growth							\$ 4,933,027
Forecast of growth EDUs served							8,500
Unit improvement SDC							<u>\$ 580</u>
Policy based SDC for FY08-09 (per J. Mantay 4-2-08)							<u>\$ 205</u>

Surface Water SDC Fund Cash Flow Forecast

Analysis of North Clackamas Surface Water Area SDC Fund Cash Flow							
	Actual 2007	Estimate 2008	Budget 2009	Forecast			
				2010	2011	2012	2013
Resources:							
Beginning Fund Balance	681,482	907,810	1,106,313	1,255,971	384,439	-	-
Sales and Services:							
System Development Charges	193,877	175,808	184,500	190,035	217,485	224,009	230,729
Interest Income	37,907	22,695	27,658	32,808	7,689	-	1,263
Miscellaneous	-	-	-	-	-	-	-
Total Resources	\$ 913,266	\$ 1,106,313	\$ 1,318,471	\$ 1,478,814	\$ 609,612	\$ 224,009	\$ 231,993
Requirements:							
Capital Outlays:							
Capital Construction	5,456	-	62,500	1,094,375	609,612	224,009	168,826
Equipment	-	-	-	-	-	-	-
Total Capital Outlay	5,456	-	62,500	1,094,375	609,612	224,009	168,826
Transfers OUT:							
Operating Fund	-	-	-	-	-	-	-
Contingency	-	-	200,000	-	-	-	-
Ending Fund Balance	907,810	1,106,313	1,055,971	384,439	-	-	63,166
Total Requirements	\$ 913,266	\$ 1,106,313	\$ 1,318,471	\$ 1,478,814	\$ 609,612	\$ 224,009	\$ 231,993

Surface Water Construction Fund Cash Flow Forecast

Analysis of North Clackamas Surface Water Area Construction Fund Cash Flow							
	Actual 2007	Estimated 2008	Budget 2009	Forecast			
				2010	2011	2012	2013
Resources:							
Beginning Fund Balance	2,633,204	4,134,808	4,967,620	5,537,121	5,500,371	4,046,509	1,875,690
Capital Project Participation	59,902	-	-	-	-	-	-
Grants	-	166,000	-	-	-	-	-
Transfers IN	1,500,000	1,000,000	500,000	-	-	-	-
Interest Income	113,674	103,370	124,191	220,750	190,938	118,444	52,785
Total Resources	\$ 4,306,780	\$ 5,404,178	\$ 5,591,811	\$ 5,757,871	\$ 5,691,309	\$ 4,164,953	\$ 1,928,475
Requirements:							
Capital Outlays:							
Capital Construction	171,972	436,558	54,690	257,500	1,644,800	2,289,263	1,164,902
Equipment	-	-	-	-	-	-	-
Total Capital Outlay	171,972	436,558	54,690	257,500	1,644,800	2,289,263	1,164,902
Contingency	-	-	200,000	-	-	-	-
Ending Fund Balance	4,134,808	4,967,620	5,337,121	5,500,371	4,046,509	1,875,690	763,573
Total Requirements	\$ 4,306,780	\$ 5,404,178	\$ 5,591,811	\$ 5,757,871	\$ 5,691,309	\$ 4,164,953	\$ 1,928,475

Surface Water Operating Fund Cash Flow Forecast

Clackamas County Service District No. 1 Analysis of North Clackamas Surface Water Area Operating Fund Cash Flow							
	Actual 2007	Estimated 2008	Budget 2009	Forecast			
				2010	2011	2012	2013
Resources:							
Beginning Fund Balance	2,750,035	2,393,785	2,456,704	1,359,569	1,693,508	2,013,626	2,324,947
Sales and Services:							
Service Charges	3,182,376	3,230,064	3,278,515	3,585,177	3,677,897	3,780,920	3,883,942
Building Rental Fees	-	-	-	-	-	-	-
Surface Water Maintenance Contracts	195,502	210,780	213,942	-	-	-	-
Fees:							
Non-bonded installment - Principal	217,896	-	-	-	-	-	-
Non-bonded installment - Interest	-	-	-	-	-	-	-
Intergovernmental Revenue:							
Capital Reimbursements From Cities	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
Bond Sale Proceeds:							
Revenue Bonds	-	-	-	-	-	-	-
State of Oregon Loans	-	-	-	-	-	-	-
SDCs in Support of Debt Service	-	-	-	-	-	-	-
Interest Income	159,032	59,845	61,418	59,864	72,689	85,070	96,999
Miscellaneous Revenues	239,792	210,700	200,000	206,000	212,180	218,545	225,102
Total Resources	\$ 6,744,633	\$ 6,105,174	\$ 6,210,579	\$ 5,210,610	\$ 5,656,274	\$ 6,098,161	\$ 6,530,989
Requirements:							
Materials & Services:							
General Office Supplies	29,179	31,012	32,906	34,222	35,591	37,015	38,495
Chemicals, Uniforms, Other Supplies	15,723	9,961	23,007	23,927	24,884	25,880	26,915
Repairs and Maintenance Supplies	20,447	57,369	87,796	91,308	94,960	98,759	102,709
Small Tools and Equipment	1,351	5,962	5,050	5,252	5,462	5,681	5,908
Sludge Removal Expense	-	2,000	25,000	26,000	27,040	28,122	29,246
Permit Fees	3,464	8,500	11,600	12,064	12,547	13,048	13,570
Professional and Technical Services:							
Management Consultants	51,680	19,461	13,917	14,474	15,053	15,655	16,281
Engineering	16	15,181	3,000	3,120	3,245	3,375	3,510
Environmental	97,694	119,137	648,652	58,965	61,323	63,776	66,327
Legal	84,786	14,000	37,000	38,480	40,019	41,620	43,285
Medical	455	514	425	442	460	478	497
Financial Services	6,547	10,708	14,505	15,085	15,689	16,316	16,969
Miscellaneous Professional Services	30,775	280,269	235,523	244,944	254,742	264,931	275,529
Information Services (data processing)	116,951	103,314	149,019	154,980	161,179	167,626	174,331
Laboratory Services	54,652	33,600	69,000	71,760	74,630	77,616	80,720
Buildings and Grounds	1,089	500	1,000	1,040	1,082	1,125	1,170
WES Labor	1,413,229	1,111,256	1,552,790	1,614,902	1,679,498	1,746,678	1,816,545
DTD & Other County Agencies	248,763	168,782	277,921	289,038	300,599	312,623	325,128
Communications	26,718	16,227	26,484	27,543	28,645	29,791	30,983
Travel	1,021	1,810	2,025	2,106	2,190	2,278	2,369
Printing and Binding	29,596	39,025	43,016	44,737	46,526	48,387	50,323
Insurance Expense	13,585	13,584	14,943	15,541	16,162	16,809	17,481
Utilities	1,481	200	1,250	1,300	1,352	1,406	1,462
Repairs and Maintenance	6,978	23,376	64,993	67,593	70,296	73,108	76,033
Facilities and Equipment Rental	77,390	44,194	113,025	117,546	122,248	127,138	132,223
Miscellaneous Charges	20,577	23,494	37,216	38,705	40,253	41,863	43,537
Interagency Coordination	119,150	116,694	118,808	123,560	128,503	133,643	138,989
Total Operations, Maintenance, & Repairs	2,473,297	2,270,130	3,609,871	3,138,632	3,264,178	3,394,745	3,530,534
Capital Outlay:							
Capital Construction	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Transfers:							
NCSWA Construction Fund	1,500,000	1,000,000	500,000	-	-	-	-
Transfers to Other Clack. Co. Funds	-	-	-	-	-	-	-
Debt Service Funds:							
Existing Revenue Bonds	377,551	378,340	380,152	378,470	378,470	378,470	378,470
New Revenue Bonds	-	-	-	-	-	-	-
State of Oregon Loans	-	-	-	-	-	-	-
Total Transfers	1,877,551	1,378,340	880,152	378,470	378,470	378,470	378,470
Contingency	-	-	360,987	-	-	-	-
Ending Fund Balance:	2,393,785	2,456,704	1,359,569	1,693,508	2,013,626	2,324,947	2,621,985
Total Requirements	\$ 6,744,633	\$ 6,105,174	\$ 6,210,579	\$ 5,210,610	\$ 5,656,274	\$ 6,098,161	\$ 6,530,989

Surface Water System Revenue Requirements and Rates

North Clackamas Surface Water Management Area Projection of SWM Operating Fund Revenue Requirements							
Line Item Description	Actual 2007	Estimated 2008	Budget 2009	Forecast			
				2010	2011	2012	2013
Projection of Cash Flow:							
Gross Revenues:							
Sales and Services:	3,377,878	3,440,844	3,492,457	3,585,177	3,677,897	3,780,920	3,883,942
Fees:	217,896	-	-	-	-	-	-
Intergovernmental Revenue:	-	-	-	-	-	-	-
Bond Sale Proceeds:	-	-	-	-	-	-	-
SDCs in Support of Debt Service	-	-	-	-	-	-	-
Interest Income	159,032	59,845	61,418	59,864	72,689	85,070	96,999
Miscellaneous Revenues	239,792	210,700	200,000	206,000	212,180	218,545	225,102
Gross Operating Revenues and SDC's in support of Debt Service	3,994,598	3,711,389	3,753,875	3,851,041	3,962,766	4,084,535	4,206,042
less: Operations & Maintenance Expense	2,473,297	2,270,130	3,609,871	3,138,632	3,264,178	3,394,745	3,530,534
less: Transfers OUT (General Fund and Equipment Fund)	-	-	-	-	-	-	-
less: Cash Financing of Capital Improvements	-	-	-	-	-	-	-
less: Existing Debt Service	376,583	377,370	378,470	378,470	378,470	378,470	378,470
less: New Debt Service	-	-	-	-	-	-	-
less: Reserve for Contingency	-	-	-	-	-	-	-
less: Use of Operating Fund Balance	-	-	(248,893)	-	-	-	-
Net Cash	1,144,718	1,063,889	14,427	333,939	320,119	311,320	297,038
Net Deficiency/(Surplus)	(1,144,718)	(1,063,889)	(14,427)	(333,939)	(320,119)	(311,320)	(297,038)
Test of Coverage Requirement:							
Operating Expenses	2,473,297	2,270,130	3,609,871	3,138,632	3,264,178	3,394,745	3,530,534
Debt Service on Series 1994 Sewer Revenue & 2000B Sewer Refunding Bonds:							
Interest	98,333	85,120	54,020	54,020	54,020	54,020	54,020
Principal	278,250	292,250	324,450	324,450	324,450	324,450	324,450
Total NCSWA Share of Debt Service on Revenue Bonds	376,583	377,370	378,470	378,470	378,470	378,470	378,470
Debt Service on New Serial Revenue Bonds	-	-	-	-	-	-	-
Additional Coverage Required: 20%	75,317	75,474	75,694	75,694	75,694	75,694	75,694
Total Revenue Required with Coverage	2,925,196	2,722,974	4,064,035	3,592,796	3,718,342	3,848,909	3,984,698
Gross Revenues Allowable for Coverage Test:							
Gross Operating Revenues	3,994,598	3,711,389	3,753,875	3,851,041	3,962,766	4,084,535	4,206,042
Use of Operating Fund Balance	-	-	248,893	-	-	-	-
System Development Charges	193,877	175,808	184,500	190,035	217,485	224,009	230,729
Gross Revenues Allowable for Coverage Test	4,188,475	3,887,197	4,187,268	4,041,076	4,180,251	4,308,544	4,436,772
Coverage Recognized	4.55	4.29	1.53	2.38	2.42	2.41	2.39
Coverage Required	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Net Deficiency/(Surplus)	(1,263,279)	(1,164,223)	(123,233)	(448,280)	(461,909)	(459,635)	(452,073)
Projection of Revenue Sufficiency:							
Maximum Deficiency			-	-	-	-	-
Percent Increase Required Over Current Rate Revenues			0.00%	0.00%	0.00%	0.00%	0.00%
Revenue Recovered From Existing Rates and Charges			3,492,457	3,585,177	3,677,897	3,780,920	3,883,942
add: Revenue From Growth in the Customer Base			92,720	92,720	103,022	103,022	103,022
add: Revenues Recovered From Rate Increase			-	-	-	-	-
Total Revenues Recovered From Rates & Charges after Increase			3,585,177	3,677,897	3,780,920	3,883,942	3,986,964



Technical Appendix C – TCSD Wastewater System Rate Model Output

Macroeconomic Assumptions

Tri-City Service District Summary of Macroeconomic Assumptions						
	Estimate 2008	Budget 2009	Forecast			
			2010	2011	2012	2013
General Inflation Forecast:	3.20%	3.00%	3.00%	3.00%	3.00%	3.00%
Operating Cost Inflation Factors:						
General off supplies	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Chemicals, uniforms, other supplies	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Repairs and maintenance supplies	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Small tools and equipment	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Purchased sewage treatment	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Sludge removal expense	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Permit fees	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Professional and Technical Services:						
Accounting and auditing	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Management consultant	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Architectural	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Engineering	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Environmental	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Legal	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Medical	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Financial services	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Miscellaneous professional services	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Information services (data processing)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Laboratory services	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Buildings and grounds	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
WES labor	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
DTD & other county services	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Communications	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Travel	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Printing and binding	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Insurance expense	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Utilities	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Repairs and maintenance	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Facilities and equipment rental	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Miscellaneous charges	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interagency coordination	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Allocated costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contra accounts	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Capital Outlay						
Capital construction	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Equipment	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Transfers OUT Inflation Factors:						
Construction fund	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt service funds	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Revenue bonds	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Special assessment fund	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
State SRF loan						
Interest Earnings Rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Forecasted growth rate in EDUs (per TM-1)	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Equivalent Dwelling Units (EDUs)						
Oregon City	14,703	14,909	15,118	15,329	15,544	15,761
West Linn	10,233	10,377	10,522	10,669	10,818	10,970
Gladstone	4,316	4,376	4,437	4,499	4,562	4,626
Unincorporated	520	527	535	542	550	558
Other	-	-	-	-	-	-
Total	29,772	30,189	30,612	31,040	31,475	31,915
Forecasted SDC Revenue:						
Reimbursement						
Improvement						
Forecasted SDC Revenue	\$ 2,020	\$ 2,020	\$ 2,081	\$ 2,143	\$ 2,207	\$ 2,274
Reserve Policy:	Working Capital (contingency in the operating fund) - 60 days of sanitary sewer operating					

Wastewater SDC Calculations

Tri-City Service District Improvement Fee SDC Calculations - Using the FY09 Budgeted Five Year CIP							
	2008	2009	2010	2011	2012	2013	Total
CIP inflation rate:			3.00%	3.00%	3.00%	3.00%	
Uninflated CIP from WES CIP Matrix expressed in FY08 dollars:							
Funded by existing customers (rates)	3,441,000	1,893,000	1,730,000		15,000	377,000	7,456,000
Funded by future customers (SDCs)	1,974,000	1,222,000	1,410,000		-	300,000	4,906,000
Total	5,415,000	3,115,000	3,140,000		15,000	677,000	12,362,000
Inflated CIP:							
Funded by existing customers (rates)	3,441,000	1,949,790	1,835,357		16,391	424,317	7,666,855
Funded by future customers (SDCs)	1,974,000	1,258,660	1,495,869		-	337,653	5,066,182
Total	5,415,000	3,208,450	3,331,226		16,391	761,969	12,733,036
SDC Calculations:							
Capital investments to serve growth							\$ 5,066,182
Forecast of growth EDUs served							2,500
Unit improvement SDC							\$ 2,026

Tri-City Service District Reimbursement Fee SDC Calculations			
Utility plant in service- original cost ¹			
Collection plant		\$ 19,292,300	
Pumping plant		4,286,232	
Treatment plant		48,103,333	
General plant		6,105,847	
Land and easements		2,379,564	
Construction work in progress		3,787,577	
Subtotal utility plant in service original cost		83,954,853	\$ 83,954,853
Less: accumulated depreciation ¹			
Collection plant		(6,396,680)	
Pumping plant		(2,696,294)	
Treatment plant		(24,254,965)	
General plant		(3,154,642)	
Subtotal accumulated depreciation		(36,502,581)	(36,502,581)
Utility plant in service net of accumulated depreciation ¹			47,452,272
Less: grants and contributed capital: ²			
EPA Clean Water Act grants			(36,936,813)
Less: principal outstanding on long term debt: ¹			
DEQ Clean Water State Revolving Loan - 3.98%			(420,561)
Utility plant in service net of accumulated depreciation, grants, contributed capital, and principal outstanding on long term debt			\$ 10,094,898
Value of existing net plant in service available to serve new growth	7.75%	\$	782,015
Projected existing capacity available to serve new customers (expressed in EDUs)			32,272
Calculated reimbursement fee per EDU		\$	24

¹ Source: Tri-City Service District Comprehensive Annual Financial Report for the year ended June 30, 2007

² Source: Tri-City Service District Service District No. 1 records

Capital Improvement Plan Schedule

Tri-City Service District Summary of Wastewater Capital Improvement Projects Rates Base Case										
Cost Escalation Rate		3.00%								
Project ID Number	Cost in FY 2009	Construction Fiscal Year	Project	Project Number	FISCAL YEARS					
					2008	2009	2010	2011	2012	2013
	5,415,000	2009	Year 1 CIP		-	5,415,000	-	-	-	-
	3,115,000	2010	Year 2 CIP		-	-	3,208,450	-	-	-
	3,140,000	2011	Year 3 CIP		-	-	-	3,331,226	-	-
	15,000	2012	Year 4 CIP		-	-	-	-	16,391	-
	677,000	2013	Year 5 CIP		-	-	-	-	-	761,969
					\$0	\$5,415,000	\$3,208,450	\$3,331,226	\$16,391	\$761,969
Bonding schedule					\$0	\$5,415,000	\$3,208,450	\$3,331,226	\$16,391	\$761,969

Future Debt Sizing and Service

Tri-City Service District
Summary of Sanitary Funding Strategies

Assumptions:	
Fund Earnings %	4.00%
Issuance Cost:	
Short-Term	0.00%
Long-Term:	
Revenue Bonds	1.00%
G.O. Bonds	0.00%

Interim Financing:	
BANs Used? (1=Y,0=N)	0
BAN Interest Rate:	4.98%
Long-Term Financing:	
Revenue Bonds:	
Life of Debt (Years)	20
Interest Rate	4.98%
Coverage Factor Required	1.35
Fund Reserve from Proceeds? (1=Y,0=N)	1
Administration Fee (on Outstanding Bal)	0.0%
General Obligation Bonds:	
Life of Debt (Years)	20
Interest Rate	4.98%
Fund Reserve from Proceeds? (1=Y,0=N)	0

Fiscal Year	2008	2009	2010	2011	2012	2013
Type of Long Term Debt Issued (1=Y,0=N):						
Revenue Bonds	1	1	1	1	1	1
General Obligation Bonds	0	0	0	0	0	0
Capital Improvements Financing						
	2008	2009	2010	2011	2012	2013
Capital Costs to be Funded	-	5,415,000	3,208,450	3,331,226	16,391	761,969
less: Use of Wastewater Fund Cash Balance	-					
less: System Development Charge Contributions						
less: Use of Wastewater Construction Fund Cash Balance		5,415,000	3,208,450	3,331,226	16,391	761,970
less: Contributions From Utility Rates						
Amount to be Financed	-	-	-	-	-	-
Interim Borrowing:						
BANs Issued:	-	-	-	-	-	-
less: Borrowing Cost	-	-	-	-	-	-
less: Interest Payments	-	-	-	-	-	-
plus: Interest Earnings	-	-	-	-	-	-
Net Available from BANS	-	-	-	-	-	-
Long-term Borrowing:						
Revenue Bonds:						
Amount Borrowed	-	-	-	-	-	-
less: Financing Cost	-	-	-	-	-	-
less: Reserve Funding	-	-	-	-	-	-
less: Refunding of BANS	-	-	-	-	-	-
Net Funds from Revenue Bonds	-	-	-	-	-	-
General Obligation Bonds:						
Amount Borrowed	-	-	-	-	-	-
less: Financing Cost	-	-	-	-	-	-
less: Reserve Funding	-	-	-	-	-	-
less: Refunding of BANS	-	-	-	-	-	-
Net Funds from G.O. Bonds	-	-	-	-	-	-
New Annual Debt Service:						
Principal & Interest Repayment	-	-	-	-	-	-
Administration Fee	-	-	-	-	-	-
Total Annual Debt Service	-	-	-	-	-	-

Wastewater SDC Fund Cash Flow Forecast

Tri-City Service District Statement of Cash Flow and Changes in Fund Balance - Wastewater SDC Fund									
	Actual			Estimate 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Resources									
Beginning fund balance:	575,272	1,340,455	2,177,798	2,504,075	2,729,899	1,660,426	1,332,364	785,105	1,814,088
Sales and services:									
System Development Charges									
Oregon City	636,601	501,194	709,560	386,720	416,120	434,271	453,561	473,708	494,750
West Linn	71,774	163,723	124,226	182,042	290,880	302,252	315,678	329,701	344,346
Gladstone	18,988	23,768	62,122	17,440	121,200	127,466	133,128	139,042	145,218
Miscellaneous	12,470	11,881	5,509	2,500	8,080	15,364	16,047	16,759	17,504
Interest Income	48,176	186,734	120,474	75,122	68,247	51,245	30,196	69,773	99,130
Total Resources	<u>1,363,281</u>	<u>2,227,755</u>	<u>3,199,689</u>	<u>3,167,899</u>	<u>3,634,426</u>	<u>2,591,024</u>	<u>2,280,974</u>	<u>1,814,088</u>	<u>2,915,036</u>
Requirements									
Capital Outlays:									
Capital construction	22,826	49,957	695,614	438,000	1,974,000	1,258,660	1,495,869	-	337,653
Equipment	-	-	-	-	-	-	-	-	-
Total capital outlays	<u>22,826</u>	<u>49,957</u>	<u>695,614</u>	<u>438,000</u>	<u>1,974,000</u>	<u>1,258,660</u>	<u>1,495,869</u>	<u>-</u>	<u>337,653</u>
Transfers to other funds - OUT									
Construction fund	-	-	-	-	-	-	-	-	-
Operating fund	-	-	-	-	-	-	-	-	-
Total transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contingency	-	-	-	-	197,400	-	-	-	-
Unappropriated Ending Fund Balance:	<u>1,340,455</u>	<u>2,177,798</u>	<u>2,504,075</u>	<u>2,729,899</u>	<u>1,463,026</u>	<u>1,332,364</u>	<u>785,105</u>	<u>1,814,088</u>	<u>2,577,384</u>
Total ending fund balance	<u>1,340,455</u>	<u>2,177,798</u>	<u>2,504,075</u>	<u>2,729,899</u>	<u>1,660,426</u>	<u>1,332,364</u>	<u>785,105</u>	<u>1,814,088</u>	<u>2,577,384</u>
Total Requirements	<u>1,363,281</u>	<u>2,227,755</u>	<u>3,199,689</u>	<u>3,167,899</u>	<u>3,634,426</u>	<u>2,591,024</u>	<u>2,280,974</u>	<u>1,814,088</u>	<u>2,915,036</u>

Wastewater Construction Fund Cash Flow Forecast

Tri-City Service District Statement of Cash Flow and Changes in Fund Balance - Sanitary Sewer Construction Fund									
	Actual			Estimate 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Sources of Funds:									
Beginning fund balance	-	3,731,956	5,594,494	6,230,566	6,663,931	3,889,529	2,331,724	654,929	664,408
Grants	-	40,406	18,595	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-
Transfers from other funds - IN									
Operating fund	5,000,000	2,000,000	2,000,000	1,000,000	500,000	270,000	100,000	-	-
SDC fund	-	-	-	-	-	-	-	-	-
Total transfers from other funds - IN	<u>5,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>500,000</u>	<u>270,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>
Miscellaneous income	-	-	-	-	-	-	-	-	-
Interest income	68,795	172,706	236,352	186,917	166,598	121,985	58,562	25,869	18,090
Total Resources	<u>5,068,795</u>	<u>5,945,068</u>	<u>7,849,441</u>	<u>7,417,483</u>	<u>7,330,529</u>	<u>4,281,514</u>	<u>2,490,286</u>	<u>680,799</u>	<u>682,498</u>
Requirements:									
Capital outlay:									
Capital construction	1,336,839	350,574	1,618,875	753,552	3,441,000	1,949,790	1,835,357	16,391	424,317
Equipment	-	-	-	-	-	-	-	-	-
Total capital outlays	<u>1,336,839</u>	<u>350,574</u>	<u>1,618,875</u>	<u>753,552</u>	<u>3,441,000</u>	<u>1,949,790</u>	<u>1,835,357</u>	<u>16,391</u>	<u>424,317</u>
Contingency	-	-	-	-	344,100	-	-	-	-
Unappropriated Ending Fund Balance	<u>3,731,956</u>	<u>5,594,494</u>	<u>6,230,566</u>	<u>6,663,931</u>	<u>3,545,429</u>	<u>2,331,724</u>	<u>654,929</u>	<u>664,408</u>	<u>258,181</u>
Total ending fund balance	<u>3,731,956</u>	<u>5,594,494</u>	<u>6,230,566</u>	<u>6,663,931</u>	<u>3,889,529</u>	<u>2,331,724</u>	<u>654,929</u>	<u>664,408</u>	<u>258,181</u>
Total Requirements	<u>5,068,795</u>	<u>5,945,068</u>	<u>7,849,441</u>	<u>7,417,483</u>	<u>7,330,529</u>	<u>4,281,514</u>	<u>2,490,286</u>	<u>680,799</u>	<u>682,498</u>

Debt Funds Cash Flow Forecast

Tri-City Service District Statement of Cash Flow and Changes in Fund Balance - General Obligation Bond Fund									
	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Resources:									
Beginning fund balance	601,981	601,981	-	-	-	-	-	-	-
Interfund transfers - IN	-	-	-	-	-	-	-	-	-
Sanitary sewer operating fund	-	-	-	-	-	-	-	-	-
Surface water management operating fund	-	-	-	-	-	-	-	-	-
Special assessment fund	-	-	-	-	-	-	-	-	-
Total transfers - IN	-	-	-	-	-	-	-	-	-
Tax collections	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Total Resources	<u>601,981</u>	<u>601,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Requirements:									
Existing Debt Service:	-	-	-	-	-	-	-	-	-
Reserve requirements	-	-	-	-	-	-	-	-	-
Transfer to general fund	-	601,981	-	-	-	-	-	-	-
Unappropriated Ending Fund Balance	601,981	-	-	-	-	-	-	-	-
Total Requirements	<u>601,981</u>	<u>601,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Tri-City Service District Statement of Cash Flow and Changes in Fund Balance - DEQ Clean Water State Revolving Loan Fund									
	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Resources:									
Beginning fund balance	55,152	56,288	58,948	61,703	58,542	54,856	56,868	58,961	61,137
Interfund transfers - IN	-	-	-	-	-	-	-	-	-
Sanitary sewer operating fund	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
Surface water management operating fund	-	-	-	-	-	-	-	-	-
Special assessment fund	-	-	-	-	-	-	-	-	-
Total transfers - IN	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
Interest income	857	2,660	2,755	1,900	1,171	2,012	2,093	2,176	2,263
Total Resources	<u>114,909</u>	<u>117,390</u>	<u>119,958</u>	<u>116,603</u>	<u>112,713</u>	<u>114,515</u>	<u>116,389</u>	<u>118,337</u>	<u>120,364</u>
Requirements:									
Existing Debt Service:	-	-	-	-	-	-	-	-	-
Oregon DEQ Revolving Loan	58,621	58,442	58,255	58,061	57,857	57,647	57,428	57,200	56,963
Future Debt Service:	-	-	-	-	-	-	-	-	-
New revenue bonds	-	-	-	-	-	-	-	-	-
Transfers to other funds - OUT	-	-	-	-	-	-	-	-	-
Revenue bond fund	-	-	-	-	-	-	-	-	-
Reserve Requirement	54,617	54,617	54,617	54,617	54,617	54,617	54,617	54,617	54,617
Unappropriated Ending Fund Balance	1,671	4,331	7,086	3,925	239	2,251	4,344	6,520	8,784
Total Requirements	<u>114,909</u>	<u>117,390</u>	<u>119,958</u>	<u>116,603</u>	<u>112,713</u>	<u>114,515</u>	<u>116,389</u>	<u>118,337</u>	<u>120,364</u>

Operating Fund Cash Flow Forecast

Tri-City Service District Statement of Cash Flow and Changes in Fund Balance - Wastewater Operating Fund Base Case									
Line Item Description	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Resources									
Beginning Fund Balance	9,281,822	5,146,715	3,519,824	1,901,003	1,525,074	1,025,005	755,005	655,005	655,005
Revenues:									
Sales and Services:									
Service Charges Before Rate Increase									
Oregon City	1,507,537	1,800,573	1,778,743	1,994,806	2,014,754	2,014,754	2,076,801	2,143,374	2,452,787
West Linn	1,156,920	1,369,395	1,223,382	1,425,960	1,440,220	1,440,220	1,484,573	1,532,162	1,753,342
Gladstone	413,811	464,868	527,320	584,644	584,644	584,644	602,649	621,967	711,753
Miscellaneous	139,079	181,447	143,091	139,155	141,242	141,242	145,592	150,259	171,950
Service Charges from Rate Increase									
Oregon City	-	-	-	-	-	62,047	66,573	309,414	73,020
West Linn	-	-	-	-	-	44,353	47,589	221,180	52,197
Gladstone	-	-	-	-	-	18,005	19,318	89,786	21,189
Miscellaneous	-	-	-	-	-	4,350	4,667	21,691	5,119
Pump station maintenance	7,380	11,770	7,093	6,000	6,000	6,180	6,365	6,556	6,753
Septage disposal & misc. revenue	65,306	54,046	55,810	51,880	53,177	54,772	56,415	58,108	59,851
System development charges									
Oregon City	-	-	-	-	-	-	-	-	-
West Linn	-	-	-	-	-	-	-	-	-
Gladstone	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	451,950	459,455	517,773	518,000	544,000	560,320	577,130	-	-
Interest Income	9,636	25,533	94,416	38,020	38,127	39,070	29,435	26,113	26,113
Total Revenues	3,751,619	4,367,087	4,347,628	4,758,465	4,822,164	4,969,957	5,117,107	5,180,610	5,334,075
Total Sources of Funds	\$ 13,033,441	\$ 9,513,802	\$ 7,867,452	\$ 6,659,468	\$ 6,347,238	\$ 5,994,962	\$ 5,872,112	\$ 5,835,615	\$ 5,989,080
Requirements									
Materials and Services:									
Increased operating costs by going alone									
General off supplies	12,829	11,126	11,857	12,730	13,739	14,151	14,576	15,013	15,463
Chemicals, uniforms, other supplies	215,950	263,885	248,466	348,789	426,044	438,825	451,990	439,506	452,691
Repairs and maintenance supplies	154,291	173,527	133,290	163,697	214,531	220,967	227,596	234,424	241,457
Small tools and equipment	34,389	15,154	14,645	20,540	23,900	24,617	25,356	26,116	26,900
Sludge removal expense	13,470	13,591	9,636	15,500	15,500	15,965	16,444	16,937	17,445
Permit fees	24,191	22,404	27,581	28,000	35,000	36,050	37,132	38,245	39,393
Professional and Technical Services:									
Accounting and auditing	18,615	3,965	14,100	13,500	18,600	19,158	19,733	20,325	20,934
Management consultant	22,217	59,637	28,702	6,658	28,445	29,298	30,177	31,083	32,015
Architectural	-	-	-	-	-	-	-	-	-
Engineering	3,837	23,625	3,213	33,230	32,000	32,960	33,949	34,967	36,016
Environmental	-	-	6	-	-	-	-	-	-
Legal	4,439	19,227	10,779	2,500	-	-	-	-	-
Medical	685	544	653	697	587	605	623	641	661
Financial services	1,379	6,592	3,882	15,980	17,670	18,200	18,746	19,308	19,888
Miscellaneous professional services	101,765	19,853	67,848	63,046	111,089	114,422	117,854	121,390	125,032
Information services (data processing)	182,303	185,677	157,576	207,209	192,494	198,269	204,217	210,343	216,654
Laboratory services	215,727	245,162	230,501	291,275	293,125	301,919	310,976	320,306	329,915
Buildings and grounds	27,696	24,153	30,271	31,000	30,786	31,710	32,661	33,641	34,650
WES labor	1,435,270	1,629,743	1,727,206	1,658,438	1,891,593	1,948,341	2,006,791	2,066,995	2,129,005
DTD & other county services	91,352	115,608	110,446	114,698	144,762	149,105	153,578	158,185	162,931
Communications	56,473	48,783	51,141	44,243	54,152	55,777	57,450	59,173	60,949
Travel	972	1,133	1,173	1,561	2,333	2,403	2,475	2,549	2,626
Printing and binding	8,726	6,865	7,615	11,253	14,389	14,821	15,265	15,723	16,195
Insurance expense	79,578	76,599	73,205	74,332	81,766	84,219	86,746	89,348	92,028
Utilities	454,716	542,994	582,385	595,540	634,602	653,640	673,249	631,431	650,374
Repairs and maintenance	101,214	84,054	51,905	106,158	148,222	152,669	157,249	161,966	166,825
Facilities and equipment rental	135,892	169,816	174,498	63,601	168,686	173,747	178,959	184,328	189,858
Miscellaneous charges	31,831	171,819	41,838	42,219	80,218	82,625	85,103	87,656	90,286
Interagency coordination	-	-	93,776	95,000	95,000	97,850	100,786	103,809	106,923
Allocated costs	-	-	-	-	-	-	-	-	-
Contra accounts	-	-	-	-	-	-	-	-	-
Total Operations	3,429,807	3,935,536	3,908,194	4,081,394	4,769,233	4,912,310	5,059,679	5,123,410	5,277,112
Capital Outlay:									
Capital construction	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-
Total capital outlays	-	-	-	-	-	-	-	-	-
Transfers:									
Construction fund	5,000,000	2,000,000	2,000,000	1,000,000	500,000	270,000	100,000	-	-
Debt service funds									
Existing revenue bonds	-	-	-	-	-	-	-	-	-
New revenue bonds	-	-	-	-	-	-	-	-	-
Special assessment fund	-	-	-	-	-	-	-	-	-
State SRF loan	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
Total interfund transfers - OUT	5,058,900	2,058,442	2,058,255	1,053,000	553,000	327,647	157,428	57,200	56,963
Ending Fund Balance:									
Contingency	-	-	-	-	476,923	-	-	-	-
Unappropriated Ending Fund Balance	4,544,734	3,519,824	1,901,003	1,525,074	548,082	755,005	655,005	655,005	655,005
Total Ending Fund Balance	4,544,734	3,519,824	1,901,003	1,525,074	1,025,005	755,005	655,005	655,005	655,005
Total Uses of Funds	\$ 13,033,441	\$ 9,513,802	\$ 7,867,452	\$ 6,659,468	\$ 6,347,238	\$ 5,994,962	\$ 5,872,112	\$ 5,835,615	\$ 5,989,080

Wastewater System Revenue Requirements

Tri-City Service District Projection of Wastewater Fund Revenue Requirements FY2008-09 Rates Base Case									
Line Item Description	Actual			Estimated 2008	Budget 2009	Forecast			
	2005	2006	2007			2010	2011	2012	2013
Projection of Cash Flow:									
Sales and Services:									
Service Charges Before Rate Increase									
Oregon City	1,507,537	1,800,573	1,778,743	1,994,806	2,014,754	2,014,754	2,076,801	2,143,374	2,452,787
West Linn	1,156,920	1,369,395	1,223,382	1,425,960	1,440,220	1,440,220	1,484,573	1,532,162	1,753,342
Gladstone	413,811	464,868	527,320	584,644	584,644	584,644	602,649	621,967	711,753
Miscellaneous	139,079	181,447	143,091	139,155	141,242	141,242	145,592	150,259	171,950
Pump station maintenance	7,380	11,770	7,093	6,000	6,000	6,180	6,365	6,556	6,753
Septage disposal & misc. revenue	65,306	54,046	55,810	51,880	53,177	54,772	56,415	58,108	59,851
Transfer from other funds	-	-	-	-	-	-	-	-	-
Intergovernmental revenue	451,950	459,455	517,773	518,000	544,000	560,320	577,130	-	-
Interest Income	9,636	25,533	94,416	38,020	38,127	39,070	29,435	26,113	26,113
Total Revenues	3,751,619	4,367,087	4,347,628	4,758,465	4,822,164	4,841,202	4,978,961	4,538,539	5,182,550
less: Operations & maintenance expense	3,429,807	3,935,536	3,908,194	4,081,394	4,769,233	4,912,310	5,059,679	5,123,410	5,277,112
less: Debt service	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
less: Use of Fund Balance	-	-	-	-	(69)	-	-	-	-
Net Cash	262,912	373,109	381,179	624,071	-	(128,755)	(138,147)	(642,071)	(151,525)
Net Deficiency/(Surplus)	(262,912)	(373,109)	(381,179)	(624,071)	-	128,755	138,147	642,071	151,525
Test of Coverage Requirement:									
Operating Revenues:									
Sales and Services:									
System Development Charges	739,833	700,566	901,417	588,702	836,280	879,353	918,414	959,210	1,001,818
Total Operating Revenues	4,491,452	5,067,653	5,249,045	5,347,167	5,658,444	5,720,556	5,897,375	5,497,749	6,184,368
Operating Expenses:									
Operations & Maintenance Expense	3,429,807	3,935,536	3,908,194	4,081,394	4,769,233	4,912,310	5,059,679	5,123,410	5,277,112
Other Expense	-	-	-	-	-	-	-	-	-
Total Operating Expenses	3,429,807	3,935,536	3,908,194	4,081,394	4,769,233	4,912,310	5,059,679	5,123,410	5,277,112
Net Operating Income	1,061,645	1,132,117	1,340,851	1,265,773	889,211	808,246	837,695	374,339	907,256
Debt Service:									
Senior Lien Parity Obligations:									
Existing revenue bonds	-	-	-	-	-	-	-	-	-
New revenue bonds	-	-	-	-	-	-	-	-	-
Special assessment fund	-	-	-	-	-	-	-	-	-
State SRF loan	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
Total Senior Lien Parity Obligations	58,900	58,442	58,255	53,000	53,000	57,647	57,428	57,200	56,963
Senior Lien Parity Obligations Coverage Recognized	18.02	19.37	23.02	23.88	16.78	14.02	14.59	6.54	15.93
Senior Lien Parity Obligations Coverage Required	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Senior Lien Coverage Deficiency	-	-	-	-	-	-	-	-	-
Net Deficiency/(Surplus)	-	-	-	-	-	-	-	-	-
Projection of Revenue Sufficiency:									
Maximum Deficiency				-	-	128,755	138,147	642,071	151,525
Percent Increase Required Over Current Rate Revenues				0.00%	0.00%	3.08%	3.21%	14.44%	2.98%
Wastewater rates reconciliation:									
Revenues recognized from current rates:									
Oregon City				1,994,806	2,014,754	2,014,754	2,076,801	2,143,374	2,452,787
West Linn				1,425,960	1,440,220	1,440,220	1,484,573	1,532,162	1,753,342
Gladstone				584,644	584,644	584,644	602,649	621,967	711,753
Miscellaneous				139,155	141,242	141,242	145,592	150,259	171,950
Subtotal revenues recognized from current rates				4,144,565	4,180,860	4,180,860	4,309,615	4,447,761	5,089,832
Add revenues from rate increase:									
Oregon City				-	-	62,047	66,573	309,414	73,020
West Linn				-	-	44,353	47,589	221,180	52,197
Gladstone				-	-	18,005	19,318	89,786	21,189
Miscellaneous				-	-	4,350	4,667	21,691	5,119
Subtotal revenues from rate increase				-	-	128,755	138,147	642,071	151,525
Total revenues recognized from rate increase				-	-	128,755	138,147	642,071	151,525
Total revenues recognized from rate increase									
Oregon City				1,994,806	2,014,754	2,076,801	2,143,374	2,452,787	2,525,807
West Linn				1,425,960	1,440,220	1,484,573	1,532,162	1,753,342	1,805,540
Gladstone				584,644	584,644	602,649	621,967	711,753	732,942
Miscellaneous				139,155	141,242	145,592	150,259	171,950	177,069
Total revenues recognized from rate increase				4,144,565	4,180,860	4,309,615	4,447,761	5,089,832	5,241,358
Effective billable retail EDUs - Tri-City Service District				29,772	30,189	30,612	31,040	31,475	31,915
Calculated monthly service charge per retail EDU				\$ 11.60	\$ 11.55	\$ 11.75	\$ 11.95	\$ 13.50	\$ 13.70
Actual monthly service charge per retail EDU				\$ 11.65					

Presented by:



December

2013

Wastewater System Development Charge Update

Final Report

Prepared for:



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Fiscal 2013 - 2014
Wastewater SDC Update

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Executive Summary

Donovan Enterprises, Inc. (DEI) was retained by Water Environment Services (WES) to review the wastewater System Development Charges (SDC) currently applied by Clackamas County Service District No. 1 (CCSD1) and the Tri-City Service District (TCSD) to support wastewater infrastructure. This study is designed to provide the Clackamas County Board of Commissioners with a comprehensive understanding of its SDC options. This will enable the Commission to make informed policy choices about the future application of SDC. The study:

- Reviews the basis for SDC charges to ensure a consistent methodology;
- Identifies policy, administrative, and technical problems which have arisen from existing SDC assessment methodologies;
- Determines the most appropriate SDC fee to ensure that growth pays for growth;
- Considers possible revisions to the structure or basis of SDC charges which might improve equity or proportionality to demand;
- Provides clear, orderly documentation of the assumptions, methodology, and results, so that WES Staff could, by reference, respond to questions or concerns from the public.

The consultant found that the Clackamas County Board of Commissioners (BCC) has the legal authority and economic justification, if it chooses to exercise its prerogative, to increase SDCs for new development in CCSD#1 and TriCity. The power to do so, and by how much, resides solely with the BCC.

System Development Charges Policy Choices

Background

This study is an update of the System Development Charge (SDC) methodology analysis that was completed by WES in April, 2008. This update addresses the levels and structure of SDCs needed to support current and future infrastructure investments managed by WES. This study also takes into account the recommendations of the recently completed wastewater treatment facilities plan update. That plan calls for future investments of \$112.9 million over the next fifteen years by the two county service districts that are managed by WES.

WES was created in August, 1984, to administer several county service districts formed under ORS Chapter 451. The enabling legislation establishes county service districts as independent municipal corporations authorized to provide specific services within specified boundaries in Clackamas County. The Board of County Commissioners is designated as the governing body with the County Administrator serving as the Administrator of the Districts. The scope of this SDC update is limited to the wastewater SDCs charged by CCSD1 and the TCSD.

CCSD No. 1 is comprised of four separate, non-contiguous wastewater service areas, as well as a surface water management (SWM) service area. Both wastewater and SWM services are provided in the North Clackamas Service Area. CCSD No. 1 owns and operates the Kellogg Creek wastewater treatment plant, located along the Willamette River in Milwaukie, and has an ownership interest in co-located facilities at the Tri-City water pollution control facility located on the Clackamas River in Oregon City. These plants serve the North Clackamas Service Area in addition to the wastewater flows from the City of Milwaukie. Wastewater-only service is provided in the Hoodland, Boring, and Fischer's Forest Park Service Areas. Each service area is served by completely separate collection and treatment facilities.

TCSD provides wastewater transmission and treatment services for customers in the cities of Oregon City, West Linn, and a portion of Gladstone. Treatment services are provided at the Tri-City plant. As discussed above, since 1998, the Tri-City plant has provided growth-related wastewater treatment capacity and services for both TCSD and CCSD No. 1. These treatment services are paid for by each district according to their respective use, as delineated in the Intergovernmental Services Agreement approved by the Board of County Commissioners in December, 2008. TCSD does not deliver SWM services to customers in the TCSD area. These services are delivered by each of the three member Cities.

SDC Policy

Oregon Revised Statutes (ORS) 223.297 to 223.314 authorize local governments to establish SDCs. These are one-time fees on new development, and they are paid at the time of development. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future growth.

ORS 223.299 defines two types of SDC:

- A reimbursement fee that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”
- An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

SDC options available to the Clackamas County Board of Commissioners

At the request of WES Staff, this study was crafted to afford the Board of County Commissioners options with respect to wastewater SDCs. These options range from:

1. Do nothing option: Leave SDCs at their current levels (i.e., \$6,600 per household for CCSD1, and \$2,020 per household for TCSD); or,
2. Increase SDCs: Current SDCs can be raised to one of two statutory maximum levels based upon five-year increments of projected growth in population. These levels are in 5 and 10 year population growth increments; or,
3. Increase SDCs but by an amount that is less than allowed by current law: The BCC has the option of increasing SDCs by any amount so long as it does not exceed the legally allowed level based upon the five year increments of projected growth in population.
4. Lower SDCs from their current level: SDCs may be reduced by the BCC below current levels.

The resulting unit SDCs at the statutory maximums (at 5 and 10 year growth inflection points) are shown below in Table 1 for CCSD1, and in Table 2 for TCSD.

Table 1 - SDC Options for CCSD1

Clackamas County Service District No. 1 Draft Schedule of System Development Charges - Wastewater		
	EDU Growth Forecast Horizon (years)	
	Five	Ten
Reimbursement fee:	\$ 2,091	\$ 1,988
Improvement fee:	\$ 8,497	\$ 11,258
Total Unit SDC:	\$ 10,588	\$ 13,246

Table 2 - SDC Options for TCSD

Tri-City Service District Draft Schedule of System Development Charges - Wastewater		
	EDU Growth Forecast Horizon (years)	
	Five	Ten
Reimbursement fee:	\$ 227	\$ 219
Improvement fee:	\$ 3,628	\$ 10,107
Total Unit SDC:	\$ 3,855	\$ 10,325

The unit SDCs that are shown above in Tables 1 and 2 are expressed in dollars per Equivalent Dwelling Unit (EDU). An EDU is an approximation of the wastewater demand that is placed on the wastewater treatment system on an annual basis by an average single family dwelling.

Benchmarking Regional Wastewater SDCs

In order to give context to the levels of current and potential wastewater SDCs that could be charged in the CCSD1 and TCSD service areas, the project team gathered comparable wastewater SDCs that are charged by neighboring communities in the region. The comparable SDCs were gathered from wastewater collection and treatment service providers in Clackamas, Washington, Multnomah, and Marion Counties here in Oregon, and from service providers in Clark County, Washington. The neighboring communities' comparable wastewater SDCs are shown in Table 3, and are for a single family residential equivalent customer, and are in force as of November, 2013.

Table 3 - Comparable Communities' Single Family Residential Wastewater SDCs as of November, 2013

	"Regional" Wholesale	"Local" Retail	Total
<i>Clackamas County:</i>			
Lake Oswego	-	2,463	2,463
Oregon City	2,020	1,844	3,864
Wilsonville	-	4,323	4,323
West Linn	2,020	3,108	5,128
Milwaukie	5,670	893	6,563
Happy Valley	-	6,600	6,600
CCSD No. 1 - North Clackamas Service Area	5,670	930	6,600
<i>Washington County:</i>			
Clean Water Services	4,627	173	4,800
Hillsboro	4,627	173	4,800
Beaverton	4,627	173	4,800
Tualatin	4,627	173	4,800
<i>Multnomah County:</i>			
Fairview	-	2,600	2,600
Troutdale	-	4,495	4,495
Portland	-	4,551	4,551
Gresham	-	5,056	5,056
<i>Marion County:</i>			
Woodburn	-	2,977	2,977
Salem	-	3,130	3,130
Hubbard	-	3,755	3,755
Silverton	-	4,772	4,772
<i>Clark County Washington:</i>			
Unincorporated - Hazel Dell & Lakeshore Area	1,720	-	1,720
City of Vancouver	-	2,740	2,740
Unincorporated - Salmon Creek	4,708	-	4,708
Battle Ground	-	7,487	7,487
<i>Average single family residential wastewater SDC all areas</i>			<u>\$ 4,467</u>

The SDCs shown in Table 3 are broken out between wholesale and retail components (where applicable). The wholesale component is for wastewater treatment services, and the retail component is for wastewater collection and transmission services. In cases where a city or jurisdiction provides both services the project team showed the total SDC in the retail category. This distinction between wholesale and retail is particularly important in the cases of CCSD1 because this service district provides both wholesale and retail services to its customers. This situation is also the case in Washington County where Clean Water Services operates.



Analysis Section

Clackamas County Service District No. 1 SDC Analysis

Wastewater SDC Methodology Update

The framework for SDC calculation is established by ORS 223.297-314 which is the basis for this review. Under statute, SDC's are one-time fees imposed on new development and have two components: reimbursement and improvement.

The reimbursement fee considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is "future system users contribute no more than an equitable share to the cost of existing facilities." The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.

The improvement fee portion of the SDC is based on the cost of planned future facilities that expand the system's capacity to accommodate growth or increase its level of performance. In developing an analysis of the improvement portion of the fee, each project in the District's capital improvement plan is evaluated to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. An example is a facility which improves collection system capacity to better serve current customers. The costs for this type of project must be eliminated from the improvement fee calculation. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of additional equivalent dwelling units to be served by the District's facilities over the planning period. In this case, the planning period has been bundled into two discrete time frames of 5 and 10 years. Such a fee represents the greatest potential for future SDC changes.

For this review, WES has stated a number of objectives:

- Review the basis for the charge to ensure a consistent methodology with the benefit of the data contained in the newly completed wastewater treatment system facilities plan;
- Review the District's current rationale for the reimbursement and improvement elements of the SDC;
- Review the District's current wastewater system SDC methodology to be sure that is consistent with the District's approach to charges for other District-delivered services (SDCs);
- Consider possible revisions to the structure or basis of the charge that might improve equity or proportionality to demand; and
- Provide clear, orderly documentation of the assumptions, methodology, and results, so that District staff can, by reference, respond to questions or concerns from the public.

SDC Legal Authorization

SDCs are authorized by ORS 223.297-314. The statute is specific in its definition of system development charges, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or expansion of existing development, and assessed at the

time of development approval or increased usage of the system. SB 939, passed by the 2003 legislature, included many procedural adjustments and clarifications to ORS 223. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned/future capital facilities that serve the developing property.

Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

The methodology used to determine the improvement fee portion of the SDC must consider the cost of projected capital improvements needed to increase system capacity or level of performance. In other words, the cost of planned projects that correct existing deficiencies or do not otherwise increase capacity would not be SDC eligible. The improvement fee must also provide a credit for construction of a qualified public improvement.

Existing and Future Wastewater Demand

Existing wastewater service demand was derived from consultations with District engineering and finance staff. Based on this data, it is estimated that as of fiscal 2013-14, the District served a total of 35,558 retail EDUs. In addition to these retail EDUs, analysis indicates the District serves 10,281 wholesale EDUs in the communities of Milwaukie and Johnson City. The total EDU service base then amounted to 45,839 EDUs.

After establishing existing demand conditions, the next step was to forecast future demand based on the criteria established by the District's Capacity Management Program (CMP). To facilitate this demand forecasting effort, WES hired Portland State University's Population Research Center (PRC). The resulting demand forecast data was presented to WES (for both CCSD1 and TCSD) in a report entitled "Population Forecasts for the Tri-City Service District, Clackamas County Service District #1, Clackamas County Service District #1 with All Damascus, and the City of Milwaukie 2010-2040".

The population forecasts that were contained in the PRC final report were expressed in low, medium, and high growth scenarios. For planning purposes, WES Staff are using the medium population growth forecast for sizing future facilities. For this SDC update, the project team used the PRC medium population growth forecast as the basis for estimating the future growth in EDUs. Over the 5 and 10 year inflection points, the project team calculated the compounded annualized growth rates in population, and applied these growth rates to the know fiscal 2013-14 existing billable EDUs to arrive at future EDU totals.

The PRC medium population growth forecast data are shown below in Table 4. The resulting forecast of CCSD1 treatment EDUs is shown (in five year increments) in Table 5.

Table 4 - PRC Medium Growth Population Forecast Data; December, 2011

Medium Growth Population Forecasts - Per PSU Population Studies; December, 2011

Medium Growth Scenario	Census 2010	2020	2030	2040
Tri-City	70,544	76,340	82,315	86,748
CCSD#1	68,140	76,912	85,689	92,818
CCSD#1-All Damascus	76,865	86,876	97,157	106,193
Milwaukie	20,291	21,060	21,946	22,352

Compound Annual Growth Rates

Medium Growth Scenario	2010	2020	2030	2040
Tri-City		0.7927%	0.7746%	0.6916%
CCSD#1		1.2183%	1.1524%	1.0356%
CCSD#1-All Damascus		1.2318%	1.1783%	1.0832%
Milwaukie		0.3726%	0.3929%	0.3230%

Table 5 - Forecast of CCSD1 Treatment EDUs

Clackamas County Service District No. 1 Summary of Wastewater System Macroeconomic Assumptions			
	Budget 2014	Forecast	
		2019	2024
Equivalent Dwelling Units (EDUs) - forecast			
Wholesale Customers:			
Milwaukie	10,000	10,188	10,387
Johnson City	281	281	281
Total wholesale customers	10,281	10,469	10,668
Retail Customers:			
Total retail customers	35,558	37,803	40,104
Total treatment EDUs	<u>45,839</u>	<u>48,271</u>	<u>50,772</u>
Equivalent Dwelling Units (EDUs) - annual change			
Wholesale Customers:			
Milwaukie		38	41
Johnson City		-	-
Total wholesale customers		38	41
Retail Customers:			
Total retail customers		<u>460</u>	<u>467</u>
Five year forecast total growth		2,432	
Ten year forecast total growth			4,933

Based on the data contained in that report, the investments that are expected to be made over the next ten years for capacity expansion will serve an additional 4,933 EDUs.

Reimbursement Fee Methodology

The reimbursement fee represents a buy-in to the cost, or value, of wastewater capacity within the existing system. Generally, if a system were adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted:

- First, the cost of the system to the District's customers may be far less than the total plant-in-service. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less.
- Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points.

- First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including collection lines, local facilities, and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing.
- Second, the cost basis is allocated between used and unused capacity, or capacity available to serve growth. In the absence of a detailed asset by asset analysis, it is appropriate to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to EDUs over the planning period. This approach reflects the philosophy, consistent with the Districts CMP, that facilities have been sized to meet the demands of the customer base within the established planning period.

Table 6 contains the data that was used to derive the recommended wastewater reimbursement fee SDC (expressed in \$/EDU). Please note, in the District's 2008 SDC study the recommended reimbursement fee was zero. This is because the CCSD1 system was at effective full capacity at that time. Since that time, the District has invested over \$130 million in capacity to serve existing and new customers.

Table 6 – CCSD No. 1 Wastewater Reimbursement Fee Methodology

	June 30, 2012	EDU Growth Forecast Horizon (years)	
		Five	Ten
Clackamas County Service District No. 1 Reimbursement Fee SDC Calculations - Wastewater			
Utility plant in service- original cost ¹			
Intangible plant	\$ 802,162		
Sewage treatment plant	168,652,878		
Sewage treatment line system	106,659,292		
Equipment, tools, and appurtenances	9,214,451		
Construction work-in-progress	30,330,796		
Land	<u>3,871,077</u>		
Subtotal utility plant in service original cost	319,530,656		
Less: grants and contributed capital: ²			
EPA Clean Water Act grants	10,896,488		
Contributed capital - Milwaukie	1,581,052		
Contributed capital - Johnson City	<u>67,548</u>		
Subtotal grants and contributed capital	12,545,087		
Less: accumulated depreciation ¹			
Intangible plant	642,174		
Sewage treatment plant	48,341,017		
Sewage treatment line system	33,001,041		
Equipment, tools, and appurtenances	<u>7,613,936</u>		
Subtotal accumulated depreciation	89,598,168		
Utility plant in service net of grants and accumulated depreciation ¹	217,387,401		
Less: principal outstanding on long term debt: ¹			
DEQ Clean Water State Revolving Loan R22401	608,864		
DEQ Clean Water State Revolving Loan R06224	2,142,142		
DEQ Clean Water State Revolving Loan R22403	6,536,324		
Revenue Bonds 2002A	1,535,000		
Revenue Bonds 2002B	3,075,000		
Revenue Obligations 2009A	36,205,000		
Revenue Obligations 2009B	42,140,000		
Revenue Obligations 2010	23,475,000		
Original issue premium - 2009A, 2009B, 2010	847,812		
Deferred amount on revenue bond refunding - 2002B	<u>(123,762)</u>		
Subtotal principal outstanding on long term debt	116,441,380		
Utility plant in service net of grants, contributed capital, accumulated depreciation, and principal outstanding on long term debt	\$ 100,946,021	\$ 100,946,021	\$ 100,946,021
Projected existing capacity available to serve all customers (expressed in EDUs):		48,271	50,772
Calculated reimbursement fee per EDU		<u>\$ 2,091</u>	<u>\$ 1,988</u>

¹ Source: Clackamas County Service District No. 1 Comprehensive Annual Financial Report for the year ended June 30, 2012

² Source: Clackamas County Service District No. 1 records

Improvement Fee Methodology

The improvement fee represents a proportionate share of the cost to expand the system to accommodate growth. This charge is based on the capital improvement plan established by the

District and specifically on costs allocable to growth. Statute requires the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The key step in determining the improvement fee is identifying capital improvement projects that expand the system and the share of those projects attributable to growth. Some projects may be entirely attributable to growth, such as a collection line that exclusively serves a newly developing area. Other projects, however, are of mixed purpose, in that they may expand capacity, but they also improve service or correct a deficiency for existing customers. An example might be a pump station that both expands collection capacity and corrects a chronic capacity issue for existing users. In this case, a rational allocation basis must be defined.

The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the wastewater system's capacity to accommodate growth or increase its level of performance have been included in the cost basis of the fee. As part of the Plan, District Staff and their engineering consultants were asked to review the planned capital improvement list in order to assess SDC eligibility. The criteria shown below were developed to guide the District's evaluation:

ORS 223 SDC Eligibility Criteria:

1. Capital improvements mean the facilities or assets used for wastewater collection, transmission, treatment and disposal. The definition does not allow for operation or routine maintenance of the improvements.
2. The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related.
3. An increase in system capacity is established if a capital improvement increased the "level of performance or service" provided by existing facilities or provides new facilities.

Under the WES approach, the following rules will be followed for SDC construction:

1. Repair costs are not to be included in the SDC calculations;
 2. Replacement costs will not be included unless the replacement includes an upsizing of system capacity and/or the level of performance of the facility is increased;
 3. New regulatory compliance facility requirements fall under the level of performance definition and should be proportionately included;
 4. Cost will not be included which bring deficient system(s) up to established design levels.
-

In developing the improvement fee, the project team in consultation with District Staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedule developed by the District. The improvement fee is calculated as a function of the estimated number of projected additional EDUs to be served by the facilities over the five-year increments of planning horizon. Table 7 lays out the CIP, and the allocation of the costs between existing customers and future customers (i.e., growth), and the resulting improvement fee SDC in 5 and 10 year forecast increments:

Table 7 – Project Cost Allocation Table and Improvement Fee SDC Calculations

Clackamas County Service District No. 1 Improvement Fee SDC Calculations - Wastewater						
Project ID	Project Description	Implementation Year	Cost in 2013 Dollars	CCSD No. 1 Share	Funding Source	
					Rates	SDCs
<i>Improvement fee SDCs</i>						
Five year forecast period:						
IIA	CCSD#1 Diversion Expansion	2016	\$ 14,250,000	\$ 14,250,000	\$ -	\$ 14,250,000
IIB	Phase II Electrical Expansion	2019	2,500,000	1,575,000	-	1,575,000
Biosolids	Biosolids Distribution Improvements	5 year CIP	350,000	350,000	-	350,000
Operations	SCADA	5 year CIP	1,500,000	1,500,000	-	1,500,000
Regulatory	Blue Heron - West Linn Facility Purchase and Restoration	5 year CIP	2,993,256	2,993,256	-	2,993,256
	Five year total		\$ 21,593,256	\$ 20,668,256	\$ -	\$ 20,668,256
	Projected five year growth in EDUs					2,432
	Calculated Improvement fee per EDU					<u>\$ 8,497</u>
Ten year forecast period:						
IIA	CCSD#1 Diversion Expansion	2016	\$ 14,250,000	\$ 14,250,000	\$ -	\$ 14,250,000
IIB	Phase II Electrical Expansion	2019	2,500,000	1,575,000	-	1,575,000
Biosolids	Biosolids Distribution Improvements	5 year CIP	350,000	350,000	-	350,000
Operations	SCADA	5 year CIP	1,500,000	1,500,000	-	1,500,000
Regulatory	Blue Heron - West Linn Facility Purchase and Restoration	5 year CIP	2,993,256	2,993,256	-	2,993,256
IIC	Anaerobic Digestion	2023	31,500,000	19,845,000	-	19,845,000
IID	Landfill	2024	4,650,000	2,929,500	-	2,929,500
IIE	Coarse Screen/Grit Removal	2021	9,200,000	5,796,000	-	5,796,000
IIJ	Outfall/Pump Station	2021	10,000,000	6,300,000	-	6,300,000
	Ten year total		\$ 76,943,256	\$ 55,538,756	\$ -	\$ 55,538,756
	Projected ten year growth in EDUs					4,933
	Calculated Improvement fee per EDU					<u>\$ 11,258</u>

CCSD1 Wastewater SDC Conclusions and Recommendations

The District currently charges a wastewater SDC of \$6,600 for a new single family residence to connect to the wastewater system. The results of this study indicate that the District's governing board has the legal authority and economic justification, if it chooses, to increase

District SDCs. Charges could be increased as follows depending on the time horizon chosen by the Board of County Commissioners:

	<u>EDU Growth Forecast Horizon (years)</u>	
	<u>Five</u>	<u>Ten</u>
Reimbursement fee:	\$ 2,091	\$ 1,988
Improvement fee:	<u>\$ 8,497</u>	<u>\$ 11,258</u>
Total Unit SDC:	\$ 10,588	\$ 13,246

The Consultant team has reviewed the District's current methodology for calculating its wastewater SDC and found that it complies with statutory construction requirements for the reimbursement and improvement fees. There is no need to modify this current methodology.

Some of the most significant revisions to ORS 223 since its inception in 1991 have dealt with record keeping and notification requirements. Under ORS 223.311 the District must prepare by, January 1 of each year, an accounting of SDC receipts and expenditures. This accounting should be reported to the Board of County Commissioners on an annual basis and made available for public inspection.

Tri-City Service District SDC Analysis

Wastewater SDC Methodology Update

In 1997, WES updated the TCSD SDC for wastewater services. This was done in conjunction with the facilities planning underway for the Tri-City Treatment Plant and collection system at that time. The Board of County Commissioners adopted a "Capital Improvement Plan for the Tri-City Service District" as part of the FY '98 budget review process. That CIP and the update of the previous projects list for on-going facility construction were the basis for preparation of that SDC calculation. Staff's analysis of the funding sources for existing facilities and its assessment of available wastewater capacity at that time established that a reimbursement fee of \$219 per EDU was required. They also concluded that an improvement fee of \$1,801 per EDU was required; bringing the total SDC per EDU to its current level of \$2,020.

In 2008, the District reviewed its wastewater SDC methodology, and could only justify a \$24 per EDU reimbursement fee. That update also indicated the District could charge an improvement fee of \$2,026 vs. the current total SDC of \$2,020 per EDU. This difference was deemed immaterial and therefore, District Staff did not recommend any changes to the current wastewater SDC for TCSD at that time. In general, the 2008 adopted five year CIP for TCSD was modest. In a note to the Board of County Commissioners at that time, District Staff said that as the Interim Capacity Expansion Project unfolded, it would be likely the future TCSD CIP would change materially. That judgment has proven correct, and the currently completed wastewater treatment system facilities plan indicates the District will be facing some \$42.2 million in future system improvements over the next fifteen years.

Existing and Future Wastewater Demand

Existing wastewater service demand was derived from consultations with District engineering and finance staff. Based on this data, it is estimated that as of fiscal 2003-14, the District served a total of 30,278 wholesale EDUs.

After establishing existing demand conditions, the next step was to forecast future demand based on the criteria established by the District's Capacity Management Program (CMP). As discussed in the CCSD1 section of this report, to facilitate this demand forecasting effort, WES hired Portland State University's PRC. Also as in the CCSD1 case, for this SDC update, the project team used the PRC medium population growth forecast as the basis for estimating the future growth in EDUs. Over the 5 and 10 year inflection points, the project team calculated the compounded annualized growth rates in population, and applied these growth rates to the known fiscal 2013-14 existing billable EDUs to arrive at future EDU totals.

The PRC medium population growth forecast data are shown below in Table 8. The resulting forecast of TCSD treatment EDUs is shown (in five year increments) in Table 9.

Table 8 - PRC Medium Growth Population Forecast Data; December, 2011

Medium Growth Population Forecasts - Per PSU Population Studies; December, 2011

Medium Growth Scenario	Census 2010	2020	2030	2040
Tri-City	70,544	76,340	82,315	86,748
CCSD#1	68,140	76,912	85,689	92,818
CCSD#1-All Damascus	76,865	86,876	97,157	106,193
Milwaukie	20,291	21,060	21,946	22,352

Compound Annual Growth Rates

Medium Growth Scenario	2010	2020	2030	2040
Tri-City		0.7927%	0.7746%	0.6916%
CCSD#1		1.2183%	1.1524%	1.0356%
CCSD#1-All Damascus		1.2318%	1.1783%	1.0832%
Milwaukie		0.3726%	0.3929%	0.3230%

Table 9 - Forecast of TCSD Treatment EDUs

Tri-City Service District Summary of Wastewater System Macroeconomic Assumptions			
	Budget 2014	Forecast	
		2019	2024
Equivalent Dwelling Units (EDUs) - forecast			
Wholesale Customers:			
Oregon City	14,895	15,495	16,107
West Linn	11,093	11,540	11,996
Gladstone	3,639	3,786	3,935
Unincorporated	651	677	704
Other	-	-	-
Total wholesale customers	30,278	31,497	32,742
Retail Customers:			
Total retail customers	-	-	-
Total treatment EDUs	30,278	31,497	32,742
Equivalent Dwelling Units (EDUs) - annual increases			
Wholesale Customers:			
Oregon City		122	124
West Linn		91	92
Gladstone		30	30
Unincorporated		5	5
Other		-	-
Total wholesale customers		248	252
Retail Customers:			
Total retail customers		-	-
Total treatment EDUs		248	252
Five year growth		1,219	
Ten year growth			2,464

Based on the data contained in that report, the investments that are expected to be made over the next ten years for capacity expansion will serve an additional 2,464 EDUs.

Reimbursement Fee Methodology

The methodology contained in the 1997 SDC Report, established the value of existing capacity in the Tri-City Plant and facilities as a function of the "book value" of these assets. The updated facilities schedule (i.e., as of June 30, 2012) and their calculated book value are contained in the following asset schedule shown in Table 10.

Table 10 – TCSD Wastewater Reimbursement Fee Methodology

Tri-City Service District Reimbursement Fee SDC Calculations - Wastewater			
	June 30, 2012	EDU Growth Forecast Horizon (years)	
		Five	Ten
Utility plant in service- original cost ¹			
Land and easements	\$ 2,379,564		
Construction work-in-progress	966,110		
Intangibles	1,040,218		
Collection plant	20,012,334		
Pumping plant	4,538,350		
Treatment plant	56,564,634		
General plant	<u>7,336,345</u>		
Subtotal utility plant in service original cost	92,837,555		
Less: grants and contributed capital: ²			
EPA Clean Water Act grants	<u>36,936,813</u>		
Subtotal grants and contributed capital	36,936,813		
Less: accumulated depreciation ¹			
Intangibles	1,032,644		
Collection plant	8,449,530		
Pumping plant	3,065,619		
Treatment plant	31,728,459		
General plant	<u>4,260,756</u>		
Subtotal accumulated depreciation	48,537,008		
Utility plant in service net of grants and accumulated depreciation ¹	7,363,734		
Less: principal outstanding on long term debt: ¹			
DEQ Clean Water State Revolving Loan - 3.98%	<u>205,405</u>		
Subtotal principal outstanding on long term debt	205,405		
Utility plant in service net of grants, contributed capital, accumulated depreciation, and principal outstanding on long term debt	\$ 7,158,329	\$ 7,158,329	\$ 7,158,329
Projected existing capacity available to serve new customers (expressed in EDUs):		31,497	32,742
Calculated reimbursement fee per EDU:		<u>\$227</u>	<u>\$219</u>

¹ Source: Tri-City Service District Comprehensive Annual Financial Report for the year ended June 30, 2012

² Source: Tri-City Service District records

Facilities that have either been contributed by developers, property owners (property tax based contributions) or funded through federal/state grants are defined as contributed capital and

have been removed from this reimbursement cost base. Because these reimbursement facilities have been paid for by existing ratepayers, it is consistent that their value also be a function of existing customers' relative contribution to these facilities. None of these projects are currently being financed through revenue bonds, however, the State Revolving Fund Loan is paying for the alternative disinfection and the Tri-City Master Plan (Phase 2) projects. The outstanding debt principal has been deleted from this reimbursement cost base. Therefore, the pricing of this remaining capacity in the Tri-City facilities is a function of the "book value" of these facilities divided by the projected demand on the system as measured in projected wastewater flow to the Tri-City Plant. This per EDU calculation for existing and available capacity then becomes the basis for valuing this capacity available to new customer connections. In terms of "future system users contributing no more than an equitable share to the cost of existing facilities," the book value used in this analysis is a reasonable approach toward applying current asset value as the basis for pricing increments of available capacity at the Tri-City Plant.

WES, through its ORS 451 District structure, owns and maintains the Tri-City Wastewater Treatment Plant along with the wastewater collection system located outside the incorporated areas of Gladstone, Oregon City and West Linn. The District has 30,278 EDU's connected to the system. During certain wet weather conditions this number of connections places demands that approach effective permitted treatment capacity at the Tri-City wastewater treatment plant. However, during dry weather conditions, infiltration and inflow decreases thereby reducing hydraulic loads on the plant. The District and the cities are in the process of implementing an improvement program to mitigate infiltration and inflow within the system. Although certain wet weather conditions cause upset conditions at the treatment plant, engineering analysis indicates that there is capacity at the plant to support additional connections to the system.

Improvement Fee Methodology

As in the case for CCSD No. 1, the basis for the costs included under the improvement portion of the SDC is the result of a detailed analysis of individual projects necessary to expand wastewater treatment or increase the level of performance of these treatment/conveyance facilities. The resulting projects were then reviewed in terms of a two step engineering and cost analysis. The first step assessed the existing condition of the wastewater system facility. Where this assessment determined the existing system was deficient - either in terms of design or current operating condition - to accommodate existing customers and flows, the corresponding costs were deleted from the cost base. The analysis then isolated those costs necessary to expand/improve the wastewater treatment system in order to accommodate anticipated future customers. The improvement costs necessary to convey and treat future flows became the sole basis for the improvement portion of the SDC. The resulting capital improvement list and the allocation of cost is detailed in Table 11.

Table 11 – TCSD Wastewater Project Cost Allocation Table

Tri City Service District Improvement Fee SDC Calculations - Wastewater						
Project ID	Project Description	Implementation Year	Cost in 2013 Dollars	TCSD Share	Funding Source	
					Rates	SDCs
<i>Improvement fee SDCs</i>						
Five year forecast period:						
IIA	CCSD#1 Diversion Expansion	2016	\$ 14,250,000	\$ -	\$ -	\$ -
IIB	Phase II Electrical Expansion	2019	2,500,000	925,000	-	925,000
Asset Management	Willamette Pump Station Upgrades	5 year CIP	2,200,000	2,200,000	2,200,000	-
Operations	Lime Silo	5 year CIP	505,000	505,000	-	505,000
Regulatory	Blue Heron - West Linn Facility Purchase and Restoration	5 year CIP	2,993,963	2,993,963	-	2,993,963
Five year total			\$ 22,448,963	\$ 6,623,963	\$ 2,200,000	\$ 4,423,963
Projected five year growth in EDUs						1,219
Calculated improvement fee per EDU						<u>\$ 3,628</u>
Ten year forecast period:						
IIA	CCSD#1 Diversion Expansion	2016	\$ 14,250,000	\$ -	\$ -	\$ -
IIB	Phase II Electrical Expansion	2019	2,500,000	925,000	-	925,000
Asset Management	Willamette Pump Station Upgrades	5 year CIP	2,200,000	2,200,000	2,200,000	-
Operations	Lime Silo	5 year CIP	505,000	505,000	-	505,000
Regulatory	Blue Heron - West Linn Facility Purchase and Restoration	5 year CIP	2,993,963	2,993,963	-	2,993,963
IIC	Anaerobic Digestion	2023	31,500,000	11,655,000	-	11,655,000
IID	Landfill	2024	4,650,000	1,720,500	-	1,720,500
IIE	Coarse Screen/Grit Removal	2021	9,200,000	3,404,000	-	3,404,000
IJJ	Outfall/Pump Station	2021	10,000,000	3,700,000	-	3,700,000
Ten year total			\$ 77,798,963	\$ 27,103,463	\$ 2,200,000	\$ 24,903,463
Projected ten year growth in EDUs						2,464
Calculated improvement fee per EDU						<u>\$ 10,107</u>

TCSW Wastewater SDC Conclusions and Recommendations

The District's share of total capital cost for new investment in the wastewater treatment system is \$42.2 expressed in current dollars. Again, those are projects or portions of projects determined to be necessary in order to accommodate growth in the Tri-City Service District. The District currently charges a wastewater SDC of \$2,020 for a new single family residence to connect to the wastewater system. The results of this study indicate that the District's Governing Board has the legal authority and economic justification if it chooses, to increase District SDCs. Charges could be increased as follows depending on the time horizon chosen by the Board of County Commissioners:

	<u>EDU Growth Forecast Horizon (years)</u>	
	<u>Five</u>	<u>Ten</u>
Reimbursement fee:	\$ 227	\$ 219
Improvement fee:	<u>\$ 3,628</u>	<u>\$ 10,107</u>
Total Unit SDC:	\$ 3,855	\$ 10,325

The Consultant team has reviewed the District's current methodology for calculating its wastewater SDC and found that it complies with statutory construction requirements for the reimbursement and improvement fees. There is no need to modify this current methodology.

Under ORS 223.311 the District must prepare by, January 1 of each year, an accounting of SDC receipts and expenditures. This accounting should be reported to the Board of County Commissioners on an annual basis and made available for public inspection.



Gregory L. Geist
Director

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

RESOLUTION ADOPTING AND APPROPRIATING FISCAL YEAR 2017-18 BUDGET AND FUNDS FOR CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

Purpose/Outcomes	Adopt and appropriate Fiscal Year 2017-18 budget and funds for Clackamas County Service District No. 1 (CCSD No. 1).
Dollar Amount and Fiscal Impact	The spending level considered necessary by the Budget Committee for the District to meet operations and maintenance, capital, and debt service requirements and to provide for the integration of the District into the Water Environment Services Partnership amounts to \$133,905,429 for Clackamas County Service District No. 1.
Funding Source	District funds. No General Funds.
Duration	July 1, 2017 through June 30, 2018
Previous Board Action/Review	None
Strategic Plan Alignment	1. WES Customers will continue to benefit from a well-managed utility. 2. Build public trust through good government.
Contact Person	Doug Waugh, Finance Manager dougwau@clackamas.us
Contract No.	N/A

BACKGROUND:

The attached Resolution and exhibit adopts and appropriates funds for the enterprise fund budget for Fiscal Year 2017-18 for Clackamas County Service District No. 1 ("CCSD No. 1"), and further adopts and appropriates the debt service fund budget for CCSD No. 1.

The Budget Committee for CCSD No. 1 met on June 5, 2017 to consider its budget. The budget for CCSD No. 1 was approved as recommended by staff. The spending levels in the budget considered necessary by the Budget Committee for CCSD No. 1 to meet its operations and maintenance, capital and debt service requirements and to provide reserves amount to \$133,905,429 for CCSD No. 1.

This resolution to adopt and appropriate Fiscal Year 2017-18 budget and funds has been reviewed and approved by County Counsel.

RECOMMENDATION:

District staff recommends the Board of County Commissioners of Clackamas County, acting as the governing body of Clackamas County Service District No. 1, approve the Resolution adopting and appropriating the budget and funds for Fiscal Year 2017-18 for Clackamas County Service District No. 1.

Respectfully submitted,

Greg Geist, Director
Water Environment Services

A Resolution of the Clackamas County Board
of Commissioners Adopting a 2017-18 Fiscal
Year Budget and Making Appropriations for the
Period of July 1, 2017 through June 30, 2018

RESOLUTION NO.

WHEREAS, the proposed expenditures and resources constituting the budget for Clackamas County Service District No. 1 for the period of July 1, 2017 through June 30, 2018, inclusive, has been prepared, published and approved by the Budget Committee, and that the matters discussed at the public hearing were taken into consideration, as provided by statute; and

WHEREAS, in accordance with ORS 294.438 the notice of this public hearing and a financial summary were published in The Oregonian on June 22nd, 2017; and

WHEREAS, ORS 294.456 requires districts to make appropriations when adopting the budget.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, ACTING AS THE GOVERNING BODY OF CLACKAMAS COUNTY SERVICE DISTRICT NO. 1, THAT:

The budget is hereby adopted for the Fiscal Year 2017-2018 in the amount of **\$133,905,429** and establishes the appropriation as shown in the attached Exhibit A, which by this reference is made a part of this resolution.

ADOPTED this ____ day of _____, 2017.

CLACKAMAS COUNTY BOARD OF COUNTY
COMMISSIONERS Acting as Governing Body
of Clackamas County Service District No. 1:

Chair

Recording Secretary

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1
FISCAL YEAR 2017-2018 BUDGET
EXHIBIT A

SANITARY SEWER OPERATING FUND

Materials and Services	\$ 14,035,883
Special Payments	667,162
Special Expenditures	
Transfers	17,400,000
Contingency	2,339,000
TOTAL OPERATING FUND EXPENDITURES	<u>\$ 34,442,045</u>

SANITARY SEWER SYSTEM DEVELOPMENT CHARGE FUND

Capital Outlay	\$ 3,968,000
Special Payments	20,707,651
Special Expenditures	
Contingency	992,000
TOTAL SYSTEM DEVELOPMENT CHARGE FUND EXPENDITURES	<u>\$ 25,667,651</u>

SANITARY SEWER CONSTRUCTION FUND

Capital Outlay	\$ 13,730,949
Special Payments	25,974,169
Special Expenditures	
Contingency	3,432,737
TOTAL CONSTRUCTION FUND EXPENDITURES	<u>\$ 43,137,855</u>

SURFACE WATER OPERATING FUND

Materials and Services	\$ 4,668,386
Special Payments	5,781,139
Special Expenditures	
Contingency	778,000
TOTAL OPERATING FUND EXPENDITURES	<u>\$ 11,227,525</u>

SURFACE WATER SYSTEM DEVELOPMENT CHARGE FUND

Capital Outlay	\$ 200,000
Special Payments	1,728,605
Special Expenditures	
Contingency	50,000
TOTAL SYSTEM DEVELOPMENT CHARGE FUND EXPENDITURES	<u>\$ 1,978,605</u>

SURFACE WATER CONSTRUCTION FUND

Capital Outlay	\$ 2,630,000
Special Payments	952,389
Special Expenditures	
Contingency	657,500
TOTAL CONSTRUCTION FUND EXPENDITURES	<u>\$ 4,239,889</u>

STATE REVOLVING LOAN FUND

Principal and Interest	\$ 114,174
Special Payments	305,230
Special Expenditures	
Transfers	5,000,000
Reserve	-
TOTAL DEBT SERVICE FUND EXPENDITURES	<u>\$ 5,419,404</u>

REVENUE BOND FUND

Principal and Interest	\$ 7,050,626
Special Payments	741,829
Special Expenditures	
Reserve	-
TOTAL DEBT SERVICE FUND EXPENDITURES	<u>\$ 7,792,455</u>



Gregory L. Geist
Director

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

**BOARD ORDER AMENDING AND ADOPTING RATES AND CHARGES FOR
CLACKAMAS COUNTY SERVICE DISTRICT NO. 1**

Purpose/Outcomes	Amend and adopt rates and charges for Clackamas County Service District No. 1.
Dollar Amount and Fiscal Impact	Changes the retail Equivalent Dwelling Unit (EDU) monthly charge for sanitary sewer service within Clackamas County Service District No. 1 (CCSD No. 1) service areas from \$45.00 to \$46.35/EDU and an additional amount of 5% or approximately \$2.32 for ratepayers in the City of Happy Valley. Changes the retail Equivalent Service Unit (ESU) monthly charge for surface water management services within Clackamas County Service District No. 1 service areas from \$6.50 to \$6.70/ESU and an additional amount of 5% or approximately \$0.34 for ratepayers in the City of Happy Valley. The District's wholesale EDU monthly charge for sanitary sewer service changes from \$34.47 to \$34.75/EDU.
Funding Source	District funds.
Duration	July 1, 2017 through June 30, 2018
Previous Board Action/Review	None
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. WES Customers will continue to benefit from a well-managed utility. 2. Build public trust through good government.
Contact Person	Doug Waugh, Finance Manager dougwau@clackamas.us
Contract No.	N/A

BACKGROUND:

The attached Order changes the retail Equivalent Dwelling Unit (EDU) monthly charge for sanitary sewer service within Clackamas County Service District No. 1 ("CCSD No. 1") service areas from \$45.00 to \$46.35/EDU, and the retail Equivalent Service Unit (ESU) surface water management service charge from \$6.50 to \$6.70/ESU. Ratepayers in the City of Happy Valley will be charged an additional amount of 5% or approximately \$2.32 per EDU for sanitary sewer service and approximately \$0.34 per ESU for surface water management service to offset the City's right-of-way usage fee. CCSD No.1's wholesale EDU monthly charge for sanitary sewer service changes from \$34.47 to \$34.75/EDU.

These changes are effective for services rendered on and after July 1, 2017. The order further requires CCSD No. 1 to publish the revised tables of its Rules and Regulations to reflect the changes.

The changes in charges for monthly sanitary sewer service and surface water management service for CCSD No. 1 are pursuant to the Fiscal Year 2017-18 budget approved by CCSD No.1's Budget Committee on June 5, 2017, and adopted by the Board of County Commissioners on June 29, 2017.

RECOMMENDATION:

Staff recommends the Board of County Commissioners of Clackamas County, acting as the governing body of Clackamas County Service District No. 1, approve the Order amending and adopting rates and charges for Clackamas County Service District No. 1.

Respectfully submitted,

Greg Geist, Director
Water Environment Services

In the Matter of an Order Amending
and Adopting Rates and Charges for
Clackamas County Service District
No.1, Clackamas County, Oregon

ORDER NO.

This matter came for hearing before the Board of County Commissioners of Clackamas County, Oregon, acting as the governing body of the Clackamas County Service District No. 1 ("District"), in a public hearing on June 29th, 2017.

FINDINGS:

The District finds that the District's Rules and Regulations allow for adoption and amendment of rates and charges by order.

In order to meet the continuing obligations and ensure effective performance of the District, the Board further finds that it is necessary to adopt equivalent dwelling unit ("EDU") and equivalent service unit ("ESU") rates and charges for the District set forth on Table XII, effective July 1, 2017, pursuant to the District's adopted budget, and to effectively administer the use and users of the sanitary sewer and storm water systems managed by the District.

In order to meet continuing obligations and ensure equity amongst ratepayers and avoid a budget deficit, the Board further finds that it is necessary to adopt a methodology that allows for charges to any municipal customer of the District that levies, charges, taxes or otherwise imposes additional costs on the District relating to the use of public right of way within that municipality in an amount equal to the cost of such levy, charge, tax or other cost plus the maximum statutorily allowed interest rate to be charged for late fees.

The Board further finds that to implement such methodology for Fiscal Year 2017-18, the District shall charge the customers of the District residing within the City of Happy Valley an additional 5% or approximately \$2.32 per EDU for sanitary sewer service and an additional 5% or approximately \$0.34 per ESU for surface water services pursuant to the adopted rate methodology, all effective July 1, 2017, pursuant to the District's approved budget.

The Board, having held a hearing, considered testimony, factual supporting materials and the above findings and rate methodology, and being fully advised, it is:

ORDERED:

1. Table XII of the District's Rules and Regulations is amended to read that effective July 1, 2017, for all services rendered after said date, the District's retail sewer service charge shall be \$46.35 per EDU per month and the District's retail surface water service charge shall be \$6.70 per ESU per month. The District shall charge retail customers of the District residing in the City of Happy Valley an additional 5% or approximately \$2.32 per EDU for sanitary sewer service and an additional 5% or approximately \$0.34 per ESU for surface water services pursuant to

In the Matter of an Order
Amending and Adopting Rates
and Charges for Clackamas
County Service District No.1,
Clackamas County, Oregon

ORDER NO.

the adopted rate methodology. The District's wholesale sewer service charge shall be \$34.75 per EDU per month. District staff is directed to amend Table XII in accordance with this Order.

2. In all other respects, the Rules and Regulations of the District remain in full force and effect.
3. An executed copy hereof shall be kept on file at Water Environment Services.

PASSED this 29th day of June, 2017, after public hearing by the Board of County Commissioners at its regular meeting.

BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, OREGON
Acting as Governing Body of the
Clackamas County Service District No. 1

Chair

Recording Secretary



Gregory L. Geist
Director

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

**ESTABLISHING A NEW SYSTEM DEVELOPMENT CHARGE FOR
CLACKAMAS COUNTY SERVICE DISTRICT NO. 1**

Purpose/Outcomes	Increasing the revenues received from new development within Clackamas County Service District No. 1 ("District").
Dollar Amount and Fiscal Impact	Projected to collect \$171,000 in additional Sanitary Sewer System Development Charges ("SDC") revenues annually.
Funding Source	No General Funds involved.
Duration	Permanent.
Previous Board Action/Review	In 2016, the District's Sanitary Sewer SDC was adjusted to the current \$7,140.
Strategic Plan Alignment	1. WES Customers will continue to benefit from a well-managed utility. 2. Build public trust through good government.
Contact Person	Doug Waugh, Finance Manager – Water Environment Services dougwau@clackamas.us
Contract No.	N/A

BACKGROUND:

An increase in demand for investment based upon growth within the District has resulted in a revised CIP, adopted by the Board on June 25, 2015, which is set forth in the report "Wastewater System Development Charge Update" (the "Report") produced by Donovan Enterprises, Inc., attached to the proposed resolution as Exhibit A.

On May 23, 2016, staff presented to the RiverHealth Advisory Committee with the option to increase the District's Sanitary Sewer System Development Charge (SDC). The committee voted to recommend the SDC be increased from \$6,950 to \$7,140, a 2.7% increase, and thereafter annually at a rate of 2.7%. This annual adjustment results in an increase to \$7,330. As a result, the wholesale portion of the SDC will be concurrently increased by the same percentage, increasing it from \$6,130 to \$6,295.

RECOMMENDATION:

Staff respectfully recommends that the Board of County Commissioners, acting as the governing body of Clackamas County Service District No. 1, adopts the increase in the Sanitary Sewer System Development Charge to \$7,330, as recommended by the RiverHealth Advisory Committee, and the concurrent increase in the wholesale portion of the SDC to \$6,295.

Respectfully submitted,

Greg Geist, Director
Water Environment Services

In the Matter of an Order Establishing New System Development Charges for Clackamas County Service District No. 1, Clackamas County, Oregon

ORDER NO.

This matter coming before the Board of County Commissioners of Clackamas County, Oregon ("Board"), acting as the governing body of Clackamas County Service District No. 1 ("District") in public hearing on June 29, 2017;

WHEREAS, on June 25, 2015, the Board approved the updated the Capital Improvement Plan ("CIP") based on the Portland State University growth study, updated facility study regarding capacity, and the impact of Sanitary Sewer System Development Charges ("SDC") on District finances, as set forth in the report "Waterwater System Development Charge Update" produced by Donovan Enterprises, Inc. (the "Report");

WHEREAS, on May 23, 2016, the RiverHealth Advisory Board recommended the Board adopt an annual increase in the SDC of 2.7% to \$7,330 for fiscal year 2017-2018 based upon the Report; and

WHEREAS, the wholesale portion of the SDC will concurrently increase to \$6,295 for fiscal year 2017-2018.

FINDINGS:

The Board finds that the District's Rules and Regulations allow for an update of the Sanitary Sewer Systems Development Charge ("SDC") by order, pursuant to Section 4.1.3.

An increase in demand for investment based upon growth within the District has resulted in a revised CIP, which is set forth in the report "Wastewater System Development Charge Update" (the "Report") produced by Donovan Enterprises, Inc., attached hereto as Exhibit A.

In order to meet the continuing obligations and ensure effective performance of the District, the Board further finds that it is necessary to adopt an increased SDC of \$7,330 and an increased wholesale portion of the SDC of \$6,295.

The Board, having held a hearing, and considered all factual supporting materials and the above findings, and being fully advised, it is:

ORDERED:

1. Effective July 1, 2017, for all services rendered after said date, the District's SDC shall be \$7,330 and the wholesale portion of the SDC shall be \$6,295 per equivalent dwelling unit for the North Clackamas, Hoodland, and Boring service areas.
2. District staff is directed to publish these updated SDC charges where necessary in accordance with this Order.

In the Matter of an Order Establishing New
System Development Charges for
Clackamas County Service District No. 1,
Clackamas County, Oregon

ORDER NO.

3. An executed copy hereof shall be kept on file at Water Environment Services.

ADOPTED this ____ day of _____, 2017.

CLACKAMAS COUNTY BOARD OF COUNTY
COMMISSIONERS Acting as Governing Body
of Clackamas County Service District No. 1:

Chair

Recording Secretary

Presented by:



December

2013

Wastewater System Development Charge Update

Final Report

Prepared for:



Donovan Enterprises, Inc.
9600 SW Oak Street, Suite 335
Tigard, Oregon 97223-6596
☎ 503.517.0671
www.donovan-enterprises.com



Fiscal 2013 - 2014
Wastewater SDC Update

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Executive Summary

Donovan Enterprises, Inc. (DEI) was retained by Water Environment Services (WES) to review the wastewater System Development Charges (SDC) currently applied by Clackamas County Service District No. 1 (CCSD1) and the Tri-City Service District (TCSD) to support wastewater infrastructure. This study is designed to provide the Clackamas County Board of Commissioners with a comprehensive understanding of its SDC options. This will enable the Commission to make informed policy choices about the future application of SDC. The study:

- Reviews the basis for SDC charges to ensure a consistent methodology;
- Identifies policy, administrative, and technical problems which have arisen from existing SDC assessment methodologies;
- Determines the most appropriate SDC fee to ensure that growth pays for growth;
- Considers possible revisions to the structure or basis of SDC charges which might improve equity or proportionality to demand;
- Provides clear, orderly documentation of the assumptions, methodology, and results, so that WES Staff could, by reference, respond to questions or concerns from the public.

The consultant found that the Clackamas County Board of Commissioners (BCC) has the legal authority and economic justification, if it chooses to exercise its prerogative, to increase SDCs for new development in CCSD#1 and TriCity. The power to do so, and by how much, resides solely with the BCC.

System Development Charges Policy Choices

Background

This study is an update of the System Development Charge (SDC) methodology analysis that was completed by WES in April, 2008. This update addresses the levels and structure of SDCs needed to support current and future infrastructure investments managed by WES. This study also takes into account the recommendations of the recently completed wastewater treatment facilities plan update. That plan calls for future investments of \$112.9 million over the next fifteen years by the two county service districts that are managed by WES.

WES was created in August, 1984, to administer several county service districts formed under ORS Chapter 451. The enabling legislation establishes county service districts as independent municipal corporations authorized to provide specific services within specified boundaries in Clackamas County. The Board of County Commissioners is designated as the governing body with the County Administrator serving as the Administrator of the Districts. The scope of this SDC update is limited to the wastewater SDCs charged by CCSD1 and the TCSD.

CCSD No. 1 is comprised of four separate, non-contiguous wastewater service areas, as well as a surface water management (SWM) service area. Both wastewater and SWM services are provided in the North Clackamas Service Area. CCSD No. 1 owns and operates the Kellogg Creek wastewater treatment plant, located along the Willamette River in Milwaukie, and has an ownership interest in co-located facilities at the Tri-City water pollution control facility located on the Clackamas River in Oregon City. These plants serve the North Clackamas Service Area in addition to the wastewater flows from the City of Milwaukie. Wastewater-only service is provided in the Hoodland, Boring, and Fischer's Forest Park Service Areas. Each service area is served by completely separate collection and treatment facilities.

TCSD provides wastewater transmission and treatment services for customers in the cities of Oregon City, West Linn, and a portion of Gladstone. Treatment services are provided at the Tri-City plant. As discussed above, since 1998, the Tri-City plant has provided growth-related wastewater treatment capacity and services for both TCSD and CCSD No. 1. These treatment services are paid for by each district according to their respective use, as delineated in the Intergovernmental Services Agreement approved by the Board of County Commissioners in December, 2008. TCSD does not deliver SWM services to customers in the TCSD area. These services are delivered by each of the three member Cities.

SDC Policy

Oregon Revised Statutes (ORS) 223.297 to 223.314 authorize local governments to establish SDCs. These are one-time fees on new development, and they are paid at the time of development. SDCs are intended to recover a fair share of the cost of existing and planned facilities that provide capacity to serve future growth.

ORS 223.299 defines two types of SDC:

- A reimbursement fee that is designed to recover “costs associated with capital improvements already constructed, or under construction when the fee is established, for which the local government determines that capacity exists”
- An improvement fee that is designed to recover “costs associated with capital improvements to be constructed”

ORS 223.304(1) states, in part, that a reimbursement fee must be based on “the value of unused capacity available to future system users or the cost of existing facilities” and must account for prior contributions by existing users and any gifted or grant-funded facilities. The calculation must “promote the objective of future system users contributing no more than an equitable share to the cost of existing facilities.” A reimbursement fee may be spent on any capital improvement related to the system for which it is being charged (whether cash-financed or debt-financed).

ORS 223.304(2) states, in part, that an improvement fee must be calculated to include only the cost of projected capital improvements needed to increase system capacity for future users. In other words, the cost of planned projects that correct existing deficiencies or that do not otherwise increase capacity for future users may not be included in the improvement fee calculation. An improvement fee may be spent only on capital improvements (or portions thereof) that increase the capacity of the system for which it is being charged (whether cash-financed or debt-financed).

SDC options available to the Clackamas County Board of Commissioners

At the request of WES Staff, this study was crafted to afford the Board of County Commissioners options with respect to wastewater SDCs. These options range from:

1. Do nothing option: Leave SDCs at their current levels (i.e., \$6,600 per household for CCSD1, and \$2,020 per household for TCSD); or,
2. Increase SDCs: Current SDCs can be raised to one of two statutory maximum levels based upon five-year increments of projected growth in population. These levels are in 5 and 10 year population growth increments; or,
3. Increase SDCs but by an amount that is less than allowed by current law: The BCC has the option of increasing SDCs by any amount so long as it does not exceed the legally allowed level based upon the five year increments of projected growth in population.
4. Lower SDCs from their current level: SDCs may be reduced by the BCC below current levels.

The resulting unit SDCs at the statutory maximums (at 5 and 10 year growth inflection points) are shown below in Table 1 for CCSD1, and in Table 2 for TCSD.

Table 1 - SDC Options for CCSD1

Clackamas County Service District No. 1 Draft Schedule of System Development Charges - Wastewater		
	EDU Growth Forecast Horizon (years)	
	Five	Ten
Reimbursement fee:	\$ 2,091	\$ 1,988
Improvement fee:	\$ 8,497	\$ 11,258
Total Unit SDC:	\$ 10,588	\$ 13,246

Table 2 - SDC Options for TCSD

Tri-City Service District Draft Schedule of System Development Charges - Wastewater		
	EDU Growth Forecast Horizon (years)	
	Five	Ten
Reimbursement fee:	\$ 227	\$ 219
Improvement fee:	\$ 3,628	\$ 10,107
Total Unit SDC:	\$ 3,855	\$ 10,325

The unit SDCs that are shown above in Tables 1 and 2 are expressed in dollars per Equivalent Dwelling Unit (EDU). An EDU is an approximation of the wastewater demand that is placed on the wastewater treatment system on an annual basis by an average single family dwelling.

Benchmarking Regional Wastewater SDCs

In order to give context to the levels of current and potential wastewater SDCs that could be charged in the CCSD1 and TCSD service areas, the project team gathered comparable wastewater SDCs that are charged by neighboring communities in the region. The comparable SDCs were gathered from wastewater collection and treatment service providers in Clackamas, Washington, Multnomah, and Marion Counties here in Oregon, and from service providers in Clark County, Washington. The neighboring communities' comparable wastewater SDCs are shown in Table 3, and are for a single family residential equivalent customer, and are in force as of November, 2013.

Table 3 - Comparable Communities' Single Family Residential Wastewater SDCs as of November, 2013

	"Regional" Wholesale	"Local" Retail	Total
<i>Clackamas County:</i>			
Lake Oswego	-	2,463	2,463
Oregon City	2,020	1,844	3,864
Wilsonville	-	4,323	4,323
West Linn	2,020	3,108	5,128
Milwaukie	5,670	893	6,563
Happy Valley	-	6,600	6,600
CCSD No. 1 - North Clackamas Service Area	5,670	930	6,600
<i>Washington County:</i>			
Clean Water Services	4,627	173	4,800
Hillsboro	4,627	173	4,800
Beaverton	4,627	173	4,800
Tualatin	4,627	173	4,800
<i>Multnomah County:</i>			
Fairview	-	2,600	2,600
Troutdale	-	4,495	4,495
Portland	-	4,551	4,551
Gresham	-	5,056	5,056
<i>Marion County:</i>			
Woodburn	-	2,977	2,977
Salem	-	3,130	3,130
Hubbard	-	3,755	3,755
Silverton	-	4,772	4,772
<i>Clark County Washington:</i>			
Unincorporated - Hazel Dell & Lakeshore Area	1,720	-	1,720
City of Vancouver	-	2,740	2,740
Unincorporated - Salmon Creek	4,708	-	4,708
Battle Ground	-	7,487	7,487
<i>Average single family residential wastewater SDC all areas</i>			<u>\$ 4,467</u>

The SDCs shown in Table 3 are broken out between wholesale and retail components (where applicable). The wholesale component is for wastewater treatment services, and the retail component is for wastewater collection and transmission services. In cases where a city or jurisdiction provides both services the project team showed the total SDC in the retail category. This distinction between wholesale and retail is particularly important in the cases of CCSD1 because this service district provides both wholesale and retail services to its customers. This situation is also the case in Washington County where Clean Water Services operates.



Analysis Section

Clackamas County Service District No. 1 SDC Analysis

Wastewater SDC Methodology Update

The framework for SDC calculation is established by ORS 223.297-314 which is the basis for this review. Under statute, SDC's are one-time fees imposed on new development and have two components: reimbursement and improvement.

The reimbursement fee considers the cost of existing facilities, prior contributions by existing users of those facilities, the value of the unused/available capacity, and generally accepted ratemaking principles. The objective is "future system users contribute no more than an equitable share to the cost of existing facilities." The reimbursement fee can be spent on capital costs or debt service related to the systems for which the SDC is applied.

The improvement fee portion of the SDC is based on the cost of planned future facilities that expand the system's capacity to accommodate growth or increase its level of performance. In developing an analysis of the improvement portion of the fee, each project in the District's capital improvement plan is evaluated to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. An example is a facility which improves collection system capacity to better serve current customers. The costs for this type of project must be eliminated from the improvement fee calculation. Only capacity increasing/level of performance costs provide the basis for the SDC calculation. The improvement SDC is calculated as a function of the estimated number of additional equivalent dwelling units to be served by the District's facilities over the planning period. In this case, the planning period has been bundled into two discrete time frames of 5 and 10 years. Such a fee represents the greatest potential for future SDC changes.

For this review, WES has stated a number of objectives:

- Review the basis for the charge to ensure a consistent methodology with the benefit of the data contained in the newly completed wastewater treatment system facilities plan;
- Review the District's current rationale for the reimbursement and improvement elements of the SDC;
- Review the District's current wastewater system SDC methodology to be sure that is consistent with the District's approach to charges for other District-delivered services (SDCs);
- Consider possible revisions to the structure or basis of the charge that might improve equity or proportionality to demand; and
- Provide clear, orderly documentation of the assumptions, methodology, and results, so that District staff can, by reference, respond to questions or concerns from the public.

SDC Legal Authorization

SDCs are authorized by ORS 223.297-314. The statute is specific in its definition of system development charges, their application, and their accounting. In general, an SDC is a one-time fee imposed on new development or expansion of existing development, and assessed at the

time of development approval or increased usage of the system. SB 939, passed by the 2003 legislature, included many procedural adjustments and clarifications to ORS 223. Overall, the statute is intended to promote equity between new and existing customers by recovering a proportionate share of the cost of existing and planned/future capital facilities that serve the developing property.

Statute further provides the framework for the development and imposition of SDCs and establishes that SDC receipts may only be used for capital improvements and/or related debt service.

The methodology used to determine the improvement fee portion of the SDC must consider the cost of projected capital improvements needed to increase system capacity or level of performance. In other words, the cost of planned projects that correct existing deficiencies or do not otherwise increase capacity would not be SDC eligible. The improvement fee must also provide a credit for construction of a qualified public improvement.

Existing and Future Wastewater Demand

Existing wastewater service demand was derived from consultations with District engineering and finance staff. Based on this data, it is estimated that as of fiscal 2013-14, the District served a total of 35,558 retail EDUs. In addition to these retail EDUs, analysis indicates the District serves 10,281 wholesale EDUs in the communities of Milwaukie and Johnson City. The total EDU service base then amounted to 45,839 EDUs.

After establishing existing demand conditions, the next step was to forecast future demand based on the criteria established by the District's Capacity Management Program (CMP). To facilitate this demand forecasting effort, WES hired Portland State University's Population Research Center (PRC). The resulting demand forecast data was presented to WES (for both CCSD1 and TCSD) in a report entitled "Population Forecasts for the Tri-City Service District, Clackamas County Service District #1, Clackamas County Service District #1 with All Damascus, and the City of Milwaukie 2010-2040".

The population forecasts that were contained in the PRC final report were expressed in low, medium, and high growth scenarios. For planning purposes, WES Staff are using the medium population growth forecast for sizing future facilities. For this SDC update, the project team used the PRC medium population growth forecast as the basis for estimating the future growth in EDUs. Over the 5 and 10 year inflection points, the project team calculated the compounded annualized growth rates in population, and applied these growth rates to the know fiscal 2013-14 existing billable EDUs to arrive at future EDU totals.

The PRC medium population growth forecast data are shown below in Table 4. The resulting forecast of CCSD1 treatment EDUs is shown (in five year increments) in Table 5.

Table 4 - PRC Medium Growth Population Forecast Data; December, 2011

Medium Growth Population Forecasts - Per PSU Population Studies; December, 2011

Medium Growth Scenario	Census 2010	2020	2030	2040
Tri-City	70,544	76,340	82,315	86,748
CCSD#1	68,140	76,912	85,689	92,818
CCSD#1-All Damascus	76,865	86,876	97,157	106,193
Milwaukie	20,291	21,060	21,946	22,352

Compound Annual Growth Rates

Medium Growth Scenario	2010	2020	2030	2040
Tri-City		0.7927%	0.7746%	0.6916%
CCSD#1		1.2183%	1.1524%	1.0356%
CCSD#1-All Damascus		1.2318%	1.1783%	1.0832%
Milwaukie		0.3726%	0.3929%	0.3230%

Table 5 - Forecast of CCSD1 Treatment EDUs

Clackamas County Service District No. 1 Summary of Wastewater System Macroeconomic Assumptions			
	Budget 2014	Forecast	
		2019	2024
Equivalent Dwelling Units (EDUs) - forecast			
Wholesale Customers:			
Milwaukie	10,000	10,188	10,387
Johnson City	281	281	281
Total wholesale customers	10,281	10,469	10,668
Retail Customers:			
Total retail customers	35,558	37,803	40,104
Total treatment EDUs	45,839	48,271	50,772
Equivalent Dwelling Units (EDUs) - annual change			
Wholesale Customers:			
Milwaukie		38	41
Johnson City		-	-
Total wholesale customers		38	41
Retail Customers:			
Total retail customers		460	467
Five year forecast total growth		2,432	
Ten year forecast total growth			4,933

Based on the data contained in that report, the investments that are expected to be made over the next ten years for capacity expansion will serve an additional 4,933 EDUs.

Reimbursement Fee Methodology

The reimbursement fee represents a buy-in to the cost, or value, of wastewater capacity within the existing system. Generally, if a system were adequately sized for future growth, the reimbursement fee might be the only charge imposed, since the new customer would be buying existing capacity. However, staged system expansion is needed, and an improvement fee is imposed to allocate those growth related costs. Even in those cases, the new customer also relies on capacity within the existing system, and a reimbursement component is warranted.

In order to determine an equitable reimbursement fee to be used in conjunction with an improvement fee, two points should be highlighted:

- First, the cost of the system to the District's customers may be far less than the total plant-in-service. This is due to the fact that elements of the existing system may have been contributed, whether from developers, governmental grants, and other sources. Therefore, the net investment by the customer/owners is less.
- Second, the value of the existing system to a new customer is less than the value to an existing customer, since the new customer must also pay, through an improvement fee, for expansion of some portions of the system.

The method used for determining the reimbursement fee accounts for both of these points.

- First, the charge is based on the net investment in the system, rather than the gross cost. Therefore, donated facilities, typically including collection lines, local facilities, and grant-funded facilities, would be excluded from the cost basis. Also, the charge should be based on investments clearly made by the current users of the system, and not already supported by new customers. Tax supported activities fail this test since funding sources have historically been from general revenues, or from revenues which emanate, at least in part, from the properties now developing.
- Second, the cost basis is allocated between used and unused capacity, or capacity available to serve growth. In the absence of a detailed asset by asset analysis, it is appropriate to allocate the cost of existing facilities between used and available capacity proportionally based on the forecasted population growth as converted to EDUs over the planning period. This approach reflects the philosophy, consistent with the Districts CMP, that facilities have been sized to meet the demands of the customer base within the established planning period.

Table 6 contains the data that was used to derive the recommended wastewater reimbursement fee SDC (expressed in \$/EDU). Please note, in the District's 2008 SDC study the recommended reimbursement fee was zero. This is because the CCSD1 system was at effective full capacity at that time. Since that time, the District has invested over \$130 million in capacity to serve existing and new customers.

Table 6 – CCSD No. 1 Wastewater Reimbursement Fee Methodology

	June 30, 2012	EDU Growth Forecast Horizon (years)	
		Five	Ten
Clackamas County Service District No. 1 Reimbursement Fee SDC Calculations - Wastewater			
Utility plant in service- original cost ¹			
Intangible plant	\$ 802,162		
Sewage treatment plant	168,652,878		
Sewage treatment line system	106,659,292		
Equipment, tools, and appurtenances	9,214,451		
Construction work-in-progress	30,330,796		
Land	<u>3,871,077</u>		
Subtotal utility plant in service original cost	319,530,656		
Less: grants and contributed capital: ²			
EPA Clean Water Act grants	10,896,488		
Contributed capital - Milwaukie	1,581,052		
Contributed capital - Johnson City	<u>67,548</u>		
Subtotal grants and contributed capital	12,545,087		
Less: accumulated depreciation ¹			
Intangible plant	642,174		
Sewage treatment plant	48,341,017		
Sewage treatment line system	33,001,041		
Equipment, tools, and appurtenances	<u>7,613,936</u>		
Subtotal accumulated depreciation	89,598,168		
Utility plant in service net of grants and accumulated depreciation ¹	217,387,401		
Less: principal outstanding on long term debt: ¹			
DEQ Clean Water State Revolving Loan R22401	608,864		
DEQ Clean Water State Revolving Loan R06224	2,142,142		
DEQ Clean Water State Revolving Loan R22403	6,536,324		
Revenue Bonds 2002A	1,535,000		
Revenue Bonds 2002B	3,075,000		
Revenue Obligations 2009A	36,205,000		
Revenue Obligations 2009B	42,140,000		
Revenue Obligations 2010	23,475,000		
Original issue premium - 2009A, 2009B, 2010	847,812		
Deferred amount on revenue bond refunding - 2002B	<u>(123,762)</u>		
Subtotal principal outstanding on long term debt	116,441,380		
Utility plant in service net of grants, contributed capital, accumulated depreciation, and principal outstanding on long term debt	\$ 100,946,021	\$ 100,946,021	\$ 100,946,021
Projected existing capacity available to serve all customers (expressed in EDUs):		48,271	50,772
Calculated reimbursement fee per EDU		<u>\$ 2,091</u>	<u>\$ 1,988</u>

¹ Source: Clackamas County Service District No. 1 Comprehensive Annual Financial Report for the year ended June 30, 2012

² Source: Clackamas County Service District No. 1 records

Improvement Fee Methodology

The improvement fee represents a proportionate share of the cost to expand the system to accommodate growth. This charge is based on the capital improvement plan established by the

District and specifically on costs allocable to growth. Statute requires the capital improvements used as a basis for the charge be part of an adopted capital improvement schedule, whether as part of a system plan or independently developed, and that the improvements included for SDC eligibility be capacity or level of service expanding. The improvement fee is intended to protect existing customers from the cost burden and impact of expanding a system that is already adequate for their own needs in the absence of growth.

The key step in determining the improvement fee is identifying capital improvement projects that expand the system and the share of those projects attributable to growth. Some projects may be entirely attributable to growth, such as a collection line that exclusively serves a newly developing area. Other projects, however, are of mixed purpose, in that they may expand capacity, but they also improve service or correct a deficiency for existing customers. An example might be a pump station that both expands collection capacity and corrects a chronic capacity issue for existing users. In this case, a rational allocation basis must be defined.

The improvement portion of the SDC is based on the proportional approach toward capacity and cost allocation in that only those facilities (or portions of facilities) that either expand the wastewater system's capacity to accommodate growth or increase its level of performance have been included in the cost basis of the fee. As part of the Plan, District Staff and their engineering consultants were asked to review the planned capital improvement list in order to assess SDC eligibility. The criteria shown below were developed to guide the District's evaluation:

ORS 223 SDC Eligibility Criteria:

1. Capital improvements mean the facilities or assets used for wastewater collection, transmission, treatment and disposal. The definition does not allow for operation or routine maintenance of the improvements.
2. The SDC improvement base shall consider the cost of projected capital improvements needed to increase the capacity of the systems to which the fee is related.
3. An increase in system capacity is established if a capital improvement increased the "level of performance or service" provided by existing facilities or provides new facilities.

Under the WES approach, the following rules will be followed for SDC construction:

1. Repair costs are not to be included in the SDC calculations;
 2. Replacement costs will not be included unless the replacement includes an upsizing of system capacity and/or the level of performance of the facility is increased;
 3. New regulatory compliance facility requirements fall under the level of performance definition and should be proportionately included;
 4. Cost will not be included which bring deficient system(s) up to established design levels.
-

In developing the improvement fee, the project team in consultation with District Staff evaluated each of its CIP projects to exclude costs related to correcting existing system deficiencies or upgrading for historical lack of capacity. Only capacity increasing/level of performance costs were used as the basis for the SDC calculation, as reflected in the capital improvement schedule developed by the District. The improvement fee is calculated as a function of the estimated number of projected additional EDUs to be served by the facilities over the five-year increments of planning horizon. Table 7 lays out the CIP, and the allocation of the costs between existing customers and future customers (i.e., growth), and the resulting improvement fee SDC in 5 and 10 year forecast increments:

Table 7 – Project Cost Allocation Table and Improvement Fee SDC Calculations

Clackamas County Service District No. 1 Improvement Fee SDC Calculations - Wastewater						
Project ID	Project Description	Implementation Year	Cost in 2013 Dollars	CCSD No. 1 Share	Funding Source	
					Rates	SDCs
<i>Improvement fee SDCs</i>						
Five year forecast period:						
IIA	CCSD#1 Diversion Expansion	2016	\$ 14,250,000	\$ 14,250,000	\$ -	\$ 14,250,000
IIB	Phase II Electrical Expansion	2019	2,500,000	1,575,000	-	1,575,000
Biosolids	Biosolids Distribution Improvements	5 year CIP	350,000	350,000	-	350,000
Operations	SCADA	5 year CIP	1,500,000	1,500,000	-	1,500,000
Regulatory	Blue Heron - West Linn Facility Purchase and Restoration	5 year CIP	2,993,256	2,993,256	-	2,993,256
	Five year total		\$ 21,593,256	\$ 20,668,256	\$ -	\$ 20,668,256
	Projected five year growth in EDUs					2,432
	Calculated Improvement fee per EDU					<u>\$ 8,497</u>
Ten year forecast period:						
IIA	CCSD#1 Diversion Expansion	2016	\$ 14,250,000	\$ 14,250,000	\$ -	\$ 14,250,000
IIB	Phase II Electrical Expansion	2019	2,500,000	1,575,000	-	1,575,000
Biosolids	Biosolids Distribution Improvements	5 year CIP	350,000	350,000	-	350,000
Operations	SCADA	5 year CIP	1,500,000	1,500,000	-	1,500,000
Regulatory	Blue Heron - West Linn Facility Purchase and Restoration	5 year CIP	2,993,256	2,993,256	-	2,993,256
IIC	Anaerobic Digestion	2023	31,500,000	19,845,000	-	19,845,000
IID	Landfill	2024	4,650,000	2,929,500	-	2,929,500
IIE	Coarse Screen/Grit Removal	2021	9,200,000	5,796,000	-	5,796,000
IIJ	Outfall/Pump Station	2021	10,000,000	6,300,000	-	6,300,000
	Ten year total		\$ 76,943,256	\$ 55,538,756	\$ -	\$ 55,538,756
	Projected ten year growth in EDUs					4,933
	Calculated Improvement fee per EDU					<u>\$ 11,258</u>

CCSD1 Wastewater SDC Conclusions and Recommendations

The District currently charges a wastewater SDC of \$6,600 for a new single family residence to connect to the wastewater system. The results of this study indicate that the District's governing board has the legal authority and economic justification, if it chooses, to increase

District SDCs. Charges could be increased as follows depending on the time horizon chosen by the Board of County Commissioners:

	<u>EDU Growth Forecast Horizon (years)</u>	
	<u>Five</u>	<u>Ten</u>
Reimbursement fee:	\$ 2,091	\$ 1,988
Improvement fee:	<u>\$ 8,497</u>	<u>\$ 11,258</u>
Total Unit SDC:	\$ 10,588	\$ 13,246

The Consultant team has reviewed the District's current methodology for calculating its wastewater SDC and found that it complies with statutory construction requirements for the reimbursement and improvement fees. There is no need to modify this current methodology.

Some of the most significant revisions to ORS 223 since its inception in 1991 have dealt with record keeping and notification requirements. Under ORS 223.311 the District must prepare by, January 1 of each year, an accounting of SDC receipts and expenditures. This accounting should be reported to the Board of County Commissioners on an annual basis and made available for public inspection.

Tri-City Service District SDC Analysis

Wastewater SDC Methodology Update

In 1997, WES updated the TCSD SDC for wastewater services. This was done in conjunction with the facilities planning underway for the Tri-City Treatment Plant and collection system at that time. The Board of County Commissioners adopted a "Capital Improvement Plan for the Tri-City Service District" as part of the FY '98 budget review process. That CIP and the update of the previous projects list for on-going facility construction were the basis for preparation of that SDC calculation. Staff's analysis of the funding sources for existing facilities and its assessment of available wastewater capacity at that time established that a reimbursement fee of \$219 per EDU was required. They also concluded that an improvement fee of \$1,801 per EDU was required; bringing the total SDC per EDU to its current level of \$2,020.

In 2008, the District reviewed its wastewater SDC methodology, and could only justify a \$24 per EDU reimbursement fee. That update also indicated the District could charge an improvement fee of \$2,026 vs. the current total SDC of \$2,020 per EDU. This difference was deemed immaterial and therefore, District Staff did not recommend any changes to the current wastewater SDC for TCSD at that time. In general, the 2008 adopted five year CIP for TCSD was modest. In a note to the Board of County Commissioners at that time, District Staff said that as the Interim Capacity Expansion Project unfolded, it would be likely the future TCSD CIP would change materially. That judgment has proven correct, and the currently completed wastewater treatment system facilities plan indicates the District will be facing some \$42.2 million in future system improvements over the next fifteen years.

Existing and Future Wastewater Demand

Existing wastewater service demand was derived from consultations with District engineering and finance staff. Based on this data, it is estimated that as of fiscal 2003-14, the District served a total of 30,278 wholesale EDUs.

After establishing existing demand conditions, the next step was to forecast future demand based on the criteria established by the District's Capacity Management Program (CMP). As discussed in the CCSD1 section of this report, to facilitate this demand forecasting effort, WES hired Portland State University's PRC. Also as in the CCSD1 case, for this SDC update, the project team used the PRC medium population growth forecast as the basis for estimating the future growth in EDUs. Over the 5 and 10 year inflection points, the project team calculated the compounded annualized growth rates in population, and applied these growth rates to the know fiscal 2013-14 existing billable EDUs to arrive at future EDU totals.

The PRC medium population growth forecast data are shown below in Table 8. The resulting forecast of TCSD treatment EDUs is shown (in five year increments) in Table 9.

Table 8 - PRC Medium Growth Population Forecast Data; December, 2011

Medium Growth Population Forecasts - Per PSU Population Studies; December, 2011

Medium Growth Scenario	Census 2010	2020	2030	2040
Tri-City	70,544	76,340	82,315	86,748
CCSD#1	68,140	76,912	85,689	92,818
CCSD#1-All Damascus	76,865	86,876	97,157	106,193
Milwaukie	20,291	21,060	21,946	22,352

Compound Annual Growth Rates

Medium Growth Scenario	2010	2020	2030	2040
Tri-City		0.7927%	0.7746%	0.6916%
CCSD#1		1.2183%	1.1524%	1.0356%
CCSD#1-All Damascus		1.2318%	1.1783%	1.0832%
Milwaukie		0.3726%	0.3929%	0.3230%

Table 9 - Forecast of TCSD Treatment EDUs

Tri-City Service District Summary of Wastewater System Macroeconomic Assumptions			
	Budget 2014	Forecast	
		2019	2024
Equivalent Dwelling Units (EDUs) - forecast			
Wholesale Customers:			
Oregon City	14,895	15,495	16,107
West Linn	11,093	11,540	11,996
Gladstone	3,639	3,786	3,935
Unincorporated	651	677	704
Other	-	-	-
Total wholesale customers	30,278	31,497	32,742
Retail Customers:			
Total retail customers	-	-	-
Total treatment EDUs	30,278	31,497	32,742
Equivalent Dwelling Units (EDUs) - annual increases			
Wholesale Customers:			
Oregon City		122	124
West Linn		91	92
Gladstone		30	30
Unincorporated		5	5
Other		-	-
Total wholesale customers		248	252
Retail Customers:			
Total retail customers		-	-
Total treatment EDUs		248	252
Five year growth		1,219	
Ten year growth			2,464

Based on the data contained in that report, the investments that are expected to be made over the next ten years for capacity expansion will serve an additional 2,464 EDUs.

Reimbursement Fee Methodology

The methodology contained in the 1997 SDC Report, established the value of existing capacity in the Tri-City Plant and facilities as a function of the "book value" of these assets. The updated facilities schedule (i.e., as of June 30, 2012) and their calculated book value are contained in the following asset schedule shown in Table 10.

Table 10 – TCSD Wastewater Reimbursement Fee Methodology

Tri-City Service District Reimbursement Fee SDC Calculations - Wastewater			
	June 30, 2012	EDU Growth Forecast Horizon (years)	
		Five	Ten
Utility plant in service- original cost ¹			
Land and easements	\$ 2,379,564		
Construction work-in-progress	966,110		
Intangibles	1,040,218		
Collection plant	20,012,334		
Pumping plant	4,538,350		
Treatment plant	56,564,634		
General plant	<u>7,336,345</u>		
Subtotal utility plant in service original cost	92,837,555		
Less: grants and contributed capital: ²			
EPA Clean Water Act grants	<u>36,936,813</u>		
Subtotal grants and contributed capital	36,936,813		
Less: accumulated depreciation ¹			
Intangibles	1,032,644		
Collection plant	8,449,530		
Pumping plant	3,065,619		
Treatment plant	31,728,459		
General plant	<u>4,260,756</u>		
Subtotal accumulated depreciation	48,537,008		
Utility plant in service net of grants and accumulated depreciation ¹	7,363,734		
Less: principal outstanding on long term debt: ¹			
DEQ Clean Water State Revolving Loan - 3.98%	<u>205,405</u>		
Subtotal principal outstanding on long term debt	205,405		
Utility plant in service net of grants, contributed capital, accumulated depreciation, and principal outstanding on long term debt	\$ 7,158,329	\$ 7,158,329	\$ 7,158,329
Projected existing capacity available to serve new customers (expressed in EDUs):		31,497	32,742
Calculated reimbursement fee per EDU:		<u>\$227</u>	<u>\$219</u>

¹ Source: Tri-City Service District Comprehensive Annual Financial Report for the year ended June 30, 2012

² Source: Tri-City Service District records

Facilities that have either been contributed by developers, property owners (property tax based contributions) or funded through federal/state grants are defined as contributed capital and

have been removed from this reimbursement cost base. Because these reimbursement facilities have been paid for by existing ratepayers, it is consistent that their value also be a function of existing customers' relative contribution to these facilities. None of these projects are currently being financed through revenue bonds, however, the State Revolving Fund Loan is paying for the alternative disinfection and the Tri-City Master Plan (Phase 2) projects. The outstanding debt principal has been deleted from this reimbursement cost base. Therefore, the pricing of this remaining capacity in the Tri-City facilities is a function of the "book value" of these facilities divided by the projected demand on the system as measured in projected wastewater flow to the Tri-City Plant. This per EDU calculation for existing and available capacity then becomes the basis for valuing this capacity available to new customer connections. In terms of "future system users contributing no more than an equitable share to the cost of existing facilities," the book value used in this analysis is a reasonable approach toward applying current asset value as the basis for pricing increments of available capacity at the Tri-City Plant.

WES, through its ORS 451 District structure, owns and maintains the Tri-City Wastewater Treatment Plant along with the wastewater collection system located outside the incorporated areas of Gladstone, Oregon City and West Linn. The District has 30,278 EDU's connected to the system. During certain wet weather conditions this number of connections places demands that approach effective permitted treatment capacity at the Tri-City wastewater treatment plant. However, during dry weather conditions, infiltration and inflow decreases thereby reducing hydraulic loads on the plant. The District and the cities are in the process of implementing an improvement program to mitigate infiltration and inflow within the system. Although certain wet weather conditions cause upset conditions at the treatment plant, engineering analysis indicates that there is capacity at the plant to support additional connections to the system.

Improvement Fee Methodology

As in the case for CCSD No. 1, the basis for the costs included under the improvement portion of the SDC is the result of a detailed analysis of individual projects necessary to expand wastewater treatment or increase the level of performance of these treatment/conveyance facilities. The resulting projects were then reviewed in terms of a two step engineering and cost analysis. The first step assessed the existing condition of the wastewater system facility. Where this assessment determined the existing system was deficient - either in terms of design or current operating condition - to accommodate existing customers and flows, the corresponding costs were deleted from the cost base. The analysis then isolated those costs necessary to expand/improve the wastewater treatment system in order to accommodate anticipated future customers. The improvement costs necessary to convey and treat future flows became the sole basis for the improvement portion of the SDC. The resulting capital improvement list and the allocation of cost is detailed in Table 11.

Table 11 – TCSD Wastewater Project Cost Allocation Table

Tri City Service District Improvement Fee SDC Calculations - Wastewater						
Project ID	Project Description	Implementation Year	Cost in 2013 Dollars	TCSD Share	Funding Source	
					Rates	SDCs
<i>Improvement fee SDCs</i>						
Five year forecast period:						
IIA	CCSD#1 Diversion Expansion	2016	\$ 14,250,000	\$ -	\$ -	\$ -
IIB	Phase II Electrical Expansion	2019	2,500,000	925,000	-	925,000
Asset Management	Willamette Pump Station Upgrades	5 year CIP	2,200,000	2,200,000	2,200,000	-
Operations	Lime Silo	5 year CIP	505,000	505,000	-	505,000
Regulatory	Blue Heron - West Linn Facility Purchase and Restoration	5 year CIP	2,993,963	2,993,963	-	2,993,963
Five year total			\$ 22,448,963	\$ 6,623,963	\$ 2,200,000	\$ 4,423,963
Projected five year growth in EDUs						1,219
Calculated improvement fee per EDU						<u>\$ 3,628</u>
Ten year forecast period:						
IIA	CCSD#1 Diversion Expansion	2016	\$ 14,250,000	\$ -	\$ -	\$ -
IIB	Phase II Electrical Expansion	2019	2,500,000	925,000	-	925,000
Asset Management	Willamette Pump Station Upgrades	5 year CIP	2,200,000	2,200,000	2,200,000	-
Operations	Lime Silo	5 year CIP	505,000	505,000	-	505,000
Regulatory	Blue Heron - West Linn Facility Purchase and Restoration	5 year CIP	2,993,963	2,993,963	-	2,993,963
IIC	Anaerobic Digestion	2023	31,500,000	11,655,000	-	11,655,000
IID	Landfill	2024	4,650,000	1,720,500	-	1,720,500
IIE	Coarse Screen/Grit Removal	2021	9,200,000	3,404,000	-	3,404,000
IJ	Outfall/Pump Station	2021	10,000,000	3,700,000	-	3,700,000
Ten year total			\$ 77,798,963	\$ 27,103,463	\$ 2,200,000	\$ 24,903,463
Projected ten year growth in EDUs						2,464
Calculated improvement fee per EDU						<u>\$ 10,107</u>

TCSW Wastewater SDC Conclusions and Recommendations

The District's share of total capital cost for new investment in the wastewater treatment system is \$42.2 expressed in current dollars. Again, those are projects or portions of projects determined to be necessary in order to accommodate growth in the Tri-City Service District. The District currently charges a wastewater SDC of \$2,020 for a new single family residence to connect to the wastewater system. The results of this study indicate that the District's Governing Board has the legal authority and economic justification if it chooses, to increase District SDCs. Charges could be increased as follows depending on the time horizon chosen by the Board of County Commissioners:

	<u>EDU Growth Forecast Horizon (years)</u>	
	<u>Five</u>	<u>Ten</u>
Reimbursement fee:	\$ 227	\$ 219
Improvement fee:	<u>\$ 3,628</u>	<u>\$ 10,107</u>
Total Unit SDC:	\$ 3,855	\$ 10,325

The Consultant team has reviewed the District's current methodology for calculating its wastewater SDC and found that it complies with statutory construction requirements for the reimbursement and improvement fees. There is no need to modify this current methodology.

Under ORS 223.311 the District must prepare by, January 1 of each year, an accounting of SDC receipts and expenditures. This accounting should be reported to the Board of County Commissioners on an annual basis and made available for public inspection.

June 29, 2017

Board of County Commissioner
Clackamas County

Members of the Board:

Approval for an Intergovernmental Agreement with the City of Lake Oswego for Medical Direction for the Lake Oswego Fire Department and Communications Center

Purpose/Outcomes	This Agreement provides the basis for a cooperative working relationship for the provision of medical direction for the Lake Oswego Fire Department (LOFD) and Lake Oswego Communications Center (LOCOM).
Dollar Amount and Fiscal Impact	Maximum contract value is \$12,000.
Funding Source	Emergency Medical Services Coordination – No General Funds are used.
Duration	Effective July 1, 2017 and terminates on June 30, 2018
Previous Board Action	The Board of County Commissioners previously reviewed this agreement on June 26, 2013 agenda item 062913-A10 ,June 05, 2015 agenda item 060514-A2, June 25, 2015 agenda item 062515-A4, and July 7, 2016 agenda item 070716-A1
Strategic Plan Alignment	1. Improved community safety and health 2. Ensure safe, healthy and secure communities
Contact Person	Deborah Cockrell 503-742-5495
Contract No.	8293

Background

The Clackamas County Public Health Division (CCPHD) of the Health, Housing & Human Services Department requests the approval of an Agreement with the City of Lake Oswego to provide Medical Direction for the Fire Department and Communications Center. This Agreement provides the basis for a cooperative working relationship for the provision of medical direction for the Lake Oswego Fire Department (LOFD) and Lake Oswego Communications Center (LOCOM) such as, developing a program to ensure LOFD meets the state requirements and to establish performance standards. This agreement will ensure that LOFD first responders meet requirements and protocols for the provision of EMS care.

The maximum contract value is \$12,000. This agreement is effective July 1, 2017 and expires on June 30, 2018. County Counsel reviewed this Agreement on June 14, 2017.

RECOMMENDATION:

Staff recommends the Board approval of this agreement and authorizes Richard Swift, H3S Director to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing, and Human Services

June 29, 2017

Board of County Commissioner
Clackamas County

Members of the Board:

Approval of a renewal Intergovernmental Agreement with Washington County
for the Cities Readiness Initiative Program

Purpose/Outcomes	Clackamas County H3S has been named to receive funding for the Cities Readiness Initiative (CRI) Program administered by Washington County.
Dollar Amount and Fiscal Impact	Contract maximum value is \$29,114.00
Funding Source	This is a revenue agreement from Washington County. No County General Funds are involved.
Duration	Effective July 01, 2017 and terminates on June 30, 2018
Previous Board Action	The Board last reviewed and approved this agreement on September 18, 2014 agenda item 091814-A4, June 25, 2015 agenda item 062515-A6, and June 29, 2016, 062916-A1.
Strategic Plan Alignment	1. Individuals and families in need are healthy and safe 2. Ensure safe, healthy and secure communities
Contact Person	Dawn Emerick, Public Health Director – 503-655-8479
Contract No.	8355

BACKGROUND:

The Clackamas County Public Health Division (CCPHD) of the Health, Housing & Human Services Department requests the approval of an Agreement with Washington County for the Cities Readiness Initiative (CRI) Program.

CRI is a nationwide program designed to help large urban areas create plans to administer medicine or chemical agents for the purpose of disease prevention to 100% of their populations. The State of Oregon contracts these funds to Washington County who administers this program on the State’s behalf. The Portland Metropolitan CRI program is in its tenth year and the region includes Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill counties.

This contract is effective July 1, 2017 and continues through June 30, 2018. This contract has been reviewed by County Counsel on June 15, 2017.

RECOMMENDATION:

Staff recommends the Board approval of this agreement and authorizes Richard Swift, H3S Director to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing, and Human Services

Healthy Families. Strong Communities.

June 29, 2017

Board of County Commissioner
Clackamas County

Members of the Board:

Approval to apply for Substance Abuse and Mental Health Services
Administration (SAMHSA) Zero Suicide Grant

Purpose/Outcomes	Raise awareness of suicide, establish referral processes, and improve care and outcomes for individuals who are at risk for suicide through evidence-based prevention and intervention programs.
Dollar Amount	Grant award of \$2,000,000
Funding Source	SAMHSA. No County General Funds are involved. No match is involved
Duration	9/30/2017 – 9/29/2022 (5 years)
Previous Board Action	None
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. Screen all individuals receiving care for suicidal thought and behaviors 2. Commitment to dramatically reduce suicide among people under care 3. Ensure safe, healthy and secure communities
Contact Person	Deborah Cockrell, Health Centers Director – 503-742-5495

BACKGROUND:

The Health Centers Division of the Health, Housing & Human Services Department requests the approval to apply for the Zero Suicide Grant. The Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Mental Health Services (CMHS), is accepting applications for fiscal year (FY) 2017 Cooperative Agreements to Implement Zero Suicide in Health Systems (Short Title: Zero Suicide). The Zero Suicide model is a comprehensive, multi-setting approach to suicide prevention in health systems.

RECOMMENDATION:

Staff recommends the approval to apply for this Zero Suicide Grant and further recommend that Richard Swift, H3S Director be authorized to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing & Human Services

June 29, 2016

Board of County Commissioner
Clackamas County

Members of the Board:

Approval for renewal of Revenue Intra-Agency Agreement with
Clackamas County Community Corrections, to provide
Behavioral Health Services to Community Corrections Consumers

Purpose/Outcomes	Provide mental health and substance abuse consultation and treatment services to targeted consumers served by Community Corrections Residential Services
Dollar Amount and Fiscal Impact	Contract maximum value is \$340,904, Invoices will be issued monthly for true and verifiable expense.
Funding Source	This is a revenue agreement for CC Health Centers paid by CC Community Corrections budget.
Duration	Effective July 01, 2017 and terminates on June 30, 2018
Previous Board Action	The Board previously viewed this contract on June 29, 2016 – agenda item 062916-A8
Strategic Plan Alignment	1. Individuals and families in need are healthy and safe 2. Ensure safe, healthy and secure communities
Contact Person	Tracy Garell, Behavioral Health Clinic Manager – 503-723-4803
Contract No.	8174

BACKGROUND:

The Clackamas County Health Centers Division (CCHCD) of the Health, Housing & Human Services Department requests the approval of an Intra-Agency Agreement with Clackamas County Community Corrections to provide behavioral health services to Community Corrections’ consumers. Clackamas County Community Corrections purchases Residential Psychiatric Services, and Medication Evaluations from Health Centers Behavioral Health Clinics.

This agreement allows Clackamas County Health Centers Behavioral Health Clinics to provide mental health and substance abuse consultation and treatment services to targeted consumers served by Community Corrections’ Residential Services.

This is a renewal agreement. The contract maximum is \$340,904. The agreement is effective July 1, 2017 and expires June 30, 2018. This contract has been reviewed by County Counsel on June 19, 2016.

RECOMMENDATION:

Staff recommends the Board approval of this agreement and authorizes Richard Swift, H3S Director to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing, and Human Services

June 29, 2017

Board of County Commissioner
Clackamas County

Members of the Board:

Approval of Amendment #01 to the Professional Services Agreement with Folk Time, Inc, for peer services to the Stewart Community Center and Hilltop Adult Services Center

Purpose/Outcomes	Provide peer services to the Stewart Community Center and Hilltop Adult Services Center, using a Peer Support Team model to promote a recovery oriented support system.
Dollar Amount and Fiscal Impact	Contract maximum value is \$235,700. This agreement is funded through revenue from the Adult Mental health Services and the Community Support Team.
Funding Source	3610-8600 – Adult Mental Health Services and 3610-8604 – Community Support Team. No County General Funds are involved.
Duration	Effective July 01, 2016 and terminates on September 30, 2017
Previous Board Action	The Board last reviewed and approved this agreement on June 29, 2016 agenda item A9.
Strategic Plan Alignment	1. Individuals and families in need are healthy and safe 2. Ensure safe, healthy and secure communities
Contact Person	Tracy Garell, Behavioral Health Clinic Manager – 503-723-4803
Contract No.	7819

BACKGROUND:

The Clackamas County Health Centers Division (CCHCD) of the Health, Housing & Human Services Department requests the approval of Amendment #01 to the Professional Services Agreement with Folk Time, Inc., for peer services to the Stewart Community Center and Hilltop Adult Services Center

As part of Clackamas County’s Behavioral Health Redesign, which was started in 2009, Clackamas County Health Centers Division, Behavioral Health Clinics committed to the development and implementation of a Peer Delivered Service System of Care for children, families, transition age youth, and adults receiving mental health and addiction services. Peer Services is an evidenced based practice to provide recovery oriented services designed to reduce the number of recurring treatment episodes. The term peer, for the purposes of this contract, refers to a person who has been the recipient of inpatient or outpatient mental health and/or addiction treatment services. Peers provide support to an individual or family who has similar lived experiences.

Folk Time, Inc. will provide peer support services to consumers at the Stewart Community Center and Hilltop Adult Services Center. Peer Support Services are recovery-oriented and include companion care, transportation, activity coordination, problem solving, medication reminders, and communication skills development for individuals receiving Behavioral Health Services.

This contract is effective July 1, 2016 and continues through September 30, 2017. We are extending this contract until the RFP is completed and there is no disruption in services. County Counsel reviewed this Amendment on June 21, 2017.

RECOMMENDATION:

Staff recommends the Board approval of this contract and authorizes Richard Swift, H3S Director to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing, and Human Services

June 29, 2017

Board of County Commissioner
Clackamas County

Members of the Board:

Approval of an Intra-Agency Services Agreement with Clackamas County Health Centers Behavioral Health Clinic (HC-BHC) and Clackamas County Behavioral Health Division (BHD) for the transfer of grant funds awarded for Supported Employment Services.

<u>Purpose/Outcomes</u>	Clackamas County Health Centers Behavioral Health Clinic (HC-BHC) to provide Supported Employment services to the uninsured and indigent residents of Clackamas County.
Dollar Amount and Fiscal Impact	Amount of financial award to be transferred shall not exceed \$151,281.
Funding Source	2017-2019 Community Mental Health Provider (“CMHP”) Intergovernmental Agreement #153117 through the Oregon Health Authority (“OHA”). No county general funds are involved.
Duration	Effective July 01, 2017 through June 30, 2018
Previous Board Action	Previous review and approval was on April 6, 2017 board action item #040617-A1
Strategic Plan Alignment	1. Increase self-sufficiency for our clients. 2. Ensure safe, healthy and secure communities.
Contact Person	Mary Rumbaugh, Director, Behavioral Health Division 503-722-5305
Contract No.	8313

BACKGROUND:

The Clackamas County Behavioral Health Division (“BHD”), of the Health, Housing & Human Services Department requests the approval of this Intra-Agency Services Agreement with the Clackamas County Health Centers Behavioral Health Clinic to provide Supported Employment services to the uninsured and indigent residents of Clackamas County. Supported Employment is an evidence-based practice with services intended to promote rehabilitation and return to productive employment. Programs use a team approach to engage and retain clients in treatment and provide the supports necessary to ensure success at the workplace.

The financial award came through the Community Mental Health Program (“CMHP”) Intergovernmental Agreement #153117. It is effective July 1, 2017 and terminates on June 30, 2018. Funding shall not exceed \$151,281.

RECOMMENDATION:

Staff recommends the Board approve this agreement and authorizes Richard Swift, H3S Director to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing & Human Services

June 29, 2016

Board of County Commissioner
Clackamas County

Members of the Board:

Approval of an Amendment #2 to the Agency Services Contract with Lifeworks NW for
Early Assessment and Support Alliance (EASA) Services

Purpose/Outcomes	To provide mental health services to indigent residents of Clackamas County paid with State general funds.
Dollar Amount and Fiscal Impact	This amendment adds \$220,000 for a new contract maximum of \$621,204.
Funding Source	Oregon Health Authority 2015-2017 Community Mental Health Program (CMHP) Intergovernmental Agreement #147783. No County General Funds are involved.
Duration	Effective July 1, 2015 and terminates on June 30, 2017
Previous Board Action	The Board last reviewed and approved this agreement on August , Agenda item 062614-A26
Strategic Plan Alignment	1. Individuals and families in need are healthy and safe. 2. Ensure safe, healthy and secure communities.
Contact Person	Mary Rumbaugh, Director 503-742-5305
Contract No.	7227

BACKGROUND:

The Behavioral Health Division of the Health, Housing and Human Services Department requests the approval of an Amendment #2 to the Agency Service Contract with LifeWorks NW, Early Assessment and Support Alliance (EASA) programs. EASA programs provide information and support to young people who are experiencing symptoms of psychosis for the first time. LifeWorks will provide an early psychosis program for 15 to 24 year olds.

This contract is retroactive as the Division did not receive the documentation from the State in time to process before the effective date.

This Agency Services Contract adds \$220,000 for a new maximum contract value of \$ 401,204. No County General Funds are involved. This is effective July 1, 2015 and terminates on June 30, 2017.

This contract has been reviewed and approved by County Counsel as part of the H3S contract standardization project.

RECOMMENDATION:

Staff recommends the Board approve this amendment and authorizes Richard Swift, H3S Director to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing & Human Services

June 29, 2016

Board of County Commissioner
Clackamas County

Members of the Board:

Approval of an Agency Services Contract Amendment #1 with Lifeworks NW for
Assertive Community Treatment (ACT) Programs

Purpose/Outcomes	To provide non-fidelity Assertive Community Treatment programs (ACT) to Clackamas County residents enrolled with Health Share of Oregon for their Oregon Health Plan (OHP) benefits
Dollar Amount and Fiscal Impact	This amendment adds \$35,000 for a new contract maximum of \$785,000.
Funding Source	Oregon Health Authority - no County General Funds are involved.
Duration	Effective July 1, 2016 and terminates on June 30, 2017
Previous Board Action	The Board last reviewed and approved this agreement on August 4, 2016 Agenda item 080416-A1
Strategic Plan Alignment	1. Individuals and families in need are healthy and safe. 2. Ensure safe, healthy and secure communities.
Contact Person	Mary Rumbaugh, Director 503-742-5305
Contract No.	7778

BACKGROUND:

The Behavioral Health Division of the Health, Housing and Human Services Department requests the approval of an amendment #1 for an Agency Service Contract with LifeWorks NW Assertive Community Treatment (ACT) programs for providing non-fidelity Assertive Community Treatment programs (ACT) to residents who are eligible members of HealthShare, OHP. The Behavioral Health Division has partnered with Lifeworks NW for behavioral health services since 2005.

This amendment adds \$35,000 for a new maximum contract of \$ 785,000. This is to ensure payment of services through the end of the contract term. No County General Funds are involved. It is effective upon signature and terminates on June 30, 2017.

RECOMMENDATION:

Staff recommends the Board approve this amendment and authorizes Richard Swift, H3S Director to sign on behalf of Clackamas County.

Respectfully submitted,

Richard Swift, Director
Health, Housing & Human Services



SCOTT CAUFIELD, MANAGER
RESOURCE CONSERVATION AND SOLID WASTE PROGRAM

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

**A BOARD ORDER APPROVING SOLID WASTE MANAGEMENT FEE
ADJUSTMENTS**

Purpose/Outcomes	A Board Order approving Solid Waste Management fee adjustments for collection service
Fiscal Impact	N/A
Funding Source	N/A
Duration	Subject to Annual Review
Previous Action	Solid Waste Commission approval on June 1, 2017.
Strategic Plan Alignment	Build public trust through good government and Ensure safe, healthy and secure communities
Contact Person	Rick Winterhalter, Sr. Sustainability Analyst DTD RC&SW 503-742-4466
Contract No.	N/A

Background:

The Resource Conservation & Solid Waste Program of the Department of Transportation and Development (DTD) is responsible for managing the County's Integrated Solid Waste Collection System. This includes an annual review of the production records of the nine franchised solid waste collection companies. The purpose of the review is to ensure that solid waste collection services are provided to residents and businesses safely, cost-effectively, efficiently, and in a manner that supports the benefits of recovering materials from the system. The review is used to establish the fees charged for the variety of services required by the County and ensure a fair return to the collectors. The review process is assisted by a contracted certified public accountant to review franchisee financial records, create summaries and provide analysis.

Historically the County has recognized the administrative and strategic value of an annual review, coupled with annual adjustments *as necessary*, to keep fees and real costs aligned. The adjustments may come in the form of fee increases, additional collection services or a combination. This governance model prevents large and unexpected increases resulting from a less frequent review.

The County is divided into four fee zones: 1) Urban; 2) Rural; 3) Distant Rural and 4) Mountain. The Urban zone is within the Metro Urban Growth Boundary established prior to March 2003. Zones are differentiated by services offered (curbside Yard Debris service is not offered outside the Urban zone) and the distances traveled between houses and from disposal sites.

The current fees were adopted by the Board and made effective July 1, 2016. The adjusted returns to revenue in each fee zone fall within the acceptable range of 8-12%.

The Metro Council has adopted a small decrease to the cost of disposal of \$1.30 per ton effective July 1, 2017. (*Metro Fee report attached.*)

Cart & Container Fees

No change to cart and container fees is proposed for 2017. This year's analysis recognizes a slight decrease in cost of garbage disposal in the coming year. Other expenses will increase in the coming year but our past increases and efficiencies gained by the franchisees have allowed the system to finally move into the middle of the targeted range of returns. (*CompositeSummFeeHistory attached*)

Drop Box Fees

The returns in drop box service are driving overall returns below the targeted range for the composite. The last increase in general drop box service fees was adopted by the Board in 2013. Specifically, the last fee adjustment was approved in 2013 for the standard roll off service-both open box and compactors. In 2015 a separate fee was approved for lidded boxes. Staff recommends an increase to the drop box collection fees for drop box and compactor collection services. The following table illustrates the proposed increase to drop box services for 2017.

Open Box	Current	Proposed	Change	
10 and 20 yd	\$119.00	\$125.00	5.0%	\$ 6.00
30 yd	\$136.00	\$145.00	6.6%	\$ 9.00
40 yd	\$153.00	\$165.00	7.8%	\$ 12.00
Lidded/Specialized 10/20 yard	\$135.00	\$150.00	11.1%	\$ 15.00

Compactor	Current	Proposed	Change	
<25 yards	\$135.00	\$150.00	11.1%	\$ 15.00
25-34 yards	\$169.00	\$189.00	11.8%	\$ 20.00
>34 yards	\$196.00	\$218.00	11.2%	\$ 22.00

NOTE: The fees adopted by the Board for drop box service do not include the cost of disposal at a landfill or transfer station. The franchisee passes that cost through to the customer separately.

Some drop boxes are used to collect ‘special wastes’ that must be disposed of at a landfill specifically permitted to accept them. These may include auto shredder waste, asbestos, contaminated soil, industrial process wastes, and sludge. To accommodate the additional on-site handling costs that may be associated with these drop boxes, staff recommends creating a uniform fee for the collection and delivery of special wastes requiring additional on-site handling and disposal at a special waste landfill. This fee will apply to industrial customers with special wastes. The level of service required for these industrial customers differs significantly from the predominant service levels associated with typical drop box service. The proposed fee represents a \$42.00 increase from the current fee for 10 and 20 cubic yard drop boxes.

Drop Box Collection from Industrial sites with Special Wastes required to be delivered to an appropriately permitted out of the region landfill

	Current	Proposed	Change	
10/20 Yards	\$119.00	\$161.00	40.3%	\$42.00
30 Yards	\$136.00	\$178.00	37.5%	\$42.00

The fee increases presented are proposed to take effect on July 1, 2017. (See *Fee Background attachment for history*)

Commercial sector food waste collection fees

Why is the expansion of food waste collection a priority?

Clackamas County, the State, and Metro, have placed a priority on developing programs and policies to increase the recovery of food waste. It is a primary focus of recovery efforts because (a) food waste remains prevalent in our waste stream, (b) collecting food waste for processing reduces climate impacts compared to landfilling food waste and (c) the material has value for energy production and to promote agricultural productivity when separated.

Food, at 18 percent of our overall disposed waste, is the largest component the material our region throws out as garbage. The total food disposed to landfills is equivalent to 5,000 long-haul trucks full of food each year. Businesses generate 55 percent of that total (100,000 tons).

When disposed in landfills, food waste is a primary contributor to the production of methane. Methane has a greenhouse gas impact at least 24 times that of carbon dioxide (CO₂). A 2014 report from the Oregon DEQ illustrates the climate benefits of collecting food waste for processing via anaerobic digestion or composting which shows that a metric ton of food waste could result in a net increase in 0.52 tons of CO₂-

equivalent emissions in a landfill, and processing the same waste via anaerobic digestion or composting would result in a net reduction of -0.17 or -0.05 tons of CO₂-equivalent, as seen in this figure:¹

The same report ranked these four food waste processing methods for their agricultural benefits (soil carbon, fertilizer replacement, water conservation, and yield increase), and found that landfilling food ranked last in each of the agricultural benefits, while anaerobic digestion and composting ranked first or second in each.

The goal of collecting food scraps is to route them into a preferred process to capture their potential for environmental and economic benefits. Treating food scraps as garbage is a missed opportunity to capture these benefits and make the most of our waste. Another potential benefit of increased collection is that it brings the region closer to being able to support a local processing facility, reducing our need to ship waste longer distances.

This emerging priority is reflected in the state of Oregon's recently established goal to recover 25 percent of our wasted food by 2020. The legislature also recently amended recycling laws to encourage local governments to adopt food scraps collection service. Food is also a priority of our Regional Solid Waste Management Plan.

How has Clackamas County approached commercial food waste collection?

First, it is important to note that whenever possible, preventing food waste and the donation of edible food to feed hungry people are and will continue to be the county's emphasis in the technical assistance we provide to businesses generating food waste. Staff continues to work with businesses to find opportunities for donating food.

In 2015, the Board approved the development of a food waste collection service available to food generating businesses in most of our urban unincorporated areas, at the same price as they would pay for the collection and disposal of an additional garbage container. Commercial food scraps collection service is also available in the cities of Canby, Happy Valley, Lake Oswego, Milwaukie, and West Linn. As these services have been established over the past several years, we have provided technical assistance to select businesses to train staff and help them implement best practices—primarily restaurants and grocery stores. Some businesses have contacted the County requesting the service.

During this program development phase, County staff have researched and considered a few options for the structuring of fees for commercial food scraps collection.

At this early phase, staff believes the most important criterion for any fee structure is it encourages greater participation. In addition, the County's fee structure ideally will promote participation, material quality (food-only), capture efficiencies that minimize collection costs, and encourage businesses to generate less waste.

While we have secured some early adopting customers, the presence of a separate fee charged to the customer who wishes to participate has proven a significant barrier to participation. At present count, approximately eight (8) large food generators in unincorporated Clackamas County's urban area have initiated service.

How are we proposing to change commercial food waste collection?

Surveys and interviews conducted in September 2016 with 58 food generating businesses in Clackamas County, Washington County, and Gresham found that in general, businesses said they participated to reduce the garbage sent to landfill and to help curb climate change. The most commonly cited barrier to participation was increased costs.

The present recommendation prioritizes the biggest barrier to participation, costs, by proposing to incorporate food waste collection service, alongside recycling, with garbage service. From a business's perspective, for a single fee for service, their collector will be providing a suite of collection services that helps enable the highest and best use of the materials.

Clackamas County's Solid Waste Commission met on June 1, 2017 and unanimously voted to accept staff's recommendation as presented here. County Counsel has reviewed this report.

RECOMMENDATION:

Staff respectfully recommends the Board of County Commissioners adopt the Solid Waste Management Fee Schedules as presented in Exhibit A effective July 1, 2017. Further the adopted fees for container collection service staff will include separate food waste collection service from food generating businesses.

Sincerely,

Scott Caufield
Resource Conservation & Solid Waste Manager
Attachments

For information on this issue or the attachments, please contact Rick Winterhalter at 503-742-4466 or rickw@clackamas.us.

This matter coming before the Board of County Commissioners at this time, and it appearing to the Board that an application has been received by the Solid Waste Commission for a Waste Management Fee adjustment for the franchised collectors, and

It further appearing to the Board that the Solid Waste Commission, at a meeting on June 1, 2017, reviewed the application and supporting data received by the Commission for a Waste Management Fee adjustment for the franchised solid waste collectors within the County, and made their findings as follows:

- A. That a Waste Management Fee adjustment has been requested by the franchisees; and
- B. That it is the County's responsibility to ensure each portion of the solid waste collection system recovers the cost of providing that particular service; and
- C. That no general operating cost adjustment in Waste Management Fees be established for infectious waste collection service; and
- D. That operating costs such as labor and equipment purchases are increasing; and
- E. That disposal costs are decreasing on July 1, 2017; and
- F. The fees for drop box service have not been adjusted since July 1, 2013; and
- G. That the Waste Management Fees for a majority of the classes of residential and commercial can/cart service; for container collection service, and for miscellaneous services in all fee zones remain as approved on June 29, 2016 as set forth in Exhibit A of this Order; and
- H. That the Waste Management Fees for drop box service be increased as set forth in Exhibit A of this Order; and
- I. That the Waste Management Fees include a fee for the handling of special wastes from industrial drop box customers requiring delivery to a landfill permitted to dispose of special wastes as set forth in Exhibit A of this Order; and
- J. That the Waste Management Fees include the cost of providing source separated food waste collection to food generators as set forth in Exhibit A of this Order; and
- K. That this request is just and reasonable under Chapter 10.03 of the Clackamas County Code; and

In The Matter of Approving the Clackamas
County Fee Schedule for Waste and
Recycling Collection Services to be
uniformly applied by the Franchised Solid
Waste Collection Companies

Order No.

Page 2 of 2

The Board having considered the investment in facilities and equipment; the services of management; methods of storage, collection, transportation and disposal; the length of haul to disposal facilities; the cost of the disposal; reasonable return to the owners of the business; the future service demands of the area or site which must be anticipated in equipment, facilities, personnel or land; extra charge for special pickups or pickups on days where service is not normally provided on a route; extra charges where the type of character of waste or solid waste, including but not limited to, wastes with peculiarly offensive odors, that requires special handling or service; the extra cost for providing the opportunity to recycle; and extra charges for providing janitorial services on the premises where service is provided; we do adopt the findings of the Solid Waste Commission as our own findings and do further find that the Waste Management Fee adjustments as set out herein are just, fair and reasonable; now therefore

IT IS HEREBY ORDERED that the foregoing
recommendations be adopted and that the following franchised collectors be granted a Waste Management
Fee adjustment according to the recommendations effective July 1, 2017,

ADOPTED this ____ day of _____, 2017

BOARD OF COUNTY COMMISSIONERS

Jim Bernard, Chair

Recording Secretary

Solid Waste Collection Supporting Documents

July 1, 2017

Solid Waste Collection Fee Adjustment

- ORS 459A.085(3) allows the Counties and Cities to “...displace competition with a system of regulated [integrated solid waste] collection service by issuing franchises which may be exclusive if service areas are allocated.”
- The State also provides to Cities and Counties the authority to assess fees to ensure adequate solid waste collection services and specifically allow the recovery of the costs necessary to provide the opportunity to recycle.
- The Resource Conservation and Solid Waste Division of the Department of Transportation and Development (DTD) is responsible for managing the County’s Integrated Solid Waste Collection System.
- One condition of maintaining a County franchise in good standing is:
On an annual basis submit production, sale and purchase records, which include income and expense statements, labor hours, truck hours, customer and receptacle counts, tonnage reports, and which may include, at the County’s option, financial statements and tax returns, for 12 month periods, beginning January 1 and ending December 31 of the previous year, for purposes of Solid Waste Management Fee review...(Clackamas County Solid Waste and Recycling Collection Services Administrative Regulations for Franchisee & Customer; Adopted 10/10/1994, Last amended 11/5/2009)
- The County currently franchises 9 companies to collect solid waste. Of the 9 companies three are publicly traded corporations and six are locally owned Subchapter C corporations. Some of the franchises consolidate their annual reports, resulting in fewer reports than franchisees.
- The County has a contract with Bell & Associates, Inc. a consulting firm specializing in solid waste financial analysis, to perform an analysis of the data submitted.
- The information submitted by the individual franchises is consolidated to create a composite ‘franchisee’. Costs are adjusted to eliminate those allowed for tax purposes but not allowed for determining collection fees. This composite is used to analyze the financial health of the entire system.
- The County determines the systems’ health based on return on revenues. The county’s policy is to measure the health of the solid waste collection system within a range of 8-12% return on revenues. When the system falls within this range typically neither an increase nor decrease in fees is deemed necessary. Special circumstances, such as the addition of new programs or anticipated increases in expenses outside the control of the companies, may cause exceptions.
- Metro Council has approved a decrease in the disposal fee by \$1.30 per ton effective July 1, 2017; decreasing the tip fee to \$94.95. The current transaction fee, for customers with accounts (franchisees), remains the same at \$2.00. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an

additional \$0.40 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$ 95.35 beginning July 1, 2017. This decrease has been considered in the financial review. *(Metro report attached.)*

- This year's analysis recognizes the slight decrease in cost of garbage disposal, and known increases in contractual labor. While other upward pressures on expenses exist, past increases have allowed the system to finally move into the middle of the targeted range of returns.
- The returns in 2016 fall within the targeted range for the total composite in each fee zone. The exception is in drop box service, the returns for drop box service fall below the targeted range and consequently are putting downward pressure on the composite.
- No adjustment to cart and container fees are proposed for 2017. However, an increase in fees for drop box services are proposed.
- Staff recommends creating a uniform fee for special wastes requiring additional handling and disposal outside the Metro region permitted by the DEQ to receive the material. All such permitted landfills are located outside the Metro area. Hillsboro landfill is the current recipient of the material. This fee will apply to asbestos abatement contractors and industrial users with special wastes. The level of service for these industrial customers differs significantly from the predominant service levels contemplated when reviewing and creating the drop box fees. The proposed fee represents a \$42.00 increase from the current fee for 10 and 20 cubic yard drop boxes.

Special Wastes delivered to an appropriately permitted Landfill

	Current Fee	Proposed	Change	
10/20 Yard	\$119.00	\$161.00	40.3%	\$42.00
30 Yard	\$136.00	\$178.00	37.5%	\$42.00

- The last fee adjustment was approved in 2013 for the standard roll off service-both open box and compactors. In 2015 an adjustment was approved to apply to customers choosing a lidded box for service. The following table illustrates the proposed adjustments for 2017.

Open Box	Current	Proposed	Change	
10 and 20 yd	\$119.00	\$125.00	5.0%	\$ 6.00
30 yd	\$136.00	\$145.00	6.6%	\$ 9.00
40 yd	\$153.00	\$165.00	7.8%	\$ 12.00
Lidded/Specialized 10/20 yard	\$135.00	\$150.00	11.1%	\$ 15.00

Compactor	Current	Proposed	Change	
<25 yards	\$135.00	\$150.00	11.1%	\$ 15.00
25-34 yards	\$169.00	\$189.00	11.8%	\$ 20.00
>34 yards	\$196.00	\$218.00	11.2%	\$ 22.00

History of Fee Adjustments (copied from previous reports)

July 1, 2016

- Metro Council has approved an increase in the disposal fee by \$1.27 per ton effective July 1, 2016; increasing the tip fee to \$96.25. The current transaction fee, for customers with accounts (franchisees), is decreasing from \$3.00 to \$2.00. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.40 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$ 96.65 beginning July 1, 2016. This increase has been factored into the projections calculated in the financial review.
- This year's analysis recognizes a slight increase in cost of garbage disposal, and known increases in contractual labor. While other upward pressures on expenses exist, past increases have allowed the system to finally move into the middle of the targeted range of returns. The minimal increase is being proposed to keep the composite within the range. Disposal and labor represent almost 50% of the costs to provide service and staff believes it is important to stay current with providing revenues necessary to cover expenses.
- The Metro Council has adopted a small increase to the cost of disposal of \$1.27 per ton effective July 1, 2016. (*Metro report attached.*)
- The fee adjustment presented is proposed to take effect on July 1, 2016. Staff is proposing an increase for the most common service level, the 32 gallon can/cart collected weekly, of \$0.10 per month across all fee zones. This represents an incremental

adjustment of about 0.3%.. All other classes of service follow similar adjustments for disposal. *(See Fee Background attachment for history)*

- The following tables illustrate staff's current proposed fee adjustments necessary in each zone to continue the provision of solid waste collection services the public has come to expect. The 32-35 gallon can/cart is the predominant service level. *(See attachment Composite Summaries for proposed changes to other service levels.)*

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$29.95	\$30.05	\$0.10
Rural	\$26.25	\$26.35	\$0.10
Distant Rural	\$31.25	\$31.35	\$0.10
Mountain Zone	\$32.50	\$32.60	\$0.10

- Staff is proposing an increase for container service based on cubic yard serviced. This reflects the adjustments to labor, disposal and processing costs as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$0.09
Rural	\$0.09
Distant Rural/Mountain	\$0.09

- In 2013 the Solid Waste Commission approved bringing the commercial cart fees in the Rural, Distant Rural to parity with the residential cart fees. This was accomplished through incremental adjustments resulting with the 35 and 60 gallon commercial cart fees the same as residential services. An administrative oversight resulted in the 90 gallon commercial cart service not reaching parity this year. Bringing this service to parity with residential service will require an increase, in addition to the proposed disposal increase, of \$3.05 and \$3.40 for the Rural and Distant Rural zones respectively. This adjustment affects approximately 400 commercial customers. Staff recommends making the adjustment this year.

32/35 gallon can/ cart	Current	Proposed	Change
Rural	\$39.85	\$43.15	\$3.30
Distant Rural	\$43.40	\$47.05	\$3.65

July 1, 2015

- Metro Council has approved an increase in the disposal fee by \$1.65 per ton on July 1, 2015; increasing the tip fee to \$94.98. The ‘transaction fee’ of \$3.00 for customers with accounts (franchisees) is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$ 95.58 beginning July 1, 2015. This increase has been factored into the projections calculated in the financial review.
- A 30% increase in the cost of disposing yard debris has been factored into the projections.
- The cost to remove contaminants from recyclables has been on the rise in recent years while commodity prices respond to global market conditions. In quarter four of 2014 was the first period where there was not a positive return when delivering materials to the processor. Over the past few years the fee adjustments have calculated a decrease in the returns from recyclables. Because of recent issues at ports and lower markets for some materials, there has been zero revenue and a \$25.00 processing fee calculated for delivering recyclables to the processor.
- General inflation has not been applied.
- There has been an increase in the demand for lidded drop boxes by businesses employing best management practices for storm water management. Lids add equipment cost currently not included in the drop box fee structure. Boxes with lids or other specialty boxes require a round trip return to the business of origin. The drop box fee structure for compactors includes this in the fee structure, the open box fees do not. Therefore a monthly fee has been added to address the purchase and maintenance cost for the lid. The collection fee for small compactors will be applied to the lidded and specialized boxes.

Open Drop Box-All Zones	Current	Proposed	Change
Lidded/Specialized box	\$119.00	\$135.00	\$16.00
Monthly Fee for Lid	\$0.00	\$20.00	\$20.00

- After reviewing the production records submitted by the franchisees, and making agreed upon adjustments and applying known increases for the processing of yard debris and recyclables and the disposal of garbage, it has been determined that collection fee adjustments will need to be made in each of the collection zones for the coming year.
- The following tables illustrate staff’s current proposed fee adjustments necessary in each zone to continue the provision of solid waste collection services the public has come to expect. The 32-35 gallon can/cart is the predominant service level. (See attachments for proposed changes to other service levels.)

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$28.90	\$29.95	\$1.05

Rural	\$25.60	\$26.25	\$0.65
Distant Rural	\$30.60	\$31.25	\$0.65
Mountain Zone	\$31.85	\$32.50	\$0.65

- Staff is proposing an increase for container service based on cubic yard serviced. This reflects the adjustments to fuel and disposal costs as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$0.47
Rural	\$0.47
Distant Rural/Mountain	\$0.47

July 1, 2014

No Fee adjustment was made in 2014.

- Metro Council approved a decrease in the disposal fee by \$1.00 per ton on July 1, 2014; lowering the tip fee to \$93.33. The 'transaction fee' of \$3.00 for customers with accounts (franchisees) is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$93.93 beginning July 1, 2014. This increase has been factored into the projections calculated in the financial review.
- A 25% increase in the cost of disposing yard debris has been factored into the projections.
- Other notable expenses are rising, but at a lower percentage in the recent past. Driver wages are increasing by 1.24% and health insurance for all employees was held flat this year.
- Last year fuel was projected to decrease by 1.21%. This year the projected adjustment is set at -1.76%.
- General inflation is anticipated to be 2.12%.

September 1, 2013

- Metro Council has approved an increase in the disposal fee by \$0.49 per ton on September 1, 2013; raising the tip fee to \$94.33. The 'transaction fee' of \$3.00 for customers with accounts (franchisees) is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$94.93 beginning September 1,

2013. This increase has been factored into the projections calculated in the financial review.

- A 0% increase in the cost of disposing yard debris has been factored into the projections.
- Other notable expenses are rising, but at a lower percentage in the recent past. Driver wages are increasing by 2.0% and health insurance for all employees was held flat this year.
- Last year fuel was projected to increase by 4.99%. This year the projected adjustment is set at -1.21%.
- Other costs have not been projected to increase.
- The following tables illustrate staff's current proposed fee adjustments necessary in each zone to continue the provision of solid waste collection services the public has come to expect. The 32-35 gallon can/cart is the predominant service level. (See attachments for proposed changes to other service levels.)

32/35 gallon can/ cart	Current	Proposed	<i>Change</i>
Urban	\$28.65	\$28.90	<i>\$0.25</i>
Rural	\$25.30	\$25.60	<i>\$0.30</i>
Distant Rural	\$30.35	\$30.60	<i>\$0.25</i>
Mountain Zone	\$31.60	\$31.85	<i>\$0.25</i>

- Staff is proposing an increase for container service based on cubic yard serviced. This reflects the adjustments to fuel, labor and disposal costs as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$0.95
Rural	\$1.04
Distant Rural/Mountain	\$1.04

- In addition to the adjustment presented above, an additional adjustment to commercial carts is recommended. A historical differential has existed between the carts collected from residential and commercial customers, with commercial customers having a lower fee, except in the Rural zone. In the Urban area this differential can be attributed to the collection of yard debris from residential customers. However, in the rural, distant rural and mountain zones yard service is not offered in these zones. Staff is proposing this differential be equalized over the next three years.

32/35 gallon can/ cart	Current	Proposed	<i>Change</i>
Rural	\$25.35	\$25.60	<i>\$0.25</i>
Distant Rural	\$28.90	\$29.65	<i>\$0.75</i>
Mountain Zone	\$30.15	\$30.90	<i>\$0.75</i>

60 gallon cart	Current	Proposed	Change
Rural	\$35.80	\$36.30	\$0.50
Distant Rural	\$38.05	\$39.30	\$1.25
Mountain Zone	\$39.30	\$40.25	\$1.05

90 gallon cart	Current	Proposed	Change
Rural	\$38.40	\$38.90	\$0.50
Distant Rural	\$40.65	\$41.70	\$1.05
Mountain Zone	\$41.90	\$42.95	\$1.05

- Staff is recommending a slight adjustment in the hauling fees associated with open drop box service and for small compactors. Currently the composite earnings for the drop box falls below the acceptable range and has for several years. The system has seen an increase in use of lidded boxes as businesses attempt to avoid illegal dumping in their open drop boxes and adhere to storm water best management practices. The cost of new equipment along with the associated increases in labor expenses warrants this slight adjustment. The last increase on the haul portion of drop box fees was done in 2011.

Open Drop Box-All Zones	Current	Proposed	Change
10/20 Cubic Yards	\$113.00	\$119.00	\$6.00
30 Cubic Yards	\$130.00	\$136.00	\$6.00
40 Cubic Yards	\$147.00	\$153.00	\$6.00

Compactors-All Zones	Current	Proposed	Change
Less than 25 Cubic Yards	\$128.00	\$135.00	\$7.00

August 1, 2012

- Metro Council has approved an increase in the disposal fee by \$4.31 per ton on August 1, 2012; raising the tip fee to \$93.84. The 'transaction fee' of \$3.00 for account customers is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$94.44 beginning August 1, 2011. A 4.5% increase has been factored into the projections calculated in the financial review.
- A 0% increase in the cost of disposing yard debris has been factored into the projections.
- Other notable expenses are rising, but at a lower percentage in the recent past. Driver wages are increasing by 2.0% and health insurance for all employees was held flat this year.

- Fuel was projected to increase by 4.99%.
- Other costs have not been projected to increase.
- After reviewing the production records submitted by the franchisees, and making agreed upon adjustments and applying projected increases, it has been determined that collection fee adjustments will need to be made in each of the collection zones for the coming year.
- A monthly rent was applied to all customers with a permanent box on site. Past practice had been to apply rental based on frequency of service for both temporary (occasional) and permanent customers.

In August 2012 fees were adjusted upwards in all zones for all service types.

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$28.20	\$28.65	\$0.45
Rural	\$24.85	\$25.30	\$0.45
Distant Rural	\$29.80	\$30.35	\$0.55
Mountain Zone	\$31.05	\$31.60	\$0.55

An increase for container service based on cubic yard serviced was approved. This reflects the adjustments to fuel, labor and disposal costs as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$2.62
Rural	\$2.82
Distant Rural/Mountain	2.77

August 1, 2011

- Metro Council approved an increase in the disposal fee by \$3.68 per ton on August 1, 2011; raising the tip fee to \$89.53. The 'transaction fee' of \$3.00 for account customers is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$90.13 beginning August 1, 2011. This 4.3% increase has been factored into the projections calculated in the financial review.
- A 0% increase in the cost of disposing yard debris has been factored into the projections.
- Other notable expenses are rising, but at a lower percentage in the recent past.. Driver wages are increasing by 3.17% and health insurance for all employees is increasing by 12.86%.
- Last year fuel was projected as a negative 12.73%. This year a projected increase is at 30.86%.

- Other identified costs have been projected to increase at 3.17%.
- After reviewing the production records submitted by the franchisees, and making agreed upon adjustments and applying projected increases, it has been determined that collection fee adjustments will need to be made in each of the collection zones for the coming year.

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$27.45	\$28.20	\$0.75
Rural	\$24.20	\$24.85	\$0.65
Distant Rural	\$29.10	\$29.80	\$0.70
Mountain Zone	\$30.35	\$31.05	\$0.70

- Staff is proposing an increase for container service based on cubic yard serviced. This reflects the effects as mentioned above.

Fee Zone	Adjustment Per Cubic Yard
Urban	\$2.51
Rural	\$2.90
Distant Rural/Mountain	\$2.99

- Staff is also proposing a small increase to drop box service fees and an increase in the Urban Zone delivery fee to more accurately capture the costs associated with this service.

Urban Zone	Current	Proposed	Change
Delivery Fee	\$25.00	\$40.00	\$15.00

- The basic service charges for collecting and tipping a drop box/compactor have not changed since 2009. The following are the proposed changes to Open Drop Box and Compactor service in all zones.

Open Drop Box-All Zones	Current	Proposed	Change
10/20 Cubic Yards	\$110.00	\$113.00	\$3.00
30 Cubic Yards	\$127.00	\$130.00	\$3.00
40 Cubic Yards	\$144.00	\$147.00	\$3.00

Compactors-All Zones	Current	Proposed	Change
Less than 25 Cubic Yards	\$125.00	\$128.00	\$3.00
25-34 Cubic Yards	\$165.00	\$169.00	\$4.00
Greater than 35 Cubic Yards	\$191.00	\$196.00	\$5.00

August 1, 2010

- A 0% increase in the cost of disposing yard debris has been factored into the projections.
- Other notable expenses are rising, but at a lower percentage in the recent past.. Driver wages are increasing by 3.23% and health insurance for all employees is increasing by 9.83%.
- Last year fuel was projected as a negative 21.01%. This year a projected increase is at 12.73%, considerably lower than the 60% increase experienced 2 years ago.
- Other identified costs have been projected to increase at 3.04%.
- This year an unusual 30% increase in the PUC fees was experienced and expressed in the projections.
- Metro Council has approved an increase in the disposal fee by \$5.10 per ton on August 1, 2010; raising the tip fee to \$85.85. The ‘transaction fee’ of \$3.00 for account customers is to remain the same. For analytical purposes when calculating disposal it is assumed each transaction is a five (5) ton load; therefore an additional \$0.60 (to account for the transaction fee at the transfer station) is added to the disposal fee to arrive at an effective disposal fee of \$86.45 beginning August 1, 2010. This 6.32% increase has been factored into the projections calculated in the financial review.

32/35 gallon can/ cart	Current	Proposed	Change
Urban	\$26.35	\$27.45	\$1.10
Rural	\$23.30	\$24.20	\$0.90
Distant Rural	\$28.20	\$29.10	\$0.90
Mountain Zone	\$29.45	\$30.35	\$0.90

Staff is proposing an increase for container service based on cubic yard serviced. The adjustment takes into consideration effects on costs as mentioned above.

Fee Zone	Proposed per Yard Adjustment
All Zones	\$1.62

The distances traveled to deliver and collect a box in this area of the County and the infrequency of service continues to have a tremendous impact on the cost of delivering service to the outlying portions of the County. Staff believes the best way to address this concern is to increase the mileage fee. The proposed changes is:

Drop Box Mileage Fee	Current	Proposed	Change
Over 18 miles round trip	\$2.70	\$4.70	\$2.00

August 1, 2009

35 gallon cart: Urban fees were increased by \$1.35; Rural by \$0.50; Distant Rural & Mountain by \$2.25. *(The 32/35 gallon service is the predominant service in the customer mix. Other fees were adjusted proportionally based on the 32-gallon fee.)*

Container Urban/Rural fees increased by \$1.59 and Distant Rural/Mountain fees increased by \$3.21 per cubic yard served.

Drop Box:

	Current	Proposed	Change
Outside the Urban Zone			
Delivery Fee	\$45.00	\$50.00	\$5.00
Mileage Fee	\$2.30	\$2.70	\$0.40

The basic service charges for collecting and tipping a drop box/compactor have not changed since 1993. The following were the changes made in 2009 to Open Drop Box service in all zones.

Open Drop Box-All Zones	Current	Proposed	Change
10/20 Cubic Yards	\$80.55	\$110.00	\$29.45
30 Cubic Yards	\$98.10	\$127.00	\$28.90
40 Cubic Yards	\$113.35	\$144.00	\$30.65

The compactor fees as developed in 1993 were priced on a per yard basis within particular size ranges. This practice seemed to be dated per review of the standard throughout the region which revealed a fixed price within a size range. After surveying the size of compactors in service the proposed size ranges were created. The fees are based on those assessed by the City of Milwaukie.

Compactors-All Zones	Current Low-High	Proposed	Change Low-High
Less than 25 Cubic Yards	\$91.95-135.60	\$125.00	\$33.05-(10.60)
25-34 Cubic Yards	\$141.25-171.70	\$165.00	\$23.75-(6.70)
Greater than 35 Cubic Yards	\$176.75-178.00	\$191.00	\$14.25-13.00

- ◆ September 1, 2008
35 gallon cart: Urban fees were increased by \$1.00; Rural by \$1.45; Distant Rural & Mountain by \$1.65.
Container fees increased by \$1.47 per cubic yard served.
Drop Box: Mileage increased to \$2.30.; Delivery charges -Urban increased from \$20 to \$25; All rural delivery from \$40 to \$45. Several incidental fees charged by most drop box companies were codified on the fee schedule, these include but are not limited to: wash out fee; dead head fee; clarified hourly increments.
- ◆ September 1, 2007
Urban fees were increased by \$1.05. All other fee zones remained static.
Yard Debris exemption program was eliminated. Those currently enrolled, “grandfathered” until leave County system regardless of address.
- ◆ July 1, 2006 Changes to Drop Box fees occurred for the first time since 1993.

Rural Distant Rural	Current	Proposed & Adopted
Delivery Fee	\$20	\$40
Mileage Fee	\$1.70	\$2.00

- ◆ July 1, 2006 added the Mountain Zone to address increased services and collection challenges associated with this part of the County. Primarily the Mt. Hood area east of Rhondendron.
- ◆ There were no fee adjustments in 2005, although Metro did increase fees for disposal in September by 0.62% and other costs increased.

- ◆ On October 1, 2004 the following increases were made to residential and commercial services in each of the collection zones. *(The 32/35 gallon service is the predominant service in the customer mix. Other fees were adjusted proportionally based on the 32-gallon fee.):*

32/35 gallon can/ cart	Current	Adopted 2004	Change
Urban	\$21.10	\$21.55	\$0.45
Rural	\$19.50	\$19.90	\$0.40
Distant Rural	\$22.75	\$23.55	\$0.80

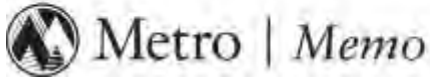
The changes in commercial container service were made on a per-yard basis. The following table shows the increase per yard in each of the fee zones.

Fee Zone	Adopted per Yard Increase 2004
Urban	\$1.75
Rural	\$1.75
Distant Rural	\$3.50

- ◆ In 2003 Metro increased the disposal fee but the County did not adopt a fee adjustment.
- ◆ In July 2002 the Board approved the following increases for 32-gallon can/cart service *(The 32-gallon service is the predominant service in the customer mix. Other fees were adjusted proportionally based on the 32-gallon fee.):*

32/35 gallon can/cart	2002
Urban	\$1.20
Rural	\$1.20
Distant Rural	\$2.70

- ◆ In 2001, residential and commercial fees were adjusted in the Urban zone only. Commercial containers fees were **decreased** 5-20%. The residential 32-gallon fee was increased by 11% (\$2.20) and residential customers were provided a large roller cart for yard debris collection service.



Date: March 16, 2017
To: Metro Council
From: Tim Collier, Director, Finance and Regulatory Services
Subject: Solid Waste Rate Report for Fiscal Year 2017-18

As required by Metro Code 5.02.020 (e) (1), this report provides the context for the solid waste rate making process and documents the methodologies, data, assumptions, adopted criteria and any other factors used by the Chief Operating Officer in calculating the proposed rates and the response to the recommendations of the independent review.

Methodology

Two years ago, Metro engaged a consulting firm to review the solid waste rate setting process and provide recommendations for improving and simplifying development of those rates. In response to recommendations provided by the consultant, Metro implemented a new rate model based on a standard rate setting process:

- Step 1: Identify revenue requirements. This step identifies the total annual financial obligations of the system. This includes operations, capital improvements and replacements and fiscal policy compliance.
- Step 2: Allocate costs. This step establishes rate equity through cost causation or the cause and effect relationship between different costs and activities that cause those costs to be incurred.
- Step 3: Forecast activity. This step establishes a forecast for the solid waste activity anticipated for the coming fiscal year.
- Step 4: Establish Fees/Charges. This step achieves required revenue levels by establishing rates and charges that accurately reflect the cost to provide a particular service.

Step 1 – Identify Revenue Requirements

Revenue requirements are determined by projecting costs for the various solid waste functions that Metro performs. Those functions include:

Disposal Services. Metro owns two transfer stations that provide disposal services to commercial haulers, businesses and the public. Metro staffs the scalehouses, but the operation of the stations, transport and disposal are all performed by private operators under long-term contracts with Metro. Metro finances and manages this function as a municipal utility.

Regional Programs. Metro provides or participates in solid waste services and programs with region-wide impact. Some of these stem from state mandates. Others are driven by Metro's own goals and policies for the solid waste system. These programs and services are closer in form to public goods rather than utility functions. The programs are:

- Household hazardous waste reduction
- Latex paint recovery
- Resource conservation and recycling
- Landfill closure and stewardship

- Illegal dumpsite monitoring and clean-up

Regulation. Metro regulates privately-owned disposal facilities and manages its own flow control authority through a system of licensing, franchising, inspection and enforcement.

Revenue Requirement Summary

	Scalehouses	Municipal Solid Waste	Wood/Yard Debris	Residential Organics	Commercial Organics	Regional System Fee
Revenue Requirement	\$ 3,157,309	\$ 34,316,016	\$739,177	\$3,604,731	\$1,156,039	\$ 24,857,275
Percentage of Total	4.65%	50.59%	1.09%	5.31%	1.70%	36.65%

Step 2 – Allocate Costs

The rate process uses a cost of service approach that distributes costs based on a proportionate share of costs required to provide service. The methodology used identifies how expenses are allocated to the solid waste system functional areas including disposal and recovery, regional programs, sustainability, clean-up and compliance and general and administrative. Allocations are based on staff time, tickets processed, floor area and tonnage. The allocation factor is designed to be an equitable expression of the how and why the cost is incurred.

The cost of service details cost allocation for an additional layer of service by waste type; mixed solid waste, wood waste, yard debris, residential organics and commercial organics. Costs associated with processing each waste type were reviewed and discussed with Metro staff and/or engineers. The cost of service process reviewed existing cost allocation approaches and identified changes and additional allocation factors used in the process. A sensitivity analysis indicating the rate change/impact of alternative general and administrative cost allocations was included in the review.

Step 3 – Forecast Activity

Metro staff reviewed tonnage information from the current fiscal year and projected anticipated levels of tonnage and transactions by material type at Metro transfer stations and private facilities.

Summary of Tonnage Forecast

Facility	Material Class	Projected		% Change
		FY 2017	FY 2018	
Metro Central	Wet waste	172,661	191,394	10.85%
Metro Central	Dry waste	60,268	63,480	5.33%
Metro South	Wet waste	156,852	161,732	3.11%
Metro South	Dry waste	124,178	128,450	3.44%
Private	Wet waste	437,013	483,624	10.67%
Private	Dry waste	397,039	467,517	17.75%

Summary of Transactions

Facility	Transaction Type	Projected		% Change
		FY 2017	FY 2018	
Metro Central	Staffed	92,214	90,388	-1.98%
Metro Central	Automated	52,850	56,310	6.55%
Metro South	Staffed	181,561	192,304	5.92%
Metro South	Automated	50,110	47,058	-6.09%

Step 4: Establish Fees/Charges

Unit costs were developed for each rate/fee charged. The unit costs were analyzed to identify any warranted shifts in cost burden that could improve equity between the fees/charges. The result of the cost of service process is a calculated rate/fee for providing solid waste services.

Summary of Fees and Charges for FY 2017-18

	Mixed Solid Waste	Clean Wood/Yard Debris	Residential Organics	Commercial Organics
Transaction Fee				
Staffed Scalehouse	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Automated Scalehouse	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Tip Fee				
Tonnage Charge	\$ 63.20	\$ 48.69	\$ 65.67	\$ 65.23
Regional System Fee	\$ 18.12			
Excise Tax	\$ 10.81			
DEQ Fees	\$ 1.82			
Community Enhancement Fees	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Tip Fee	\$ 94.95	\$ 49.69	\$ 66.67	\$ 66.23

Assumptions

See Attachment A for the full list of assumptions used in the rate model. Key points are summarized below:

- Costs for disposal charges driven by contract cost inflation
- Other expenses based on budget estimates used in the Chief Operating Officer's budget
- Overall inflation assumptions match those used in the FY 2017-18 budget process
- Tonnage forecast is based on the forecast developed for the FY 2017-18 budget process and five year forecast

Criteria

In developing the rates, staff relied on Metro's legal authority as determined by the Metro Code and Oregon Revised Statute, as well as policies adopted by the Metro Council and other informal guidance used by staff. Those factors and criteria are summarized below.

Authority. Metro's authority to charge fees for goods and services is derived from the Oregon Constitution, from the Metro Charter and from the provisions of Oregon law, including Oregon Revised Statutes Chapter 268. ORS 268 also enumerates Metro's authorities over solid waste.

Allowable expenditures are set in state law. Under state law, Metro is limited to using the revenue derived from disposal fees only on activities related to solid waste. Specifically:

[T]he metropolitan service district shall use moneys collected by the district as service or user fees for solid waste disposal for (1) activities of the metropolitan service district related to solid waste, including activities of regional concern that are directly related to reducing the environmental impact from the generation, collection, transportation, processing and disposal of solid waste; and (2) planning, administrative and overhead costs for activities of the district related to solid waste. *[Oregon Revised Statutes section 459.335]*

User charges limited to the cost of service. The Metro Charter restricts the types of costs that may be recovered from user charges:

... charges for the provision of goods or services by Metro may not exceed the costs of providing the goods or services. These costs include, but are not limited to, costs of personal services, materials, capital outlay, debt service, operating expenses, overhead expenses, and capital and operational reserves attributable to the good or service. *[Metro Charter, Chapter III. Finance, Section 15]*

Metro code section 5.01.150 and Chapter 5.02 govern solid waste rates. (Chapter 7.01 governs the Metro excise tax generally, and various subsections address the solid waste excise tax in particular.)

Adopted Policies. In 1993 Metro adopted policies (Resolution 93-1824A) to guide choices during rate making:

- Financial Criteria
 - Revenue adequacy, reliability and predictability
 - Authority to implement
 - Implementation and administrative cost and effort
 - Impact on credit rating
- Economic Effects
 - Rate payer equity and affordability
 - Impacts on the costs of living and of doing business in the region
- Environmental and Management
 - Consistency with agency-wide planning policies and the Solid Waste Management Plan
 - The rate structure should encourage waste reduction, reuse, and recycling

Bond Covenants. Metro continues to employ a number of the business practices that implemented its bond covenants even though the bonds were retired in December 2008:

- Pay as you go: means that ongoing costs are to be paid with ongoing revenue.
- Coverage to ensure revenue adequacy. One of Metro's practices for meeting the debt service coverage was to base the revenue requirement on the budget rather than expected expenditures. Metro generally continues to follow this practice. Exceptions are explicitly noted.
- Operating surpluses. The priority for the use of operating surpluses is: restore contingencies, fund the new capital reserve, and hold any remaining surplus as undesignated fund balance.

Independent Review Response

CH2M Hill Engineers, Inc. provided the following recommendations in their report dated March 1, 2017:

Recommendations:

1) Implement a rate review process that looks at a longer horizon period (current period is 1 year). We recommend a 3-5 year planning period so potentially large rate impacts associated with unusually large capital replacements or other large one time expenditures can be spread out over a period of years rather than a single year. This strategy would help avoid potential large spikes in rates. Strategic use of reserves, such as the Rate Stabilization Fund, can also be used to mitigate the effects of significant increases in costs.

Response: Staff recently began evaluating potential options for incorporating a longer planning horizon into the rate development process.

2) Where applicable in the model, refer to actual historical revenues and expenditures instead of budget data when information is available.

Response: Staff will evaluate opportunities to include additional historical actual revenue and expense data into the model.

3) Metro may want to consider options for redefining its capital funds to meet specific needs. For example, Metro could consider setting a target balance in its capital fund that is sufficient to meet its needs if a large component of its system were to fail prematurely. This is a consistent with the recommendation from the FCS Group Review of Reserve Funds from August 2015.

Response: As part of incorporating a long-term planning horizon into the rate setting process, Staff from Finance and Regulatory Services will work with Property and Environmental Services to, where applicable, align capital funds with specific needs and benchmarks as prescribed by the FCS Group Reserve Study.

4) By funding the rate stabilization fund from annual budget surpluses, the balance of this fund has been climbing. Metro may want to define a target balance for its Rate Stabilization Fund, or range within which this fund will be managed.

Response: Staff from Finance and Regulatory Services and Property and Environmental Services will work together to establish feasible reserve targets for the Rate Stabilization Fund.

5) Based on the current balances in the utility's reserve funds, Metro may want to consider drawing down some of the reserves in its operating and rate stabilization funds to offset the need for rate increases in the current or future years. Similarly, additional contributions to the Capital Fund may not be warranted given the existing and projected capital improvement plan. Thus, funds that may have been accumulating in the Capital Fund could be used to offset rate increases in the current or future years.

Response: Metro concurs with this recommendation and plans to use rate stabilization reserves in FY2017-18 to avoid a significant increase in the commercial organics rate. Similar considerations are reviewed annually for all waste types.

6) The model that was provided for CH2M's review includes financial projections that are based on Metro's existing rates and charges. In the future, Metro may want to consider updating its financial model to reflect its proposed rates, prior to having its model results reviewed by an outside consultant. This would help ensure that the independent review can evaluate Metro's pro forma financial results given the rates that are proposed for adoption. For the current year review, the rates that are being proposed for FY 2017-18, reflect only minor changes from the rates that are currently in effect, and thus should not have materially different results. However, if more significant rate adjustments had been proposed, it will be important for the outside consultant to evaluate the financial results given those proposed rate adjustments.

Response:

Metro concurs and will update proposed rates into the revenue calculation prior to submission for 3rd party review. This addition will not impact how rates are calculated as they are strictly based on cost of service.



Solid Waste Rate Study

Assumptions

Attachment A

Economic & Financial Factors		FY 2018
General Cost Inflation		1.98%
Construction Cost Inflation		3.26%
Labor Cost Inflation		2.67%
Benefit Cost Inflation		10.00%
Weighted Labor and Benefits		4.90%
General Inflation plus Composite Growth		6.98%
Customer Growth		4.90%
No Escalation		0.00%
CPI Inflation - Central		1.96%
CPI Inflation - South		1.91%
CPI Inflation - CM. Organics		1.58%
CPI Inflation - Disposal		1.50%
CPI Inflation - Transport		1.69%
Fuel Cost Escalation		7.19%
Manual Input		
Investment Interest		0.50%
Labor and Benefits Split		
Salary Share		69.53%
Benefits Share		30.47%

Accounting Assumptions		FY 2018
FISCAL POLICY RESTRICTIONS		
Minimum Operating Fund Balance Target		
Select Minimum Operating Fund Balance Target	1	
1 - Defined as Days of O&M Expenses		
Min. Op. Fund Balance Target (days of O&M expense)		45
Max. Op. Fund Balance (days of O&M expense)		45
2 - Amount at Right ==>		
Min. Op. Fund Balance Target		\$ 4,000,000
Max. Op. Fund Balance		\$ 4,000,000
Minimum Capital Fund Balance Target		
Select Minimum Capital Fund Balance Target	2	
1 - Defined as % of Plant		
Plant-in-Service in FY 2014		\$
Minimum Capital Fund Balance - % of plant assets		1.00%
2 - Amount at Right ==>		\$ 1,200,000
EQUIPMENT REPLACEMENT FUNDING		
Select Equipment Replacement Funding Strategy	4	
Depreciation in FY 2014		\$
Amount of Annual Cash Funding from Rates		
1 - Equal to Annual Depreciation Expense		\$ 1,381,447
2 - Equal to Annual Depreciation less Annual Debt Principal Payments		\$ 1,381,447
3 - Equal to Amount at Right ==>		\$ -
4 - Do Not Fund Equipment Replacement		



Solid Waste Rate Study

Assumptions

Capital Financing Assumptions		FY 2018
FUNDING SOURCES		
Grants		\$ -
Additional Proceeds (Costs)		
[Extra line]		\$ -
[Extra line]		-
[Extra line]		-
[Extra line]		-
[Extra line]		-
Total Additional Proceeds		\$ -
REVENUE BONDS		
Term (Years)		20
Interest Cost		5.00%
Issuance Cost		1.50%
Revenue Bond Coverage Requirement	1.25	
LOW-INTEREST LOANS		
Term (Years)		20
Interest Cost		1.00%
Required Local Match		5.00%
OTHER LOANS		
Term (Years)		20
Interest Cost		4.00%
Issuance Cost		0.00%

FY 2017-18 Tip & Transaction Fees and Comparison with Current Rates

March 1, 2017

Charges at Metro Transfer Stations	Current	Proposed FY 2017-18	Change	
Transaction Fees (per load)	\$ 10.00	\$ 10.00	\$ -	
Staffed	2.00	2.00	-	
Automated				
Tip Fee for Mixed Solid Waste				
Tonnage Charge	\$ 63.19	\$ 63.20	\$ 0.01	
Regional System Fee	18.48	18.12	(0.36)	
Metro Excise Tax	11.76	10.81	(0.95)	
DEQ Fees	1.82	1.82	-	
Community Enhancement Fee	1.00	1.00	-	
Total = Metro Tip Fee	\$ 96.25	\$ 94.95	\$ (1.30)	-1.35%
Minimum load charge	\$ 28	\$ 28	\$ -	
<i>Maximum pounds per load</i>	380	380	-	

Tip Fees for Organic Wastes at Metro Stations

Waste Class	Current	Proposed FY 2017-18	Change
Wood/yard debris	\$ 48.78	\$ 49.69	\$ 0.91
Residential organics	64.61	66.67	2.06
Commercial organics	66.23	66.23	-

Solid Waste Excise Tax Rate and Yield Analysis

FY 2017-18

Detailed Worksheet

Calculation of the Tonnage Base for the Tax Rate

Waste Subject to Target Recovery

Waste delivered to disposal sites in 2016	1,713,157
<i>of which:</i> Special waste	99,379
Recovery at regional transfer stations	18,730
Environmental cleanup materials	390,201
Solid waste ('counting waste') landfilled after recovery	1,204,847

Disposal if Target Recovery Rate Met

Solid waste landfilled after recovery	1,204,847
Imputed generation at 53.9% recovery	2,612,297
Disposal if 58% recovery target met	1,097,165

Tonnage Base for the Tax Rate

Disposal at target recovery	1,097,165
<i>plus</i> Special waste	99,379
<i>plus</i> Recovery at regional transfer stations	18,730
Target base for the rate	1,215,274

Calculation of Revenue Requirement

Current (FY 2016-17) statutory yield	\$12,915,727
Inflation factor at 1.7% inflation rate	102%
FY 2017-18 statutory yield	\$13,135,294
Revenue requirement	\$13,135,294

Calculation of the Rate

Revenue requirement	\$13,135,294
<i>divided by:</i> Target base for the rate	1,215,274
FY 2017-18 excise tax rate per ton	\$10.81
<i>Change from current rate of \$11.76</i>	<i>(\$0.95)</i>
	<i>(8.1%)</i>

Yield Analysis

FY 2017-18 full-fee projections	
Jul. 1, 2017 tonnage	0
Jul. 1, 2017 revenue at \$11.76 / ton	\$0
Jul. 1, 2017 - Jun. 30, 2018 tonnage	1,393,302
Jul. 1, 2017 - Jun. 30, 2018 revenue at \$10.81 / ton	\$15,061,595
FY 2017-18 projected cleanup tonnage	436,987
Cleanup revenue at \$1.00 per ton	\$436,987
Total expected revenue	\$15,498,582
Statutory yield	\$13,135,294
Revenue over / (under) statutory yield	\$2,363,288
<i>Percentage over / (under) statutory yield</i>	<i>18.0%</i>

All Fee Zones Composite
Return on Revenues
2016 Adjusted

	Urban Total		Rural Total		Distant Rural Total		County Composite	
Collection & Service Revenues	20,010,878		9,196,591		4,453,789		33,661,258	
Direct Costs of Operations	15,481,111	% of revenue	7,200,783	% of revenue	3,201,908	% of revenue	25,883,802	% of revenue
Disposal Expense	7,538,968	38%	2,623,612	29%	960,549	22%	11,123,129	33%
Labor Expense	4,176,208	21%	2,240,417	24%	1,225,981	28%	7,642,606	23%
Truck Expense	2,276,242	11%	1,538,580	17%	599,537	13%	4,414,359	13%
Equipment Expense	465,999	2%	272,235	3%	113,088	3%	851,322	3%
Franchise Fees	814,622	4%	390,738	4%	206,496	5%	1,411,856	4%
Other Direct Expense	209,072	1%	135,201	1%	96,257	2%	440,530	1%
Indirect Costs of Operations	2,541,448		1,182,981		738,035		4,462,464	
Management Expense	594,484	3%	351,179	4%	157,227	4%	1,102,890	3%
Administrative Expense	722,399	4%	402,750	4%	339,461	8%	1,464,610	4%
Other Overhead Expenses	1,224,565	6%	429,053	5%	241,347	5%	1,894,965	6%
Total Cost	18,022,559		8,195,685		3,939,943		30,346,266	
Less Unallowable Costs	17,560		23,482		12,595		53,637	
Allowable Costs	18,004,999		8,172,203		3,927,348		30,292,629	
Franchise Income	2,005,879		1,012,614		526,441		3,368,629	
Return on revenues	10.02%		11.02%		11.82%		10.01%	

**2017
Proposed Solid Waste Fee Adjustments**

Urban

Cart/Can Service			Adjustment		
Current Rate	Service Level	Proposed	\$	%	
\$ 26.20	20 gal Singlefamily	\$ 26.20	-		
\$ 30.05	32 gal	\$ 30.05	-		
\$ 39.40	60 gal	\$ 39.40	-		
\$ 46.20	90 gal	\$ 46.20	-		
\$ 13.65	On Call	\$ 13.65	-		
\$ 12.95	Monthly	\$ 12.95	-		
\$ 21.70	20 gal Multifamily	\$ 21.70	-		
\$ 25.55	32 gal	\$ 25.55	-		
\$ 26.10	35 gal Commercial	\$ 26.10	-		
\$ 37.35	60 gal	\$ 37.35	-		
\$ 40.05	90 gal	\$ 40.05	-		
\$ 4.70	Recycling Only	\$ 4.70	-		
\$ 5.70	YD Subscription	\$ 5.70	-		
Container Service			Adjustment		
Current Rate	Service Level	Proposed	\$	%	
\$ 95.68	1 yard weekly	\$ 95.68	\$ -		
\$ 158.75	2 yard weekly	\$ 158.75	\$ -		
\$ 309.76	2 yard 2x weekly	\$ 309.76	\$ -		
\$ 534.85	4 yard 2x weekly	\$ 534.85	\$ -		

Rural

Cart/Can Service			Adjustment		
Current Rate	Service Level	Proposed	\$	%	
\$ 22.55	20 gal Singlefamily	\$ 22.55	-		
\$ 26.35	32 gal	\$ 26.35	-		
\$ 37.60	60 gal	\$ 37.60	-		
\$ 43.15	90 gal	\$ 43.15	-		
\$ 13.90	On Call	\$ 13.90	-		
\$ 12.85	Monthly	\$ 12.85	-		
\$ 20.95	20 gal Multifamily	\$ 20.95	-		
\$ 24.75	32 gal	\$ 24.75	-		
\$ 26.35	35 gal Commercial	\$ 26.35	-		
\$ 37.60	60 gal	\$ 37.60	-		
\$ 43.15	90 gal	\$ 43.15	-		
\$ 7.00	Recycling Only	\$ 7.00	-		
Container Service			Adjustment		
Current Rate	Service Level	Proposed	\$	%	
\$ 108.22	1 yard weekly	\$ 108.22	\$ -		
\$ 186.48	2 yard weekly	\$ 186.48	\$ -		
\$ 360.11	2 yard 2x weekly	\$ 360.11	\$ -		
\$ 657.51	4 yard 2x weekly	\$ 657.51	\$ -		

**2017
Proposed Solid Waste Fee Adjustments**

Distant Rural

Distant Rural			Adjustment		
Current Rate	Service Level	Proposed	\$	%	
\$ 27.25	20 gal Singlefamily	\$ 27.25	-		
\$ 31.35	32 gal	\$ 31.35	-		
\$ 41.45	60 gal	\$ 41.45	-		
\$ 47.05	90 gal	\$ 47.05	-		
\$ 14.35	On Call	\$ 14.35	-		
\$ 14.50	Monthly	\$ 14.50	-		
\$ 25.65	20 gal Multifamily	\$ 25.65	-		
\$ 29.75	32 gal	\$ 29.75	-		
\$ 31.35	35 gal Commercial	\$ 31.35	-		
\$ 41.45	60 gal	\$ 41.45	-		
\$ 47.05	90 gal	\$ 47.05	-		
\$ 7.20	Recycling Only	\$ 7.20	-		
Distant Rural			Adjustment		
Current Rate	Service Level	Proposed	\$	%	
\$ 122.48	1 yard weekly	\$ 122.48	\$ -	0.3%	
\$ 206.75	2 yard weekly	\$ 206.75	\$ -	0.4%	
\$ 392.39	2 yard 2x weekly	\$ 392.39	\$ -	0.4%	
\$ 713.82	4 yard 2x weekly	\$ 713.82	\$ -	0.4%	

Mountain

Mountain			Adjustment		
Current Rate	Service Level	Proposed	\$	%	
\$ 28.50	20 gal Singlefamily	\$ 28.50	-		
\$ 32.60	32 gal	\$ 32.60	-		
\$ 14.65	On Call	\$ 14.65	-		
\$ 14.80	Monthly	\$ 14.80	-		
\$ 26.90	20 gal Multifamily	\$ 26.90	-		
\$ 31.00	32 gal	\$ 31.00	-		
\$ 32.60	35 gal Commercial	\$ 32.60	-		
\$ 7.20	Recycling Only	\$ 7.20	-		
Mountain			Adjustment		
Current Rate	Service Level	Proposed	\$	%	
\$ 141.53	1 yard weekly	\$ 141.53	\$ -	0.3%	
\$ 244.85	2 yard weekly	\$ 244.85	\$ -	0.3%	
\$ 468.60	2 yard 2x weekly	\$ 468.60	\$ -	0.3%	
\$ 866.24	4 yard 2x weekly	\$ 866.24	\$ -	0.4%	

Recent History of 32-Gallon Cart / Can Fees

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Urban	\$26.35	\$27.45	\$28.20	\$28.65	\$28.90	\$28.90	\$29.96	\$30.05	<i>\$30.05</i>
Rural	23.3	24.2	24.85	25.3	25.6	25.6	26.25	26.35	26.35
Distant Rural	28.2	29.1	29.8	30.35	30.6	30.6	31.2	31.35	31.35
Mountain	29.45	30.35	31.05	31.6	31.85	31.85	32.45	32.6	32.6

Clackamas County Fee Schedule For Waste and Recycling Collection Services

Effective: July 1, 2017

U R B A N	Residential Service		Monthly Fee	Fee per Pick Up	At House Service²
	Weekly Pick Up¹ - one cart each for garbage, yard debris and recycling				
	20 gallon cart/can		\$ 26.20		\$ 29.70
	35 gallon cart/can		\$ 30.05		\$ 33.55
	60 gallon cart		\$ 39.40		N/A
	90 gallon cart		\$ 46.20		N/A
	Occasional extra garbage - 35 gallon			\$ 6.05	\$ 6.85
	Occasional extra yard debris - 35 gallon			\$ 3.00	
	Monthly Pick Up⁴ - one cart/can of garbage; weekly recycling included				
	35 gallon cart/can		\$ 12.95		\$ 13.85
	Occasional extra garbage - 35 gallon			\$ 6.05	\$ 6.85
	On-Call Pick Up⁴ - one cart/can of garbage				
	35 gallon cart/can			\$ 13.65	N/A
	Other Services and Fees				
	Recycling only - weekly		\$ 4.70		N/A
	Yard debris subscription ³ - weekly		\$ 5.70		N/A
	Yard debris Permanent 2nd Cart		\$ 4.25		N/A
	Distance fees		Table 2		
	Terrain fee		\$ 3.65		
	Multifamily Service - for shared containers see commercial fees.				
	Weekly Pick Up¹ - one cart/can of garbage and recycling				
	Central billing	20 gallon	\$ 21.70		\$ 23.70
		35 gallon	\$ 25.55		\$ 27.55
	Individual billing	20 gallon	\$ 23.30		\$ 25.30
		35 gallon	\$ 27.15		\$ 29.15
	Occasional extra garbage - 35 gallon			6.05	\$ 6.85
Bulky waste - furniture, appliances etc.			Table 1		
Additional fees - see Tables 1 and 2					

¹Greater than one cart/can per week, use multiples of single cart/can fee.

² At House Service is when garbage carts/cans are picked up at house instead of curbside/roadside (must be placed within 50 feet of curb/road). At House Service is not available for recycling or yard debris.

³ Available to customers without weekly garbage service. Requires full year subscription. May be billed annually or monthly, depending on provider.

⁴ Putrecibles must not be placed in cart/can in excess of 7 days prior to scheduled collection.

Exhibit A

Effective: July 1, 2017

U R B A N	Commercial Containers weekly recycling included						
	Stops/ Week	Monthly fee for container size in cubic yards					
		1	<i>Add'l</i>	1 1/3	<i>Add'l</i>	1.5	<i>Add'l</i>
	1	\$95.68	\$81.24	\$118.23	\$100.07	\$125.55	\$107.40
	2	\$183.63	\$156.40	\$228.74	\$195.01	\$243.35	\$207.36
	3	\$271.58	\$230.12	\$339.22	\$288.93	\$361.17	\$307.86
	4	\$359.53	\$306.72	\$449.72	\$383.47	\$478.96	\$407.58
	5	\$447.48	\$380.43	\$560.23	\$477.41	\$596.77	\$510.94
	6	\$535.43	\$456.21	\$670.73	\$570.65	\$714.57	\$610.06
	Stops/ Week	Monthly fee for container size in cubic yards					
		2	<i>Add'l</i>	3	<i>Add'l</i>	4	<i>Add'l</i>
	1	\$158.75	\$135.65	\$215.11	\$184.17	\$273.64	\$236.10
	2	\$309.76	\$265.49	\$417.78	\$358.45	\$534.85	\$461.07
	3	\$460.78	\$394.53	\$620.45	\$533.36	\$796.06	\$685.20
	4	\$611.79	\$521.22	\$823.12	\$710.33	\$1,057.27	\$906.73
	5	\$762.82	\$655.30	\$1,025.80	\$883.65	\$1,318.47	\$1,134.82
	6	\$913.83	\$782.57	\$1,228.46	\$1,053.68	\$1,579.68	\$1,359.22
	Stops/ Week	Monthly fee for container size in cubic yards					
		5	<i>Add'l</i>	6	<i>Add'l</i>	8	<i>Add'l</i>
	1	\$329.83	\$305.08	\$378.96	\$350.49	\$465.44	\$432.43
	2	\$646.05	\$597.26	\$744.30	\$689.49	\$917.27	\$851.92
	3	\$962.27	\$887.28	\$1,109.63	\$1,022.20	\$1,369.09	\$1,271.61
	4	\$1,278.47	\$1,178.98	\$1,474.97	\$1,361.43	\$1,820.92	\$1,689.31
5	\$1,594.70	\$1,473.63	\$1,840.32	\$1,700.28	\$2,272.75	\$2,100.03	
6	\$1,910.91	\$1,770.86	\$2,205.66	\$2,032.94	\$2,724.58	\$2,523.70	
Commercial Carts/Cans¹ - monthly fee; weekly recycling included							
One Stop per Week				One cart/can	Two carts/cans	Each additional	
35 gallon cart/can				\$26.10	\$50.00	\$21.90	
60 gallon cart				\$37.35	N/A	N/A	
90 gallon cart				\$40.05	N/A	N/A	
Occasional extra garbage - 35 gallon				N/A	N/A	\$5.00	
Two Stops per Week							
35 gallon cart/can - 2 stops/wk				\$51.60	\$98.90	\$22.55	
Occasional extra garbage - 35 gallon				N/A	N/A	\$5.00	
Additional fees may apply - see Tables 1, 2 & 3							

¹The use of a cart and the type of customer using a cart for commercial waste collection services shall be at the discretion of the collector.

Exhibit A

Effective: July 1, 2017

R U R A L	Residential Service		Monthly Fee	Fee per Pick Up	At House Service²
	Weekly Pick Up¹ - one cart/can of garbage and recycling				
	20 gallon cart/can		\$22.55		\$26.05
	35 gallon cart/can		\$26.35		\$29.85
	60 gallon cart		\$37.60		N/A
	90 gallon cart		\$43.15		N/A
	Occasional extra garbage - 35 gallon			\$6.10	\$6.90
	Monthly Pick Up³ - one cart/can garbage; weekly recycling included				
	35 gallon cart/can		\$12.85		\$13.75
	Occasional extra garbage - 35 gallon			\$6.10	\$6.90
	On-Call Pick Up³ - one cart/can of garbage				
	35 gallon cart/can			\$13.90	N/A
	Other Services and Fees				
	Recycling only - weekly		\$7.00		N/A
	Bulky waste - furniture, appliances etc.			Table 1	
	Distance fees		Table 2		
	Terrain fee		\$3.65		
	Multifamily Service - for shared containers see commercial fees.				
	Weekly Pick Up¹ - one cart/can of garbage and recycling				
	Central billing	20 gallon	\$20.95		\$22.95
		35 gallon	\$24.75		\$26.75
	Individual billing	20 gallon	\$22.55		\$24.55
		35 gallon	\$26.35		\$28.35
	Occasional extra garbage - 35 gallon			\$6.10	\$6.90
	Bulky waste - furniture, appliances etc.			Table 1	
	Additional fees may apply - see Tables 1 and 2				

¹Greater than one cart/can per week, use multiples of single cart/can fee.

² At House service is when garbage carts/cans are picked up at house instead of roadside (must be within 50 feet of curb/road). At House Service is not available for recycling.

³Putrecibles must not be placed in cart/can in excess of 7 days prior to scheduled collection.

Exhibit A

Effective: July 1, 2017

R U R A L	Commercial Containers weekly recycling included						
	Stops/ Week	Monthly fee for container size in cubic yards					
		1	Add'l	1 1/3	Add'l	1.5	Add'l
	1	\$108.22	\$ 103.52	\$ 132.72	\$ 127.56	\$ 147.57	\$ 141.93
	2	\$207.03	\$ 198.43	\$ 255.22	\$ 245.92	\$ 283.85	\$ 273.75
	3	\$305.75	\$ 293.35	\$ 377.64	\$ 364.19	\$ 420.28	\$ 405.63
	4	\$404.56	\$ 388.31	\$ 500.20	\$ 482.55	\$ 556.59	\$ 537.39
	5	\$503.28	\$ 483.23	\$ 622.67	\$ 600.82	\$ 692.86	\$ 669.31
	6	\$611.54	\$ 586.79	\$ 755.32	\$ 728.43	\$ 840.43	\$ 811.18
	Stops/ Week	Monthly fee for container size in cubic yards					
2		Add'l	3	Add'l	4	Add'l	
1	\$186.48	\$ 180.03	\$ 262.85	\$ 254.85	\$ 338.16	\$ 328.71	
2	\$360.11	\$ 348.46	\$ 509.74	\$ 495.39	\$ 657.51	\$ 640.56	
3	\$533.54	\$ 516.69	\$ 756.63	\$ 735.78	\$ 976.87	\$ 952.42	
4	\$707.01	\$ 684.96	\$ 1,003.52	\$ 976.37	\$ 1,296.23	\$ 1,264.28	
5	\$880.59	\$ 853.29	\$ 1,250.37	\$ 1,216.52	\$ 1,615.52	\$ 1,575.97	
6	\$1,067.07	\$ 1,033.37	\$ 1,513.20	\$ 1,471.65	\$ 1,953.78	\$ 1,904.63	
Stops/ Week	Monthly fee for container size in cubic yards						
	5	Add'l	6	Add'l	8	Add'l	
1	\$412.33	\$ 401.58	\$ 488.44	\$ 476.09	\$ 632.31	\$ 617.61	
2	\$803.19	\$ 783.82	\$ 952.27	\$ 930.27	\$ 1,235.73	\$ 1,209.63	
3	\$1,194.02	\$ 1,166.02	\$ 1,416.00	\$ 1,384.35	\$ 1,839.08	\$ 1,801.58	
4	\$1,584.92	\$ 1,548.32	\$ 1,879.78	\$ 1,838.53	\$ 2,442.39	\$ 2,393.49	
5	\$1,975.70	\$ 1,930.50	\$ 2,343.57	\$ 2,292.67	\$ 3,045.81	\$ 2,985.41	
6	\$2,388.02	\$ 2,332.07	\$ 2,831.10	\$ 2,767.90	\$ 3,678.12	\$ 3,603.12	
Commercial Carts/Cans¹ - monthly fee; weekly recycling included							
One Stop per Week				One cart/can	Two carts/cans	Each additional	
35 gallon cart/can				\$ 26.35	\$ 51.30	\$ 24.10	
60 gallon cart				\$ 37.60	N/A	N/A	
90 gallon cart				\$ 43.15	N/A	N/A	
Occasional extra garbage - 35 gallon				N/A	N/A	\$ 5.25	
Two Stops per Week							
35 gallon cart/can - 2 stops/wk				\$ 51.95	\$ 101.15	\$ 22.80	
Occasional extra garbage - 35 gallon				N/A	N/A	\$ 5.25	
Additional fees may apply - see Tables 1, 2 & 3							

¹The use of a cart and the type of customer using a cart for commercial waste collection services shall be at the discretion of the collector.

Exhibit A

Effective: July 1, 2017

D I S T R I C T R U R A L	Residential Service		Monthly Fee	Fee per Pick Up	At House Service²
	Weekly Pick Up¹ - one cart/can of garbage and recycling				
	20 gallon cart/can		\$27.25		\$30.75
	35 gallon cart/can		\$31.35		\$34.85
	60 gallon cart		\$41.45		N/A
	90 gallon cart		\$47.05		N/A
	Occasional extra garbage - 35 gallon			\$6.65	\$7.45
	Monthly Pick Up³ - one cart/can; weekly recycling included				
	35 gallon cart/can		\$14.50		\$15.40
	Occasional extra garbage - 35 gallon			\$6.65	\$7.45
	On-Call Pick Up³ - one cart/can of garbage				
	35 gallon cart/can			\$14.35	N/A
	Other Services and Fees				
	Recycling only - weekly		\$7.75		N/A
	Bulky waste - furniture, appliances etc.			Table 1	
	Distance fees		Table 2		
	Terrain fee		\$3.65		
	Multifamily Service - for shared containers see commercial fees.				
	Weekly Pick Up¹ - one cart/can of garbage and recycling				
	Central billing	20 gallon	\$25.65		\$27.65
		35 gallon	\$29.75		\$31.75
	Individual billing	20 gallon	\$27.25		\$29.25
		35 gallon	\$31.35		\$33.35
	Occasional extra garbage - 35 gallon			\$6.65	\$7.45
Bulky waste - furniture, appliances etc.			Table 1		
Additional fees may apply - see Tables 1, 2 & 3					

¹Greater than one cart/can per week, use multiples of single cart/can fee.

² At House service is when garbage carts/cans are picked up at house instead of curbside/roadside (must be within 50 feet of curb/road). At House Service is not available for recycling.

³Putrecibles must not be placed in cart/can in excess of 7 days prior to scheduled collection.

Exhibit A

Effective: July 1, 2017

D I S T R I B U T I O N S	Commercial Containers includes weekly recycling						
	Stops/ Week	Monthly fee based on size in cubic yards					
		1	<i>Add'l</i>	1 1/3	<i>Add'l</i>	1.5	<i>Add'l</i>
	1	\$122.48	\$ 117.78	\$ 148.97	\$ 143.81	\$ 164.85	\$ 159.20
	2	\$227.30	\$ 218.70	\$ 279.49	\$ 270.19	\$ 310.12	\$ 300.02
	3	\$332.02	\$ 319.62	\$ 409.91	\$ 396.46	\$ 455.57	\$ 440.92
	4	\$436.84	\$ 420.59	\$ 540.47	\$ 522.82	\$ 600.89	\$ 581.69
	5	\$541.57	\$ 521.52	\$ 670.95	\$ 649.10	\$ 746.18	\$ 722.63
	6	\$655.84	\$ 631.09	\$ 811.60	\$ 784.70	\$ 902.75	\$ 873.50
	Stops/ Week	Monthly fee based on size in cubic yards					
		2	<i>Add'l</i>	3	<i>Add'l</i>	4	<i>Add'l</i>
	1	\$206.75	\$ 200.30	\$ 289.12	\$ 281.12	\$ 370.44	\$ 360.99
	2	\$392.39	\$ 380.74	\$ 554.04	\$ 539.69	\$ 713.82	\$ 696.87
	3	\$577.84	\$ 560.99	\$ 818.95	\$ 798.10	\$ 1,057.22	\$ 1,032.77
	4	\$763.32	\$ 741.27	\$ 1,083.87	\$ 1,056.72	\$ 1,400.61	\$ 1,368.66
	5	\$948.92	\$ 921.62	\$ 1,348.74	\$ 1,314.89	\$ 1,743.93	\$ 1,704.38
	6	\$1,147.42	\$ 1,113.72	\$ 1,629.59	\$ 1,588.04	\$ 2,106.22	\$ 2,057.07
	Stops/ Week	Monthly fee based on size in cubic yards					
		5	<i>Add'l</i>	6	<i>Add'l</i>	8	<i>Add'l</i>
	1	\$450.62	\$ 439.87	\$ 532.74	\$ 520.39	\$ 688.62	\$ 673.92
	2	\$871.52	\$ 852.15	\$ 1,032.62	\$ 1,010.62	\$ 1,340.11	\$ 1,314.01
	3	\$1,292.39	\$ 1,264.39	\$ 1,532.39	\$ 1,500.74	\$ 1,991.52	\$ 1,954.02
	4	\$1,713.33	\$ 1,676.73	\$ 2,032.22	\$ 1,990.97	\$ 2,642.90	\$ 2,594.00
	5	\$2,134.15	\$ 2,088.95	\$ 2,532.06	\$ 2,481.16	\$ 3,294.38	\$ 3,233.98
6	\$2,576.51	\$ 2,520.56	\$ 3,055.64	\$ 2,992.44	\$ 3,974.75	\$ 3,899.75	
Commercial Carts/Cans¹ - monthly fee; weekly recycling included							
One Stop per Week				One cart/can	Two carts/cans	Each additional	
35 gallon cart/can				\$31.35	\$62.00	\$30.35	
60 gallon cart				\$41.45	N/A	N/A	
90 gallon cart				\$47.05	N/A	N/A	
Occasional extra garbage- 35 gallon				N/A	N/A	\$6.00	
Two Stops per Week							
35 gallon cart/can - 2 stops/wk				\$62.00	\$122.55	\$29.75	
Occasional extra garbage - 35 gallon				N/A	N/A	\$6.00	
Additional fees may apply - see Tables 1, 2 & 3							

¹The use of a cart and the type of customer using a cart for commercial waste shall be at the discretion of the collector.

Exhibit A

Effective: July 1, 2017

M O U N T A I N	Residential Service		Monthly Fee	Fee per Pick Up	At House Service²
	Weekly Pick Up¹ - one can of garbage and recycling				
	20 gallon can		\$28.50		\$32.00
	35 gallon can		\$32.60		\$36.10
	Occasional extra - 35 gallon			\$6.65	\$7.45
	Monthly Pick Up³ - one can; weekly recycling included				
	35 gallon can		\$14.80		\$15.70
	Occasional extra - 35 gallon			\$6.05	\$6.85
	On-Call Pick Up³ - one can of garbage				
	35 gallon can			\$14.65	N/A
	Other Services and Fees				
	Recycling only - weekly		\$7.75		N/A
	Bulky waste - furniture, appliances etc.			Table 1	
	Distance fees		Table 2		
	Terrain Fee		\$3.65		
	Multifamily Service - for shared containers see commercial fees.				
	Weekly Pick Up¹ - one cart/can of garbage and recycling				
	Central billing	20 gallon	\$26.90		\$28.90
		35 gallon	\$31.00		\$33.00
	Individual billing	20 gallon	\$28.50		\$30.50
		35 gallon	\$32.60		\$34.60
Occasional extra - 35 gallon			\$6.65	\$7.55	
Bulky waste - furniture, appliances etc.			Table 1		
Additional fees may apply - see Tables 1, 2 & 3					

¹Greater than one can per week, use multiples of single can fee.

² Cans picked up at house instead of roadside or curb (must be within 50 feet of roadside or curb).

³Putrecibles must not be placed in cart/can in excess of 7 days prior to scheduled collection.

Exhibit A

Effective: July 1, 2017

M O U N T A I N	Commercial Containers includes weekly recycling						
	Stops/ Week	Monthly fee for container size in cubic yards					
		1	<i>Add'l</i>	1 1/3	<i>Add'l</i>	1.5	<i>Add'l</i>
	1	\$141.53	\$ 136.83	\$ 174.38	\$ 169.22	\$ 193.43	\$ 187.78
	2	\$265.40	\$ 256.80	\$ 330.29	\$ 320.99	\$ 367.28	\$ 357.18
	3	\$389.18	\$ 376.78	\$ 486.12	\$ 472.67	\$ 541.31	\$ 526.66
	4	\$513.05	\$ 496.80	\$ 642.08	\$ 624.43	\$ 715.20	\$ 696.00
	5	\$636.83	\$ 616.78	\$ 797.96	\$ 776.11	\$ 889.07	\$ 865.52
	6	\$770.15	\$ 745.40	\$ 964.02	\$ 937.12	\$ 1,074.22	\$ 1,044.97
	Stops/ Week	Monthly fee for container size in cubic yards					
		2	<i>Add'l</i>	3	<i>Add'l</i>	4	<i>Add'l</i>
	1	\$244.85	\$ 238.40	\$ 346.28	\$ 338.28	\$ 446.65	\$ 437.20
	2	\$468.60	\$ 456.95	\$ 668.35	\$ 654.00	\$ 866.24	\$ 849.29
3	\$692.15	\$ 675.30	\$ 990.42	\$ 969.57	\$ 1,285.84	\$ 1,261.39	
4	\$915.74	\$ 893.69	\$ 1,312.49	\$ 1,285.34	\$ 1,705.44	\$ 1,673.49	
5	\$1,139.44	\$ 1,112.14	\$ 1,634.52	\$ 1,600.67	\$ 2,124.97	\$ 2,085.42	
6	\$1,376.04	\$ 1,342.34	\$ 1,972.53	\$ 1,930.98	\$ 2,563.47	\$ 2,514.32	
Commercial Cans - monthly fee; weekly recycling included							
One Stop per Week				One cart/can	Two carts/cans	Each additional	
35 gallon can				\$32.60	\$64.50	\$31.60	
Occasional extra - 35 gallon				N/A	N/A	\$6.00	
Two Stops per Week							
35 gallon can - 2 stops/wk				\$64.50	\$127.55	\$31.00	
Occasional extra - 35 gallon				N/A	N/A	\$6.00	
Additional fees may apply - see Tables 1, 2 & 3							

Table 1

Miscellaneous Services		
Bulky Waste - appliances, furniture, etc.		
<i>Fee based on weight and special handling needs. If not easily accessible, hourly fee also applies.</i>		
Minimum fee	\$5.45	
Maximum fee	\$29.15	
Coolant removal fee	\$30.00	<i>Applies to refrigerators, freezers and air conditioners even if refrigerant is removed. Disposal fee additional.</i>
Clean Up Containers		
Each collection charged at 33% of regular container fee (see commercial containers).		
Handling fee*	\$16.60	<i>*only charged for first collection.</i>
Container rent is charged when container is kept longer than proposed		
< 3 cubic yard	\$2.10	rent per day
3 cubic yards	\$3.10	rent per day
4 cubic yards	\$4.10	rent per day
<i>For larger containers, see Drop Box, Table 4</i>		
Tire Handling Fee - charged in addition to disposal fees		
On rim	\$2.00	
Off rim	\$5.50	
<i>Tires greater than 18 inch diameter are subject to a special handling fee.</i>		
Occasional Extra Garbage - 35 gallon maximum		
Light	\$3.00	<i>does not require extra trip</i>
Heavy	\$5.05	<i>curbside/roadside and requires extra trip</i>
At House	\$5.85	<i>picked up at house (50 ft max from curb/road)</i>
Hourly handling fee - charged in addition to disposal fees		
1 truck, 1 person	\$73.00	per hour
1 truck, 2 people	\$105.00	per hour
Other Fees		
Gate fee	\$1.00	
Reinstatement fee	\$5.00	<i>When service is reinstated after it has been stopped for non-payment or if customer stops and starts service more than once in a calendar year.</i>
Cart redelivery	\$10.00	<i>If cart picked up then service restarted within 12 months.</i>

¹ Rent shall not exceed \$20.00 per container in a 30 day period.

Exhibit A

Effective: July 1, 2017

Table 2

Distance Fees	
Distance	Monthly Fee
3 - 50 feet	\$ 3.50
51 - 100 feet	\$ 5.10
101 - 200 feet	\$ 6.15
201 - 400 feet	\$ 7.20
401 - 800 feet	\$ 8.25
More than 800 feet	\$ 9.30

Distance fees apply when service is not curbside or roadside as defined.

Distances over 50 feet are considered drive-in only.

Fees for distances over 50 feet also apply to non-urban containers served off public roads.

Table 3

Miscellaneous Container Fees
Overweight charges will be applied to containers weighing over 275 pounds per cubic yard. The fee must be mutually agreeable to the customer and collector. The County will act as an arbitrator in the event of a dispute.
Containers that have been compacted are charged 2.2 times the regular container fee for the zone.
Overweight compacted containers weighing over 500 pounds per cubic yard will be charged this fee plus disposal for the excess weight.
Container cleaning fee will be charged for containers needing cleaning more than 2 times in a 12 month period. The fee is the actual cost of cleaning.
Mileage fee applies to Distant Rural and Mountain Fee Zones when containers are located over 26 miles round trip from a disposal site if there are less than seven (7) containers picked up per collection route.

Table 4

Drop Boxes and Compactors -Disposal, rental, mileage & other fees are additional	
Open Drop Box	
10-20 cubic yard	\$125.00
Lidded/Specialized-requiring deadhead roundtrip	\$150.00
30 cubic yard	\$145.00
40 cubic yard	\$165.00
Compacted Drop Box	
Less than 25 cubic yards	\$150.00
25 - 34 cubic yards	\$189.00
35 cubic yards and greater	\$218.00
Industrial Special Waste Drop Box	
10-20 cubic yard	\$161.00
30 cubic yard	\$178.00
Other fees	
Rental Fee	
Per day (after 2 working days at one site)	\$6.30
Per month (Occasional Customer collection of less than one load per week)	\$63.00
Per month (Permanent customer)	\$50.00
Per Month Equipment Fee: Lidded/Specialty Drop Box	\$20.00
Delivery Fee¹	
Urban zone	\$40.00
All other zones	\$50.00
Mileage Fee	
Per mile over 18 miles roundtrip from where the truck is stationed (if in Clackamas County, if not then from the Metro South Transfer Station) for a repeat customer and for over 18 miles of truck operation for a one-stop drop box customer.	\$4.70
Multifamily Service Fee - additional fee for communities using compactors and drop boxes to collect garbage. Fee is charged per unit per month.	
5-299 units	\$1.60
300 - 399 units	\$1.45
More than 399 units	\$1.40
Incidental Service Fees	
Stand by time - waiting for box to be cleared, cars to be moved, etc. ²	\$7.00
Leveling load - if driver must spend time leveling load to safely haul. ²	\$7.00
Wash out - if requested by customer or box is contaminated.	\$30.00
Compactor turn-around - if repositioning required to enable collection and tip.	\$40.00
Deadhead round trip: specialized boxes that cannot be exchanged .	\$25.00
Dry run - if scheduled collection is prevented because box is blocked or customer is not ready.	\$30.00

¹For the occasional customer, the delivery charge shall be made for the first drop box at a given location within a 30-day period. For the repeat customer, the delivery charge shall be made for service at different locations.

²Charged in 5 minute increments.

Effective: July 1, 2017

Table 5

Infectious Waste		
Number of units	Fee per gallon	
	20/21	35/48
1	\$ 81.45	\$ 83.23
2	\$ 61.85	\$ 63.50
3	\$ 54.30	\$ 56.00
4	\$ 49.35	\$ 51.00
5	\$ 46.35	\$ 48.00
6	\$ 44.35	\$ 46.00
7	\$ 41.85	\$ 43.50
8	\$ 40.40	\$ 42.00
9	\$ 37.35	\$ 39.00
10	\$ 35.85	\$ 37.50
11	\$ 34.75	\$ 36.50
12	\$ 33.25	\$ 35.00
13	\$ 32.75	\$ 34.50
14	\$ 32.00	\$ 33.75
15	\$ 31.25	\$ 33.00
16	\$ 26.30	\$ 28.00
17	\$ 26.30	\$ 28.00
18	\$ 26.30	\$ 28.00
19	\$ 26.30	\$ 28.00
20	\$ 26.30	\$ 28.00
60	\$ 17.90	\$ 18.75
75	\$ 17.45	\$ 18.10
90	\$ 12.80	\$ 13.10



M. BARBARA CARTMILL
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Resolution of Support for Metro 2040 Community Planning and Development Grants
for Housing Authority of Clackamas County Hillside Master Plan and Park Ave
Development and Design Standards Project

Purpose/Outcomes	Approval of the Resolution supporting the two Metro 2040 Community Planning and Development Grants and identifying the Housing Authority of Clackamas County Hillside Master Plan project as the first priority and the Park Ave Development and Design Standards Project as the second priority.
Dollar Amount and Fiscal Impact	The 2040 Grant request for the HACC Hillside Master Plan is for \$214,000 with \$78,150 in match (in-kind and matching funds). The 2040 Grant request is for \$180,000 with \$45,000 through in-kind matching funds.
Funding Source	The Housing Authority of Clackamas County will provide in-kind matching funds of up to \$45,000 and \$25,000 in cash match. The DTD Planning and Zoning division will provided \$20,000 of in-kind match funded by the General Fund, and Business and Economic Development will provide \$25,000 of in-kind match.
Duration	If awarded the 2040 Grant funded projects would begin in the fall of 2017 and continue through the FY 2018
Previous Board Action	06/13/17: A BCC Policy Session was held to discuss the support of the 2040 grant applications and to identify the priority project for Clackamas County.
Strategic Plan Alignment	Ensure safe, healthy and secure communities Build public trust through good government Grow a vibrant economy
Contact Person	Karen Buehrig, Transportation Planning Supervisor, 503-742-4683

In April, 2017, Metro Regional Government released a funding notice for “2040 Planning and Development Grants”. Eligible applicants for these funds are local governments (cities and counties) within Metro’s service district. Grant applications are due to Metro no later than June 30th, 2017 and grant awards will be made to projects that promote planning activity and lead to activities that make land ready for development. The Housing Authority of Clackamas County and the Department of Transportation and Development (DTD) have developed two applications for this program.

The HACC project directly addresses the affordable housing need in Clackamas County, and matches closely with the emphasis on the Metro 2040 Grant program for projects focused on

equitable housing / development. DTD's project includes elements related to equitable development, and also falls within the Metro 2040 grant focus area of projects within Station Areas and Corridors. Each project undertakes needed activities to facilitate development.

At the June 13, 2017 BCC Policy Session, the BCC was provided with the details for each application. Following their discussion, the BCC identified that both of the applications addressed important needs within the County and should both receive the support of the BCC to apply for the Metro 2040 Grant funding program.

With its strong emphasis on affordable housing, the HACC Hillside Master Plan project received a first priority ranking from the BCC and the DTD Park Ave Development and Design Standards project received the second priority ranking.

Attached is a resolution of support for both the applications and the identification of the priority ranking for Clackamas County applications. County Counsel has reviewed and approved this resolution.

RECOMMENDATION:

Staff respectfully recommends adoption of the Resolution of Support for Metro 2040 Community Planning and Development Grants for Housing Authority of Clackamas County Hillside Master Plan and Park Ave. Development and Design Standards Project.

Respectfully submitted,

Mike Bezner
Assistant Director

WHEREAS, the Housing Authority of Clackamas County (HACC) in partnership with the City of Milwaukie, is submitting a proposal to the Metro 2040 Community Planning and Development grant program requesting \$214,000 in funds to complete a Master Plan for the Hillside Public Housing community in Milwaukie; and

WHEREAS, the Department of Transportation and Development is submitting a proposal to undertake the Park Avenue Development and Design Standards project focusing on an inclusive public engagement process to create development and design standards for the Park Avenue Station area that implement the Community Values and Guiding Principles of the McLoughlin Area Plan. The project includes an assessment of neighborhood livability and economic diversity in the neighborhoods surrounding the Park Avenue Station. The proposal is requesting \$180,000 in Metro 2040 Community Planning and Development Grant funds; and

WHEREAS, both of these proposals represent important planning efforts that, when completed, will help to leverage additional resources for development in two distinct communities within Clackamas County; and

WHEREAS, on June 13, 2017, the Board of County Commissioners discussed the applications and indicated their full support for both proposals; and

WHEREAS, the Board of County Commissioner has approved both applications, including the budget and proposed match for each application; and

WHEREAS, in the case of multiple applications from a jurisdiction, a priority ranking of application is required; and

WHEREAS, the Board of County Commissioner has determined that the first priority is the Hillside Master Plan for Housing Opportunity project and has assigned the second jurisdictional priority to the Park Avenue Development and Design Standards.

NOW, THEREFORE, the Clackamas County Board of Commissioners do hereby resolve that:

1. County staff shall pursue the above mentioned Metro 2040 Community Planning and Development Grant project applications and approves the budget and proposed County match set forth in the application materials; and
2. First priority ranking shall be assigned to the Hillside Master Plan for Housing Opportunity project and the second jurisdictional priority ranking shall be assigned to the Park Avenue Development and Design Standards project.

Dated this _____ day of June, 2017

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

Chair

Recording Secretary



M. BARBARA CARTMILL
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT
DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioner
Clackamas County

Members of the Board:

Approval of a Supplemental Project Agreement No. 31035 with Oregon Department of
Transportation for the Jennings Ave: OR99E to Oatfield Rd Project

Purpose/Outcomes	Using Federal Surface Transportation Program (STP) funds, this agreement allows Clackamas County to proceed with design and construction of sidewalk and bicycle improvements to Jennings Avenue between OR99E and Oatfield Rd.
Dollar Amount and Fiscal Impact	Overall Project Cost Estimate: \$4,040,213 STP funds: \$3,625,283 County match (10.27% min): \$414,930
Funding Source	Federal Surface Transportation Program (STP) and County Road Funds.
Duration	Completion of the Project or ten (10) years following the date of final execution, whichever is sooner.
Previous Board Action	01/01/17: BCC Approval of Master Certification Agreement No. 30923 for County implementation of federally funded projects
Strategic Plan Alignment	Build a strong infrastructure Ensure safe, healthy and secure communities
Contact Person	Joel Howie, Civil Engineering Supervisor 503-742-4658

This is a supplemental project agreement between Clackamas County and the Oregon Department of Transportation (ODOT) to construct improvements along Jennings Avenue from OR99E (McLoughlin Blvd) to Oatfield Road. The improvements include constructing a curb tight sidewalk on the north side of the road and constructing bike lanes on both sides of the road for enhanced bicycle and pedestrian connectivity. The total length of improvements is approximately three quarters (3/4) of a mile (approximately 3860 feet).

This project will be administered by adhering to an existing Local Agency Certification Program (Certification Program) Agreement (No. 30923) with ODOT. This project will be financed mostly with federal Surface Transportation Program funds matched by County Road Funds. This agreement has been reviewed and approved by County Counsel.

RECOMMENDATION:

Staff respectfully recommends that the Board of County Commissioners approve the attached Supplemental Project Agreement with ODOT for the Jennings Ave: OR 99E to Oatfield Rd Project as listed in the agreement.

Respectfully submitted,

Mike Bezner
Assistant Director of Transportation

**Oregon Department of Transportation
LOCAL AGENCY CERTIFICATION PROGRAM
Supplemental Project Agreement No. 31035
Jennings Ave: OR99E to Oatfield Rd**

THIS AGREEMENT is made and entered into by and between THE STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State" or "ODOT" and Clackamas County acting by and through its elected officials, hereinafter referred to as "Agency," both herein referred to individually or collectively as "Party" or "Parties."

RECITALS

1. By the authority granted in Local Agency Certification Program Agreement No. 30923 incorporated herein and by this reference made a part hereof, State may enter into this Supplemental Project Agreement with Agency for the performance of work on this improvement Project, as described below. The Certification Program allows State to certify a Local Agency's procedures and delegates authority to the certified Local Agency to administer federal-aid projects. The terms "Certification Program" and "Local Agency" shall be defined as set forth in Local Agency Certification Program Agreement No. 30923.
2. Jennings Ave. is a part of the Agency's street system under the jurisdiction and control of Agency.
3. Agency is certified in the areas of design (except for Bridge Design), advertising, bid and award, and construction contract administration. This will be test project for Formal Consultant selection.

NOW THEREFORE, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

TERMS OF AGREEMENT

1. Under such authority, Agency agrees to make improvements along Jennings Ave from OR99E (McLoughlin Blvd) to Oatfield Rd hereinafter referred to as Project. The improvements include constructing a curb tight sidewalk on the north side of the road and constructing bike lanes on both sides of the road for enhanced bicycle and pedestrian connectivity. The total length of improvements is approximately three quarters (3/4) of a mile (approximately 3860 feet). The location of the Project is shown on the sketch maps attached hereto marked "Exhibit A1 – Project Vicinity Map" and "Exhibit A2 – Project Plan View Map" and by this reference made a part hereof.
2. The Project shall be conducted as a part of the Federal-Aid Surface Transportation Program (STP) under Title 23, United States Code. STP Urban (STP-U) funds for

this Project shall be estimated at \$3,625,283. The total estimated cost of the Project is \$4,040,213, which is subject to change. Agency shall be responsible for all remaining costs, including the 10.27 percent match for all eligible costs, any non-participating costs, and all costs in excess of the available federal or state funds.

3. Agency shall make all payments for work performed on the Project, including all construction costs, and invoice State for one-hundred (100) percent of its costs. State shall reimburse Agency invoices at the pro-rated federal share. All costs beyond the federal and state reimbursement, any deposited local funds, and any non-participating costs will be the responsibility of the Agency. State shall simultaneously invoice FHWA and Agency for State's Project costs, and Agency agrees to reimburse State for the federal-aid matching state share and any non-participating costs as determined in accordance with paragraph number 2, above upon receipt of invoice. Failure of Agency to make such payments to State may result in withholding of Agency's proportional allocation of State Highway Trust Funds until such costs are paid. Agency understands that State's costs are estimates only and agrees to reimburse State for the actual amount expended.
4. If State performs work throughout the duration of the Project, State will provide a preliminary estimate of State costs for said work to Agency. Prior to the start of each Project phase State will provide an updated estimate of State costs from that phase to Agency. Such phases generally consist of Preliminary Engineering, Right of Way, Utility, and Construction. Agency understands that State's costs are estimates only and agrees to reimburse State for actual cost incurred per the Terms of this Agreement.
5. Information required by 2 CFR 200.331(a) (1) shall be contained in the USDOT FHWA Federal Aid Project Agreement for this Project, a copy of which shall be provided by State to Agency with the Notice to Proceed.
6. As required by 2 CFR 200.331(a)(4), the indirect cost rate for this project at the time the agreement is written is 38.17 percent (38.17 %) and may change upon notice to ODOT and ODOT's subsequent written approval.
7. Agency shall invoice ODOT using the current indirect cost rate on file with ODOT at the time the work is performed, except that if Agency has selected zero percent (0%), Agency shall invoice ODOT using the zero percent rate.
8. Agency may have other indirect cost rates for departments and or disciplines that have been approved for use by its cognizant agency and State and these rates may be used on the Project, as applicable.
9. Agency shall conduct a Formal Consultant selection, as a test project, advertise, bid, award the construction contract, and perform construction administration. Agency understands that this Project is a test project for consultant selection and a certified project in all other phases of the project and agrees to comply with all of the terms and conditions found in Certification Program Agreement No. 30923.

10. State will submit request for federal funding to FHWA. The federal funding for this Project is contingent upon approval by the FHWA. Any work performed prior to acceptance by FHWA will be considered nonparticipating and paid for at Agency expense. State's Regional Local Agency Liaison or designee will provide Agency with a written notice to proceed when FHWA approval has been secured and funds are available for expenditure on this Project.
11. State considers Agency a subrecipient of the federal funds it receives as reimbursement under this Agreement. The Catalog of Federal Domestic Assistance (CFDA) number and title for this Project is 20.205, Highway Planning and Construction.
12. The term of this Agreement shall begin on the date all required signatures are obtained and shall terminate upon completion of the Project and final payment or ten (10) calendar years following the date all required signatures are obtained, whichever is sooner.
13. This Agreement is subject to the terms and provisions of the Local Agency Certification Program Agreement No. 30923.
14. If Agency fails to meet the requirements of this Agreement or the underlying federal regulations, State may withhold the Agency's proportional share of Highway Fund distribution necessary to reimburse State for costs incurred by such Agency breach.
15. Agency shall, at its own expense, maintain and operate the Project upon completion and throughout the useful life of the Project at a minimum level that is consistent with normal depreciation and/or service demand. State and Agency agree that the useful life of this Project is defined as twenty (20) years.
16. State may conduct periodic inspections during the life of the Project to verify that the Project is being properly maintained and continue to serve the purpose for which federal funds were provided.
17. This Agreement may be terminated by mutual written consent of both Parties.
18. State may terminate this Agreement effective upon delivery of written notice to Agency, or at such later date as may be established by State, under any of the following conditions:
 - a. If Agency fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
 - b. If Agency fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from State fails to correct such failures within ten (10) days or such longer period as State may authorize.

- c. If Agency fails to provide payment of its share of the cost of the Project.
- d. If State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.
- e. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or if State is prohibited from paying for such work from the planned funding source.

19. Americans with Disabilities Act Compliance:

- a. **General:** Agency agrees to comply with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 (“ADA”) as identified in paragraph 1 of the **General Provisions** section of Local Agency’s Certification Program Agreement, and to utilize ODOT standards to assess and ensure Project compliance with the ADA.
- b. **ADA Design Standards and Construction Specifications:** Agency agrees to comply with ODOT’s current ADA-related design standards, construction specifications, and design exception documentation and approval requirements for design, modification, upgrade, or construction of Project sidewalks, curb ramps, and pedestrian activated signals on both the Oregon State Highway System (state highway) and on the local agency system, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, and current ODOT Curb Ramp Inspection form.
- i. **ADA Inspection Forms:** Prior to issuing the Second Notification pursuant to Oregon Standard Specification 00180.50(g), or Agency’s approved equivalent, Agency agrees to submit an ODOT Curb Ramp Inspection Form 734-5020 to the address on the form as well as to State’s Regional Local Agency Liason for each curb ramp designed, constructed, upgraded, or modified for this Project. The completed form is the required documentation from Agency showing that each curb ramp meets ODOT standards and is ADA compliant.

ODOT’s fillable Curb Ramp Inspection Form 734-5020 and instructions are available at the following website:

<http://www.oregon.gov/ODOT/HWY/CONSTRUCTION/Pages/HwyConstForms1.aspx>
- ii. **State inspection:** Agency shall promptly notify State of Project completion and allow State to inspect Project sidewalks, curb ramps, and pedestrian-activated signals located on or along a state highway prior to acceptance of Project by Agency and prior to release of any Agency contractor.
- c. **Reimbursement:** State will not reimburse Agency for work that does not meet the applicable ODOT standards without an approved design

exception, regardless of whether the work is on a State-owned or an Agency-owned facility.

- d. **On-going Maintenance and Inspection Obligation:** Agency shall, at its own expense, maintain and periodically inspect any Project sidewalks, curb ramps, and pedestrian activated signals on portions of the Project under Agency's maintenance jurisdiction upon Project completion and throughout the useful life of the Project to ensure continuing compliance with the ADA. This provision shall survive termination of the Agreement.

20. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
21. Agency, as a recipient of federal funds, pursuant to this Agreement with State, shall assume sole liability for Agency's breach of any federal statutes, rules, program requirements and grant provisions applicable to the federal funds, and shall, upon Agency's breach of any such conditions that requires State to return funds to the FHWA, hold harmless and indemnify State for an amount equal to the funds received under this Agreement; or if legal limitations apply to the indemnification ability of Agency, the indemnification amount shall be the maximum amount of funds available for expenditure, including any available contingency funds or other available non-appropriated funds, up to the amount received under this Agreement.
22. Agency shall require its contractor(s) and subcontractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon, Oregon Transportation Commission and its members, Department of Transportation and its officers, employees and agents from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Agency's contractor or any of the officers, agents, employees or subcontractors of the contractor ("Claims"). It is the specific intention of the Parties that State shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of State, be indemnified by the contractor and subcontractor from and against any and all Claims.
23. Any such indemnification shall also provide that neither Agency's contractor and subcontractor nor any attorney engaged by Agency's contractor and subcontractor shall defend any claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State of Oregon may, at anytime at its election assume its own defense and settlement in the event that it determines that Agency's contractor is prohibited from defending the State of Oregon, or that Agency's contractor is not adequately defending the State of Oregon's interests, or that an important governmental principle is at issue or that it is in the best interests of the State of Oregon to do so. The State of Oregon reserves all rights to pursue claims it may have against

Agency's contractor if the State of Oregon elects to assume its own defense. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

24. This Agreement and the Local Agency Certification Program (Certification Program) Agreement No. 30923, as amended and all attached exhibits constitutes the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either Party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of State to enforce any provision of this Agreement shall not constitute a waiver by State of that or any other provision.
25. Agency shall ensure compliance with the Cargo Preference Act and implementing regulations (46 CFR Part 381) for use of United States-flag ocean vessels transporting materials or equipment acquired specifically for the Project. Strict compliance is required, including but not limited to the clauses in 46 CFR 381.7(a) and (b) which are incorporated by reference. State and Agency shall also include this requirement in all contracts and ensure that contractors include the requirement in their subcontracts.
26. By signing this Federal-Aid Agreement Agency agrees to comply with the provisions of the Federal Funding Accountability and Transparency Act (FFATA) and is subject to the following award terms: <http://edocket.access.gpo.gov/2010/pdf/2010-22705.pdf> and <http://edocket.access.gpo.gov/2010/pdf/2010-22706.pdf>. If, in the preceding fiscal year, Agency received more than 80% of its gross revenues from the federal government, those federal funds exceed \$25,000,000 annually, and the public does not have access to information about the compensation of executives through reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 or section 6104 of the Internal Revenue Code of 1986, Agency shall report the total compensation and names of its top five executives to State. Agency shall report said information to State within 14 calendar days of execution of this Agreement and annually thereafter, utilizing the FFATA form attached hereto as Exhibit "B".
27. State's Project Liaison for the Agreement is Mahasti Hastings, Local Area Liaison, 123 NW Flanders Street, Portland, OR 97209, 503-731-8595, Mahasti.V.HASTINGS@odot.state.or.us, or assigned designee upon individual's absence. State shall notify the other Party in writing of any contact information changes during the term of this Agreement.
28. Agency's Project Liaison for this Agreement is Joel Howie, Civil Engineering Supervisor, 150 Beaver Creek Road, Oregon City, OR 97045, 503-742-4658, JHowie@co.clackamas.or.us, or assigned designee upon individual's absence.

Agency/State
Agreement No. 31035

Agency shall notify the other Party in writing of any contact information changes during the term of this Agreement.

THE PARTIES, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

This Project is in the 2015-2018 Statewide Transportation Improvement Program, (Key #19276) that was adopted by the Oregon Transportation Commission on December 18, 2014 (or subsequently approved by amendment to the STIP).

SIGNATURE PAGE TO FOLLOW

CLACKAMAS COUNTY, acting by and
through its elected officials

By _____
County Commissioner, Chair
Date _____

By _____

Date _____

By _____
County Legal Counsel
Date _____

Agency Contact:

Joel Howie, Civil Engineering Supervisor
150 Beaver Creek Road
Oregon City, or 97045
Phone: (503) 742-4658
JHowie@co.clackamas.or.us

STATE OF OREGON, acting by and
through its Department of Transportation

By _____
Highway Division Administrator
Date _____

APPROVAL RECOMMENDED

By _____
Certification Program Manager
Date _____

By _____
Region 1 Manager
Date _____

By _____
Region 1 Project Services Manager
Date _____

**APPROVED AS TO LEGAL
SUFFICIENCY**

By _____
Assistant Attorney General
Date _____

State Contact:

Mahasti Hastings, Local Area Liaison
123 NW Flanders Street
Portland, OR 97209
Phone: 503-731-8595
Mahasti.V.HASTINGS@odot.state.or.us

Exhibit A1 – Project Vicinity Map

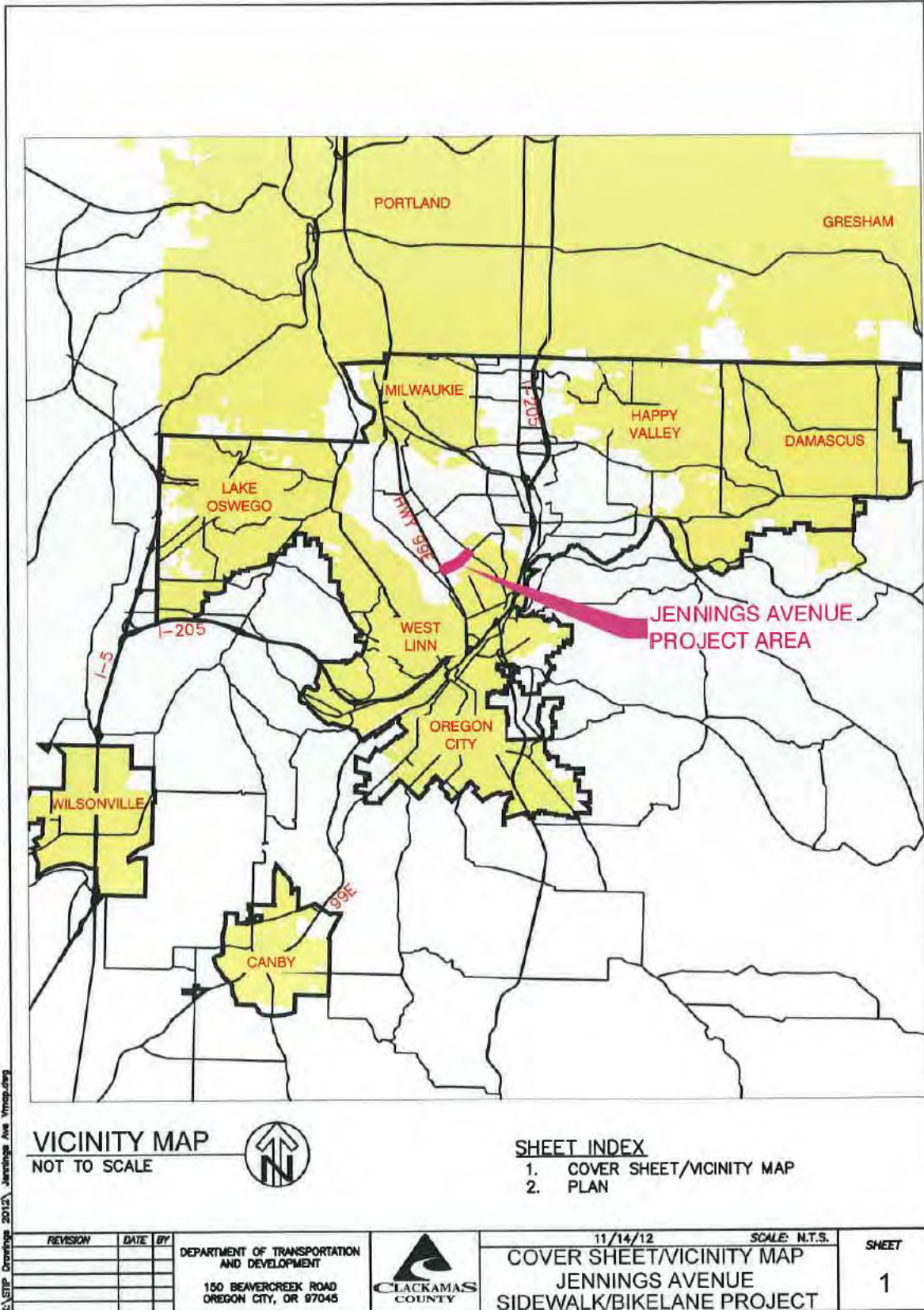
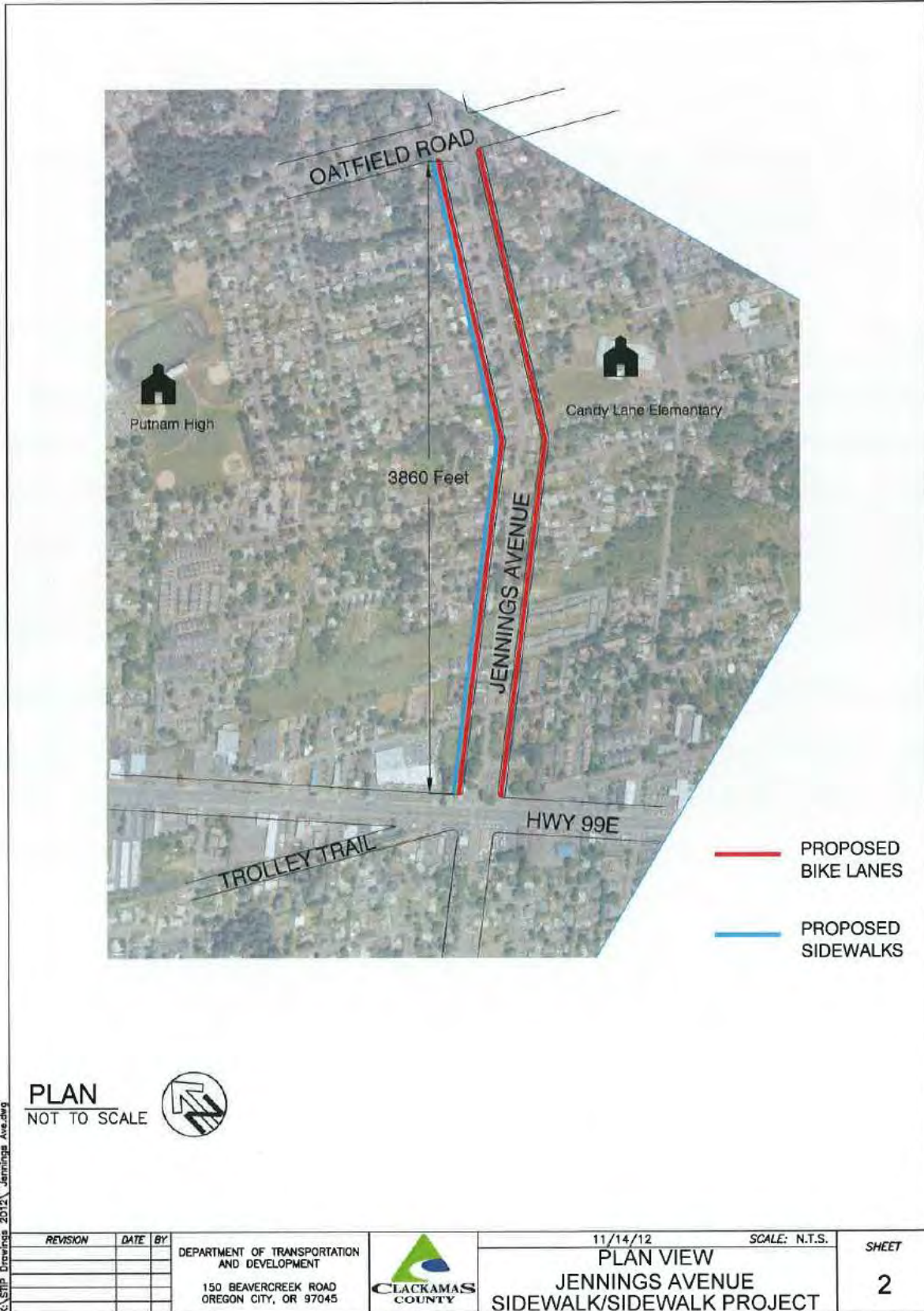


Exhibit A2 – Project Plan View Map



PLAN
 NOT TO SCALE



K:\STIP Drawings 2012\ Jennings Ave.dwg

REVISION	DATE	BY

DEPARTMENT OF TRANSPORTATION
 AND DEVELOPMENT
 150 BEAVERCREEK ROAD
 OREGON CITY, OR 97045



11/14/12 SCALE: N.T.S.
 PLAN VIEW
 JENNINGS AVENUE
 SIDEWALK/SIDEWALK PROJECT

SHEET
 2



Scott Caufield
Building Codes Administrator

BUILDING CODES DIVISION

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of Contract Amendment No. 3 to the Professional Services Contract with Clair Company to Provide On Call Plan Review and Inspection Services

Purpose/Outcomes	<p>This is an Amendment to the current contract with Clair Company for them to provide on-call plan review and inspection services for the Building Codes Division. With this Amendment the same services as outlined in the original contract will be provided, with the following revisions:</p> <ul style="list-style-type: none"> • The Amendment changes the compensation for fiscal year 2016/2017, increasing the yearly Not to Exceed Compensation by \$7,500.00. • The Amendment exercises the option to renew the final remaining additional one (1) year term available in the original contract, at a maximum annual compensation rate of \$100,000.00 for fiscal year 2017/2018. 														
Fiscal Impact	<table border="0"> <tr> <td>Original Contract</td> <td>\$75,000.00</td> </tr> <tr> <td>Amendment #1</td> <td>\$25,000.00 additional</td> </tr> <tr> <td>Amendment #2/Renewal #1</td> <td>\$100,000.00 FY 16/17</td> </tr> <tr> <td>Amendment #3</td> <td>\$7,500.00 add for FY 16/17</td> </tr> <tr> <td>Renewal #2</td> <td>\$100,000.00 FY 17/18</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Total Contract</td> <td>\$307,500.00</td> </tr> </table>	Original Contract	\$75,000.00	Amendment #1	\$25,000.00 additional	Amendment #2/Renewal #1	\$100,000.00 FY 16/17	Amendment #3	\$7,500.00 add for FY 16/17	Renewal #2	\$100,000.00 FY 17/18	<hr/>		Total Contract	\$307,500.00
Original Contract	\$75,000.00														
Amendment #1	\$25,000.00 additional														
Amendment #2/Renewal #1	\$100,000.00 FY 16/17														
Amendment #3	\$7,500.00 add for FY 16/17														
Renewal #2	\$100,000.00 FY 17/18														
<hr/>															
Total Contract	\$307,500.00														
Funding Source	<p>Building Codes Division will pay the contract (fund 205, 7441). Building Codes has a dedicated fund, so no County general funds will be used.</p>														
Duration	<p>Original Contract: Contract signing in October 2015 through June 30, 2018.</p>														
Strategic Plan Alignment	<p>4) Ensure safe, healthy and secure communities.</p>														

Previous Action	<p>10/21/2015: The original contract was signed by County Staff.</p> <p>10/20/2015: Amendment #1 was signed. This Amendment adds language to the contract to address ORS 279B.110, 279B.235, 279C.375 and 279.520 as applicable.</p> <p>5/19/2016: Amendment #2 was signed. This Amendment increased the total maximum compensation for fiscal year 2015/2016 to \$100,000.00 from the original value of \$75,000.00. This Amendment also exercised the first option to renew the contract for a one (1) year term as available in the original contract, at a maximum annual compensation rate of \$100,000.00 for fiscal year 2016/2017.</p>
Contact Person	Cheryl Bell, Deputy Building Codes Administrator, Transportation & Development, 503-742-4721

BACKGROUND

On October 21, 2015 Clackamas County signed a contract with Clair Company, Inc. to provide the Building Codes Division with on-call plans review and inspection services. These on-call services are a critical part of our staffing and workflow management. The contract has been in place since this original signing, with no change to the scope of services. The maximum annual compensation was changed in Amendment #2 on 05/19/2016, increasing the total maximum annual compensation from \$75,000.00 to \$100,000.00. The first available renewal option was also exercised in Amendment #2, renewing the contract for fiscal year 2016/2017 at the increased maximum compensation value of \$100,000.00.

The Building Codes Division is requesting approval of Amendment #3 which revises the current contract as follows:

- The maximum annual compensation for fiscal year 2016/2017 is increased by \$7,500.00. This year we unfortunately had a staff member pass away after a serious long term illness. While this staff member was out on medical, and after his passing, we used a contracted inspector in a full-time capacity to assist the structural/mechanical inspection team. This event was unexpected, and due to the heavy use of our contract, a majority of the contract's value was used providing this staffing. This compensation increase is being requested to ensure that we have adequate funding to cover our contracted services for the remainder of the year.
- We are requesting to exercise the option to renew the final remaining additional one (1) year term available in the original contract, at a maximum annual compensation rate of \$100,000.00 for fiscal year 2017/2018.

This contract has been reviewed as to form by County Counsel.

RECOMMENDATION:

Staff recommends that the Board of County Commissioners approve Amendment #3 to the Professional Services Contract with Clair Company to Provide On Call Plan Review and Inspection Services.

Respectfully submitted,

Scott Caufield
Building Codes Administrator

*Placed on the _____ Agenda by the Procurement Division

AMENDMENT #3 / RENEWAL #2

**TO THE CONTRACT DOCUMENTS WITH CLAIR COMPANY, INC. FOR ON-CALL PLAN
REVIEW AND INSPECTION SERVICES**

This Amendment #3 / Renewal #2 is entered into between Clair Company, Inc. (“Contractor”) and Clackamas County Department of Transportation and Development (“County”) and it shall become part of the Contract documents entered into between both parties on October 20, 2015.

The Purpose of the Amendment #3 / Renewal #2 is to make the following changes to the Contract;

1. Section I. **COMPENSATION** is hereby changed as follows:
The current Not to Exceed Compensation for year 2016/2017 is hereby increased by \$7,500.00 for this fiscal year ending June 30, 2017. The maximum Annual Compensation is now \$107,500, for year ending June 30, 2017.
2. Section I. **COMPENSATION** is hereby changed as follows:
The Contract expiration date is hereby changed from June 30, 2017 to **June 30, 2018**. This Amendment / Renewal is exercising the option to renew the final remaining additional one (1) year term available in the original Contract; for year 2017/2018 for the maximum fiscal year Compensation of \$100,000.00.

Original Contract	\$ 75,000.00
Amendment #1	Language added
Amendment #2	\$25,000.00 add for 2015/2016
Renewal #1	\$100,000.00 FY 2016/2017
Amendment #3	\$ 7,500.00 add for 2016/2017
Renewal #2	\$100,000.00 FY 2017/2018
Total Contract	\$307,500.00

3. Section VI. Termination-Amendment is hereby deleted in its entirety and replaced with:
VI. TERMINATION - AMENDMENT
A. **TERMINATIONS**. This Contract may be terminated for the following reasons: 1) This Contract may be terminated at any time by mutual consent of the parties, or by County for convenience upon thirty (30) days’ written notice to the Contractor; 2) County may terminate this Contract effective upon delivery of notice to Contractor, or at such later date as may be established by the County, if (i) federal or state laws, rules, regulations, or guidelines are modified, changed, or interpreted in such a way that either the work under this Contract is prohibited or County is prohibited from paying for such work from the planned funding source; or (ii) any license or certificate required by law or regulation to be held by the Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed; 3) This Contract may also be immediately terminated by County for default (including breach of Contract) if (i) Contractor fails to provide services or materials called for by this Contract within the time specified herein or any extension thereof; or (ii) Contractor fails to perform any of the other provisions of this Contract or so fails to pursue the work as to endanger performance of this Contract in accordance with its terms, and after receipt of notice from County, fails to correct such failure within ten (10) business days; 4) If sufficient funds are not provided in future approved budgets of County (or from applicable federal, state, or other sources) to permit County in the exercise of its reasonable administrative discretion to continue this Contract, or if the program for which this Contract was executed is abolished, County may terminate this Contract without further liability by giving Contractor not less than thirty (30) days’ notice.

4. ADD Section VII. EXECUTION AND COUNTERPARTS:

VII. EXECUTION AND COUNTERPARTS:

This Contract may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

Except as expressly amended above, all other terms and conditions of the Contract shall remain in full force and effect.

By signature below, the parties agree to this Amendment #3 / Renewal #2, effective upon the date of the last signature below.

Clair Company, Inc.
525 NW Second Street
Corvallis OR 97330

Clackamas County Board of County
Commissioners by:

Authorized Signature

Chair

Name / Title (Printed)

Recording Secretary

Date

Date

Telephone

Approved as to Form:

188014-80

Oregon Business Registry #

County Counsel

DBC / OR

Entity Type / State of Formation

Date



RANDALL A. HARMON
MANAGER

TRANSPORTATION MAINTENANCE DIVISION

McCoy BUILDING
902 ABERNETHY ROAD | OREGON CITY, OR 97045

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Renewal for the Contract with
Pac-Green Nursery and Landscape LLC for
Landscape Maintenance Services for
Various Landscape Roadway Areas in Clackamas County

Purpose/ Outcomes	We have different zones that have landscaping needs and we are unable to maintain these areas with our current workforce.
Dollar Amount and Fiscal Impact	Transportation Maintenance will use available funds under Contracted Services
Funding Source	215-7433-00-431900 \$200,000, budget year 17/18
Duration	This is the first of the optional three (3), one (1) year terms available
Strategic Plan Alignment	<ol style="list-style-type: none"> 1. Helps keep a strong infrastructure and ensures safe communities 2. Provides maintenance to the traveling public so they can experience a clean, attractive and healthy community.
Previous Board Action	The Board approved this as a Request for Proposals on May 26, 2016.
Contact Person	Travis Wootan, Road Operations Supervisor, 503-557-6368

BACKGROUND:

Clackamas County Transportation Maintenance is responsible for maintaining landscaping in medians along county maintained roads and one along a state highway.

By contracting out this landscaping, we have our workforce available for summer projects such as chip seal, paving, and crack sealing.

RECOMMENDATION:

Staff recommends Board Approval of the first renewal with Pac-Green Nursery and Landscape LLC for Landscape Maintenance Services for Various Landscape Roadway Areas in Clackamas County.

This contract has been reviewed as to form by County Counsel.

Respectfully submitted,

M. Barbara Cartmill
Director

*Placed on the _____ Agenda by the Procurement Division

**AMENDMENT #1 / RENEWAL #1
TO THE CONTRACT DOCUMENTS WITH PAC-GREEN NURSERY AND LANDSCAPE, LLC
FOR LANDSCAPE MAINTENANCE FOR VARIOUS LANDSCAPED ROADWAYS IN
CLACKAMAS COUNTY**

This Amendment #1/Renewal #1 is entered into between Pac-Green Nursery and Landscape, LLC (“Contractor”) and Clackamas County Department of Transportation and Development (“County”) and shall become part of the Contract documents entered into between both parties on May 26, 2016.

The Purpose of this Amendment #1/Renewal #1 is to make the following changes to the Contract:

1. Section II. **COMPENSATION** is hereby changed as follows:
This Amendment is exercising the option to renew one (1) of the optional three (3), one (1) year terms available. The Contract expiration date is hereby changed from June 30, 2017 to **June 30, 2018**. The maximum fiscal year Compensation authorized under this contract shall continue to be \$200,000.00. The maximum Compensation authorized under this Contract shall not exceed **\$400,000.00**. Fiscal year is defined as July 1 to June 30.

Original Contract	\$ 200,000.00
<u>Amendment #1 / Renewal #1</u>	\$ 200,000.00
TOTAL CONTRACT AMOUNT	\$ 400,000.00

2. Section VI. **TERMINATION - AMENDMENT** Item A is hereby deleted in its entirety and replaced with:

VI. TERMINATION – AMENDMENT

- A. **TERMINATIONS.** This Contract may be terminated for the following reasons: 1) This Contract may be terminated at any time by mutual consent of the parties, or by County for convenience upon thirty (30) days’ written notice to the Contractor; 2) County may terminate this Contract effective upon delivery of notice to Contractor, or at such later date as may be established by the County, if (i) federal or state laws, rules, regulations, or guidelines are modified, changed, or interpreted in such a way that either the work under this Contract is prohibited or County is prohibited from paying for such work from the planned funding source; or (ii) any license or certificate required by law or regulation to be held by the Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed; 3) This Contract may also be immediately terminated by County for default (including breach of Contract) if (i) Contractor fails to provide services or materials called for by this Contract within the time specified herein or any extension thereof; or (ii) Contractor fails to perform any of the other provisions of this Contract or so fails to pursue the work as to endanger performance of this Contract in accordance with its terms, and after receipt of notice from County, fails to correct such failure within ten (10) business days; 4) If sufficient funds are not provided in future approved budgets of County (or from applicable federal, state, or other sources) to permit County in the exercise of its reasonable administrative discretion to continue this Contract, or if the program for which this Contract was executed is abolished, County may terminate this Contract without further liability by giving Contractor not less than thirty (30) days’ notice.

3. ADD Section VIII. EXECUTION AND COUNTERPARTS:

VIII. EXECUTION AND COUNTERPARTS:

This Contract may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

Except as expressly amended above, all other terms and conditions of the Contract shall remain in full force and effect.

By signature below, the parties agree to this Amendment #1 / Renewal #1, effective upon the date of the last signature below.

Pac-Green Nursery and Landscape, LLC
17049 Mountain View Lane NE
Woodburn, OR 97071

Clackamas County Board of
County Commissioners by:

Authorized Signature

Chair

Name / Title (Printed)

Recording Secretary

Date

Date

Telephone Number

1061603-93
Oregon Business Registry Number

APPROVED AS TO FORM

DLLC / Oregon
Entity Type / State of Formation

County Counsel

9336
Oregon Landscape Contractors Board #

Date

DRAFT

Approval of Previous Business Meeting Minutes:

May 11, 2017

May 18, 2017

May 23, 2017

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, May 11, 2017 – 10:00 AM

Public Services Building

2051 Kaen Rd., Oregon City, OR 97045

PRESENT: Commissioner Jim Bernard, Chair
Commissioner Sonya Fischer
Commissioner Ken Humberston
Commissioner Paul Savas
Commissioner Martha Schrader

CALL TO ORDER

- Roll Call
- Pledge of Allegiance

I. PRESENTATION

1. Recognition of WES

Greg Eyerly, Water Environment Services presented the staff report including a PowerPoint presentation. He introduced Jay Ward, Energy Trust of Oregon who spoke about the emergency conservation from the WES Energy Team. Mr. Ward presented to WES, a check in the amount of \$28,310 for the Tri-City Waste Water Treatment Plant, energy conservation achieved through Strategic Energy Management.

~Board Discussion~

II. CITIZEN COMMUNICATION

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

1. Susan Abbott, Milwaukie – supports forming the assessment area for street lighting for Garland Estates (*Public Hearing No. 6 on today's agenda*)
2. Nathaniel Rodrigues, Oregon City – traffic safety on Redland Road.
3. Brianard Brauer, Oregon City – traffic safety on Redland Road.
4. Doris Rodrigues, Oregon City - traffic safety on Redland Road.
5. Les Poole, Gladstone – transportation package.

~Board Discussion~

III. PUBLIC HEARINGS

1. Approval of an Intergovernmental Agreement with Metro, the City of Lake Oswego, the City of Tualatin and the City of West Linn Related to the Designation of Urban Reserves in the Stafford Area

Nate Boderman, County Counsel presented the staff report.

~Board Discussion~

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

Chair Bernard opened the public hearing for public comment and the following people spoke:

1. Mayor Russ Axelrod, West Linn
2. Jeff Condit, Portland – representing Cities of West Linn and Tualatin
3. Chip Laizure, Lake Oswego – representing Stafford Land Owners Association
4. Dave Adams – Stafford
5. David Mars, Clackamas
6. Les Poole, Gladstone
7. Bill Markt, West Linn
8. Jeff Gudman, Lake Oswego City Council

~Board Discussion~

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

Chair Bernard closed the public hearing and asked for a motion.

MOTION:

Commissioner Humberston: I move we approve the Intergovernmental Agreement between Clackamas County, Metro, the City of Lake Oswego, the City of Tualatin and the City of West Linn as set forth in the 5-10 final form with minor modifications as finalized by staff and presented for formal approval on May 23, 2017 at 8:30 AM.
Commissioner Schrader: Second.

~Board Discussion~

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye - the motion passes 5-0.

2. Adoption of **Ordinance No. 06-2017** to Accept Revised Findings that Affirm the Designation of Urban and Rural Reserves in the Metro Region in Response to the Remand by the Oregon Court of Appeals and the Oregon Land Conservation and Development Commission (LCDC)

Nate Boderman, County Counsel presented the staff report.

~Board Discussion~

Chair Bernard opened the public hearing and asked if anyone would like to speak, seeing none, he closed the public hearing and asked for a motion.

MOTION:

Commissioner Humberston: I move we read the ordinance by title only.

Commissioner Fischer: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye - the motion passes 5-0.

Chair Bernard asked the Clerk to assign a number and read the ordinance by title only. He then announced the second reading and adoption of this ordinance will be on Tuesday, May 23, 2017 at 8:30 AM at a special public hearing.

*Commissioner Humberston was excused for another meeting.

Chair Bernard announced the Board will adjourn as the Board of County Commissioners and convene as the Service District No. 5 Board for the next 10 public hearings.

SERVICE DISTRICT NO. 5 (Street Lighting)

Wendi Coryell, Department of Transportation & Development, presented the following 10 Assessment Areas including a PowerPoint presentation.

3. **Board Order No. 2017-39** Forming a Three Lot Assessment Area within Clackamas County Service District No. 5, Assessment 01-16 Three Lot Partition
4. **Board Order No. 2017-40** Forming a Three Lot Assessment Area within Clackamas County Service District No. 5, Assessment 33-16 Three Lot Partition
5. **Board Order No. 2017-41** Forming a 62-Lot Assessment Area within Clackamas County Service District No. 5, Assessment 11-17 Jennings Lodge Estates 62-Lot Subdivision

6. **Board Order No. 2017-41** Forming a 10-Lot Assessment Area within Clackamas County Service District No. 5, Assessment 17-17 Garland Estates 10-Lot Subdivision
7. **Board Order No. 2017-43** Forming a One Lot Assessment Area within Clackamas County Service District No. 5, Assessment 05-16 Rosewood Terrace 203-Unit Apartment Building
8. **Board Order No. 2017-44** Forming a One Lot Assessment Area within Clackamas County Service District No. 5, Assessment 34-16 Two Metal Storage Buildings
9. **Board Order No. 2017-45** Forming a 4-Lot Assessment Area within Clackamas County Service District No. 5, Assessment 45-16 Christilla Commons 4-Lot Commercial Subdivision
10. **Board Order No. 2017-46** Forming a One Lot Assessment Area within Clackamas County Service District No. 5, Assessment 63-16 Taco Bell Restaurant
11. **Board Order No. 2017-47** Forming a 30-Lot Assessment Area within Clackamas County Service District No. 5, Assessment 51-16 Addison Meadows 30-Lot Subdivision
12. **Board Order No. 2017-48** Forming a 7-Lot Assessment Area within Clackamas County Service District No. 5, Assessment 41-16 Mitchell Park 7-Lot Subdivision

~Board Discussion~

Chair Ludlow opened the public hearing and asked if anyone wished to speak on any of the 10 Assessment Areas, seeing none he closed the public hearing and asked for a motion.

MOTION:

- Commissioner Savas: I move we approve the board orders for the 10 assessment areas within Clackamas County Services District No. 5 as presented today.
- Commissioner Schrader: Second.
- all those in favor/opposed:
- Commissioner Fischer: Aye.
- Commissioner Savas: Aye.
- Commissioner Schrader: Aye.
- Chair Bernard: Aye - the motion passes 4-0.

Chair Bernard announced the Board will adjourn as the Service District No. 5 Board and reconvene as the Board of County Commissioners for the remainder of the meeting.

IV. CONSENT AGENDA

Chair Bernard asked the Clerk to read the consent agenda by title, he then asked for a motion.

MOTION:

- Commissioner Schrader: I move we approve the consent agenda.
- Commissioner Savas: Second.
- all those in favor/opposed:
- Commissioner Fischer: Aye.
- Commissioner Schrader: Aye.
- Commissioner Savas: Aye.
- Chair Bernard: Aye – the Ayes have it, the motion passes 4-0.

A. Health, Housing & Human Services

1. Approval of the Final 2017-2021 Housing and Community Development Consolidated Plan and Proposed 2017 Acton Plan – *Housing & Community Development*
2. Authorization to Sign Grant Award Documents with the US Department of Housing and Urban Development for Continuum of Care Program Funds – *Housing & Community Development*

3. Approval for Amendment No.1 of the Intra-Agency Agreement with Clackamas County Health Centers Division, to Provide Shared Services – *Health Centers*
4. Approval of a Professional, Technical, and Personal Services Agreement with the Mental Health Association of Oregon for Peer Support Services in Collaboration with Clackamas County Sherriff’s Office Behavioral Health Unit and Riverstone – *Behavioral Health*
5. Approval of Amendment No.2 to the Professional Services Agreement with CompHealth Locum Tenens for Temporary Physician Staff – *Health Centers*
6. Approval of a Grant Agreement from the US Department of Housing and Urban Development, Supportive Housing Program for the Housing Our Heroes Project – *Social Services*

B. Finance Department

1. Approval of Amendment No. 1 to the Agreement Documents with Piper, Jaffray & Co. for Financial Services
2. Approval for Clackamas County Public Health Division to Purchase Video Laryngoscopes from Physio-Control, Inc. - *Procurement*

C. Technology Services

1. Approval to Enter into a Service Level Agreement with the North Clackamas School District for a Dark Fiber Network

V. DEVELOPMENT AGENCY

1. Granting of a Permanent Right of Way Easement for Road Purposes and a Permanent Public Utility Easement

VI. COUNTY ADMINISTRATOR UPDATE

Don Krupp took this opportunity to remember four County employees who have passed away over the past few month: Toni Puckett, Scot East, Kim Sticka and Michael Trent. He asked for a moment of silence in honor these four valued employees who we lost too soon.

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

VII. COMMISSIONERS COMMUNICATION

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

MEETNG ADJOURNED – 12:25 PM

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. You may also order copies from any library in Clackamas County or the Clackamas County Government Channel. www.clackamas.us/bcc/business.html

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, May 18, 2017 – 6:00 PM

Public Services Building

2051 Kaen Rd., Oregon City, OR 97045

PRESENT: Commissioner Jim Bernard, Chair
*Commissioner Sonya Fischer (Arrived during 1st presentation)
Commissioner Ken Humberston
Commissioner Paul Savas
Commissioner Martha Schrader

CALL TO ORDER

- Roll Call
- Pledge of Allegiance

The Board will recess as the Board of County Commissioners and convened as the Housing Authority of Clackamas County for the next item.

I. HOUSING AUTHORITY CONSENT AGENDA

1. Approval of an On-Demand Flooring Contract between the Housing Authority of Clackamas County and A-1 Quality Construction for Removal and Replacement of Flooring in Public Housing Units

MOTION:

Commissioner Reynolds: I move we approve the Housing Authority Consent Agenda.

Commissioner Humberston: Second.

~Board Discussion~

all those in favor/opposed:

Commissioner Reynolds: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0.

The Board adjourned as the Housing Authority of Clackamas County and re-convene as the Board of County Commissioners for the remainder of the meeting.

II. PRESENTATIONS

1. Watershed Health Education Program

Gari Johnson, Water Environment Services presented the staff report. She introduced Dr. Patrick Edwards, PSU and Ron Schultz, Teacher from Clackamas High School. They spoke about the importance of this program for students. A few of the students in the audience shared their projects with the Board.

The Commissioners thanked everyone for coming and took a photo.

2. Budget 101 Presentation

Don Krupp, County Administrator a brief PowerPoint presentation regarding the 2017-2018 Clackamas County Budget.

III. CITIZEN COMMUNICATION - NONE

The Board Recess as the Board of County Commissioners and convened as the Governing Body of Water Environment Services for the first item.

IV. PUBLIC HEARINGS

1. **Approval of Ordinance No. 07-2017** for Approval of Amendment of the Intergovernmental Partnership Agreement Forming the Water Environment Services Partnership to add the Surface Water Management Agency of Clackamas County by Clackamas County Service District No. 1

Greg Geist, Water Environment Services, Chris Storey County Counsel presented the staff report.

Chair Bernard opened the public hearing and asked if anyone would like to speak, seeing none he closed the public hearing and asked for a motion.

MOTION:

Commissioner Humberston: I move we approve an Amendment to the Water Environment Services partnership agreement to allow the Surface Water Management Agency of Clackamas County to Join and effect certain other changes as indicated.

Commissioner Schrader: Second.

~Board Discussion~

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0.

Staff explanation of ordinance to ratify the amendment.

Chair Bernard asked for a motion.

MOTION:

Commissioner Savas: I move we read the Ordinance by title only.

Commissioner Humberston: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0.

He asked the Clerk to assign a number and read the Ordinance by title only, then asked for a motion to adopt the Ordinance.

MOTION:

Commissioner Schrader: I move we approve in a single reading the Ordinance ratifying the amendment of the Intergovernmental Partnership agreement forming the Water Environment Services partnership to add the Surface Water Management Agency of Clackamas County.

Commissioner Humberston: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0.

The Board will adjourn as the Governing Body of Water Environment Services and convene as the Surface Water Management of Clackamas County for the next item.

2. **Approval of Ordinance No. 08-2017** for Approval of Amendment of the Intergovernmental Partnership Agreement Forming the Water Environment Services Partnership to add the Surface Water Management Agency of Clackamas County by Surface Water Management Agency of Clackamas County

Greg Geist, Water Environment Services, Chris Storey County Counsel presented the staff report.

Chair Bernard opened the public hearing and asked if anyone would like to speak, seeing none he closed the public hearing and asked for a motion.

MOTION:

Commissioner Savas: I move we approve an Amendment to the Water Environment Services partnership agreement to allow the Surface Water Management Agency of Clackamas County to Join and effect certain other changes as indicated.

Commissioner Humberston: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0.

Staff explanation of ordinance to ratify the amendment.

Chair Bernard asked for a motion.

MOTION:

Commissioner Savas: I move we read the Ordinance by title only.

Commissioner Humberston: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0. He

asked the Clerk to assign a number and read the Ordinance by title only, then asked for a

motion to adopt the Ordinance.

MOTION:

Commissioner Schrader: I move we approve in a single reading the Ordinance ratifying the amendment of the Intergovernmental Partnership agreement forming the Water Environment Services partnership to allow the Surface Water Management Agency of Clackamas County.

Commissioner Humberston: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0.

The Board will adjourn as the Surface Water Management of Clackamas County and convene as the Tri-City Service District for the next item.

3. **Approval of Ordinance No. 09-2017** for Approval of Amendment of the Intergovernmental Partnership Agreement Forming the Water Environment Services Partnership to add the Surface Water Management Agency of Clackamas County by Clackamas County Tri-City Service District

Greg Geist, Water Environment Services, Chris Storey County Counsel presented the staff report.

Chair Bernard opened the public hearing and asked if anyone would like to speak, seeing none he closed the public hearing and asked for a motion.

MOTION:

Commissioner Humberston: I move we approve an Amendment to the Water Environment Services partnership agreement to allow the Surface Water Management Agency of Clackamas County to join and effect certain other changes as indicated.

Commissioner Schrader: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0.

Staff explanation of ordinance to ratify the amendment.

Chair Bernard asked for a motion.

MOTION:

Commissioner Savas: I move we read the Ordinance by title only.

Commissioner Humberston: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0. He asked the Clerk to assign a number and read the Ordinance by title only, then asked for a motion to adopt the Ordinance.

MOTION:

Commissioner Humberston: I move we approve in a single reading the Ordinance ratifying the amendment of the Intergovernmental Partnership agreement forming the Water Environment Services partnership to allow the Surface Water Management Agency of Clackamas County.

Commissioner Savas: Second.

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Humberston: Aye.

Commissioner Savas: Aye.

Commissioner Schrader: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 5-0.

The Board will adjourn as the Tri-City Service Distract and re-convene as the Board of County Commissioners for the remainder of the meetings.

V. CONSENT AGENDA

Chair Bernard asked the Clerk to read the consent agenda by title, he then asked for a motion.

MOTION:

Commissioner Humberston: I move we approve the consent agenda.

Commissioner Schrader: Second.

~Board Discussion~

all those in favor/opposed:

Commissioner Fischer: Aye.

Commissioner Schrader: Aye.

Commissioner Savas: Aye.

Chair Bernard: Aye – the Ayes have it, the motion passes 4-0.

A. Health, Housing & Human Services

1. Approval of an Agency Service Contract with LifeWorks NW for Supported Employment Services for Uninsured and Indigent Clackamas County Residents – *Behavioral Health*
2. Approval of an Interagency Agreement with Clackamas County Department of Transportation and Development for the Jennings Lodge Pedestrian Improvements Project – *Housing & Community Development*

B. Finance Department

1. **Resolution No. 2017-49** Acknowledging Expenditures in Excess of appropriations and Financial Statement Findings for Fiscal Year 2016 and Describing Corrective Action in Accordance with *ORS 297.466*

C. Elected Officials

1. Approval of Previous Business Meeting Minutes – *BCC*

D. Technology Services

1. Approval of a Contract for the Lake Oswego School District Expansion Phase 2 Project with North Sky Communications, LLC. for Construction of New Fiber Optic Cable

VI. DEVELOPMENT AGENCY

1. Approval of a Contract Amendment with Tapani, Inc. for the SE Bell Avenue Improvement Project, Phase 2 - *Procurement*

VII. WATER ENVIRONMENT SERVICES

(Service District No. 1, Tri-City Service District & Surface Water Management Agency of Clackamas County)

1. **Resolution No. 2017-50** Terminating the Memorandum of Agreement between Clackamas County and the Oregon Department of Environmental Quality for Issuing 1200-C Surface Water Discharge Permits for Construction Activities

VIII. COUNTY ADMINISTRATOR UPDATE

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

IX. COMMISSIONERS COMMUNICATION

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

MEETING ADJOURNED – 8:16 PM

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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>

Tuesday, May 23, 2017 – 8:30 AM

Public Services Building

2051 Kaen Rd., Oregon City, OR 97045

PRESENT: Commissioner Jim Bernard, Chair
Commissioner Ken Humberston
Commissioner Paul Savas
Commissioner Martha Schrader

EXCUSED: Commissioner Sonya Fischer

Commissioner Fischer has been called to Jury Duty and will not be in attendance today.

CALL TO ORDER

- Roll Call
- Pledge of Allegiance

I. PUBLIC HEARING

1. Public Hearing on the Approval of an Intergovernmental Agreement between Clackamas County, Metro, the City of Lake Oswego, The City of Tualatin and the City of West Linn Related to the Designation of Urban Reserves in the Stafford Area.

Nate Boderman, County Counsel presented the staff report.

Chair Bernard opened the public hearing and called on the people signed up to speak.

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

1. Jeff Condit, Portland – Comments and thanks for the hard work of staff on IGA
2. Jeff Gudman, City Councilor Lake Oswego – Commented on the success of getting a 5-party IGA in regards to Stafford Area.
3. Molly Ellis, Stafford – Supportive of the Action the Board is taking. Asked that the Board work to protect the natural wildlife environment between the Willamette and Tualatin Rivers in Stafford.
4. Judy Large, West Linn - Asked the Board to think about protecting the wildlife area in Stafford
5. Seri Lopez, West Linn – Comments on wildlife protection, traffic and impacts of development along Stafford

Chair Bernard closed the public hearing.

~Board Discussion~

He then asked for a motion.

MOTION:

Commissioner Humberston: I move we Approve the Intergovernmental Agreement with Clackamas County, Metro, the City of Lake Oswego, the City of Tualatin and the City of West Linn Related to the Designation of Urban Reserves in the Stafford Area as Presented Today.

Commissioner Savas: Second.

all those in favor/opposed:

Commissioner Humberston: Aye.

Commissioner Schrader: Aye.

Commissioner Savas: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 4-0.

2. Public Hearing on the Reading and Adoption of **Ordinance No. 06-2017** to Accept Revised Findings that Affirm the Designation of Urban and Rural Reserves in the Metro Region in Response to the Remand by the Oregon Court of Appeals and the Land Conservation and Development Commission.

Nate Boderman, County Counsel presented the staff report.

Chair Bernard opened the public hearing and called on the people signed up to speak.

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

1. Jay Minor, West Linn – He urged the Commission not to affirm the revised findings and to vote against the Urban Reserves for the Stafford area.

Chair Bernard closed the public hearing and asked for a motion.

MOTION:

Commissioner Humberston: I move we read the Ordinance by title only.

Commissioner Schrader: Second.

all those in favor/opposed:

Commissioner Humberston: Aye.

Commissioner Schrader: Aye.

Commissioner Savas: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 4-0.

He asked the Clerk to read the Ordinance by title only and then asked for a motion.

MOTION:

Commissioner Humberston: I move we Adopt Ordinance 06-2017 Related to the Designation of Urban & Rural Reserves in the Metro Region in Response to the Remand by the Oregon Court of Appeals and the Oregon Land Conservation and Development Commission as Presented today.

Chair Bernard: Second.

~Board Discussion~

all those in favor/opposed:

Commissioner Humberston: Aye.

Commissioner Schrader: Aye.

Commissioner Savas: Aye.

Chair Bernard: Aye – the Ayes have it, the motion carries 4-0.

MEETING ADJOURNED 9:27 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. You may also order copies from any library in Clackamas County or the Clackamas County Government Channel. www.clackamas.us/bcc/business.html



BOB VROMAN
COUNTY ASSESSOR

DEPARTMENT OF ASSESSMENT AND TAXATION

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Contract with Ron Saunders for Commercial / Industrial Consulting Services for the Department of Assessment and Taxation

Purpose/Outcomes	Approval to renew contract with Ron Saunders for commercial/industrial appraisal consulting services.
Dollar Amount and Fiscal Impact	Contract not to exceed \$77,000 annually with a potential total of \$231,000 if the contract is renewed to its maximum term
Funding Source	General Fund, Assessment & Taxation Division Budget, 100-1005-00-431350.
Duration	FY 2017-2018, 1 year with one more available option to renew for a one year term.
Previous Board Action/Review	None
Strategic Plan Alignment	None
Contact Person	Bob Vroman, Assessor, 503-655-8302
Contract No.	N/A

BACKGROUND: The Department of Assessment & Taxation has experienced the retirements of long time experienced and senior staff in the commercial/industrial section. Mr. Saunders has over 30 years of experience and held the highest professional designations in the field of appraisal. He has specialized skills, knowledge and experience in valuing complex commercial/industrial properties.

The term of this contract is one year with the option to renew the contract for up to one additional (1) one year term.

Approval of this contract is requested under LCRB Rule C-046-0500, (4) (f) Personal Services, Single Candidate.

RECOMMENDATION: County staff respectfully recommends that the Board approve the contract with Ron Saunders to provide Commercial / Industrial Consulting Services for the Department of Assessment and Taxation and delegate authority to the Clackamas County Assessor to sign contract renewals.

This contract has been reviewed as to form by County Counsel

Respectfully submitted,

Bob Vroman
Assessor

Placed on the Agenda of _____ by the Procurement Division

**AMENDMENT #1 RENEWAL #1 TO THE CONTRACT WITH RONALD R. SAUNDERS TO
PROVIDE COMMERCIAL/INDUSTRIAL CONSULTING SERVICES FOR THE
CLACKAMAS COUNTY DEPARTMENT OF ASSESSMENT AND TAXATION**

This Amendment, when signed by **RONALD R. SAUNDERS** (“Contractor”) and the Board of County Commissioners will become part of the contract documents, superseding the original to the applicable extent indicated. This Amendment complies with Local Contract Review Board Rules.

WHEREAS, the Contractor and County entered into those certain contract documents for the provision of services dated August 25, 2016, as may be amended (“Contract”);

WHEREAS, the Contractor and County desire to amend the Contract pursuant to this Amendment; and

NOW, THEREFORE, the County and Contractor hereby agree that the Contracts are amended as follows:

SECTION I, TERM:

WHEREAS, the parties wish to renew the contract July 1, 2017 through to June 30, 2018. This is the first 1st of two renewals available under the terms of the original contract.

SECTION II, COMPENSATION:

The annual compensation for this contract shall be as follows:

Fiscal year 2017/2018	\$77,000
------------------------------	-----------------

The total value of the contract shall be \$154,000 (original contract \$77,000+ renewal number one \$77,000)

Fiscal year 2016/2017	\$77,000
------------------------------	-----------------

<u>Fiscal year 2017/2018</u>	<u>\$77,000</u>
-------------------------------------	------------------------

Total contract value	\$154,000
-----------------------------	------------------

The maximum compensation for the entire life of the contract shall not exceed \$231,000.

ADD THE FOLLOWING SECTIONS:

III. CONSTRAINTS: add the following sections:

9. No attorney fees shall be paid for or awarded to either party in the course of any dispute, indemnification, or other recovery. It is the intent of the parties that each shall bear the costs of its own legal counsel.
10. Any documents that are requested to be maintained as confidential by either party shall only be maintained as confidential to the extent permitted by the Oregon Public Records Law (ORS 192.410-.505).

VIII. EXECUTION AND COUNTERPARTS: This Contract may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

Except as set forth herein, the County and the Contractor ratify the remainder of the Contract and affirm that no other changes are made hereby.

Ronald R. Saunders
15211 S Tioga Rd.
Oregon City, OR 97045

Clackamas County Board of
County Commissioners:

Sole Provider
Entity Type/State of Formation

Chair

Authorized Signature

Name / Title Printed

Recording Secretary

Date

Date

Telephone / Fax Number

NA
Oregon Business Registry #

Approved as to form:

County Counsel

Date



Clackamas County Sheriff's Office

CRAIG ROBERTS, Sheriff

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Request by the Clackamas County Sheriff's Office for approval of an Amendment to the
Corizon Health Medical Services Contract

Purpose/Outcome	Corizon Health Medial Services to provide certain health care services delivered to individuals in the custody and control of CCSO, Jail Division.
Dollar Amount and Fiscal Impact	The total calendar year 2017 operating plan is \$3,439,341.60
Funding Source	CCSO, Jail Budget general fund and levy fund.
Safety Impact	The funds provide medical services to inmates in CCJail custody.
Duration	Effective upon signature and renewal contract is July 1, 2017 to June 30, 2018.
Previous Board Action/Review	Agreement has been approved annually since FY 2011-12
Contact Person	Nancy Artmann, Sheriff's Finance Manager – Office (503) 785-5012
Contract No.	Second Amendment, Renewal Agreement 2017-18

BACKGROUND:

The Clackamas County Jail currently operates a medical clinic that is contracted with an outside vendor, Corizon Health Medical Services. We have been in contract with Corizon since 2011-12. In 2016 we had 70,003 medical clinic contacts, and 3,006 mental health contacts.

RECOMMENDATION:

Staff recommends the Board approve this Amendment to the Corizon contract and authorizes Craig Roberts, Sheriff to sign on behalf of Clackamas County.

This Amendment has been reviewed as to form by County Counsel.

Respectfully submitted,

Matt Ellington,
Undersheriff

Placed on the Board Agenda for _____ by the Procurement Division.

"Working Together to Make a Difference"

SECOND AMENDMENT TO THE RENEWAL HEALTH SERVICES AGREEMENT

THIS SECOND AMENDMENT TO THE RENEWAL HEALTH SERVICES AGREEMENT (hereinafter the “Amendment”), is made and entered into this _____ day of _____, 2017, by and between Corizon Health, Inc. (hereinafter “Corizon” or “Contractor”) and Clackamas County, Oregon, acting by and through its Board of County Commissioners (hereinafter “County”). The County and Corizon shall be referred to collectively as the “Parties.”

WHEREAS, Parties entered into a Renewal Health Services Agreement on August 6, 2015 (hereinafter the “Agreement”), by which Corizon assumed the responsibilities for the provision of certain Health Care Services to be delivered to individuals in the custody and control of the County; and

WHEREAS, Parties entered into a First Amendment to the Agreement effective July 1, 2016 (the “First Amendment”) and, County and Contractor desire to affirm the effectiveness and appropriateness of the First Amendment; and

WHEREAS, Parties desire to further amend the Agreement to effectuate the following changes:

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed upon as follows:

1. This Amendment shall be effective on July 1, 2017. For the purposes of this Amendment, Contract Year 3 is defined as July 1, 2017 – June 30, 2018.
2. Consistent with Section 8.1 of the Agreement, the most recent twelve (12) month percentage change through March 31, 2017 in the Medical Component of the United States Department of Labor Consumer Price Index for the West Urban Region is 2.35%.
3. In consideration of Paragraph 2 above, for Contract Year 3, the County hereby agrees to pay the Contractor **\$3,439,341.60**, payable in twelve (12) equal monthly installments of \$286,611.80.
4. In consideration of Paragraph 2 above, for Contract Year 3, the *per diem rate* as described in 8.2 is \$1.05 for each inmate over 500.
5. In all other respects, the terms and conditions of the Agreement, as amended, shall continue unchanged and in full force and effect.
6. Contractor Full Time Equivalent (FTE) Staff listing is attached as **Exhibit A** and hereby incorporated by reference.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment (the Second Amendment to the Renewal Health Services Agreement) in their official capacity and with legal authority to do so. This Amendment may be executed in counterpart, and photocopy, facsimile, electronic or other copies shall have the same effect for all purposes as an ink-signed original.

Corizon Health Inc.
5736 Britain Dr.
Santa Teresa, NM 88008

Clackamas County Board of County
Commissioners by:

Authorized Signature

Chair

Name / Title (Printed)

Recording Secretary

Date

Date

Telephone

Approved as to Form:

545710-89
Oregon Business Registry #

County Counsel

FBC / Delaware
Entity Type / State of Formation

Date

EXHIBIT A
FULL TIME EQUIVALENT STAFF LISTING



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a FY 17/18 Work and Financial Plan with United States Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS), Wildlife Services (WS) for Predator Management

Purpose/Outcome	FY 17/18 Work and Financial Plan for predator control.
Dollar Amount and fiscal Impact	The maximum contract value of \$67,990.00 for the County portion of these activities is included in the Clackamas County fiscal year 2017-2018 budget.
Funding Source	General Fund in conjunction with state, federal and private partners
Duration	July 1, 2017 through June 30, 2018
Previous Board Action/Review	May 2, 2013 the five year Cooperative Service Agreement with the USDA APHIS WS for Predator Management was approved and signed
Strategic Plan Alignment	Aligns with County strategic priority by helping to ensure safe, healthy and secure communities.
Contact Person	Marc Gonzales, 503-742-5405
Contract No.	Agreement 13-73-41-5111 AP.RA.RX41.73.0550

BACKGROUND: Clackamas County's intergovernmental agreement with the federal agencies listed above for County Trapper Services was adopted and signed May 2, 2013. The agreement provides predator control where wild animals and birds may carry disease or threaten injury to County public and private resources.

Each year a separate Work Plan and Proposed Budget, representing the next fiscal year portion of this predator control program, is presented to the Board of County Commissioners for approval. The FY 17/18 Work and Financial Plan under consideration was initiated by the federal agency in cooperation with its partners. An opportunity was provided for the Wildlife Services, in cooperation with the County, to adjust service delivery to accommodate County budgetary constraints.

This document has been reviewed and approved by County Counsel.

RECOMMENDATION: Staff respectfully recommends the Board approve the attached FY 17/18 Work and Financial Plan for County predator control and wildlife damage management in order to meet the federal deadline. This contract is consistent with the County's anticipated budget for the FY 2017-2018.

Thank you.

Sincerely,

Christa Bosserman-Wolfe
Assistant Finance Director

**USDA APHIS WILDLIFE SERVICES
WORK AND FINANCIAL PLAN**

COOPERATOR:	CLACKAMAS COUNTY
COOPERATIVE AGREEMENT NO.:	17-73-41-5111
ACCOUNT NO.:	AP.RA.RX41.73.0550
AGREEMENT DATES:	July 1, 2017 – June 30, 2018
AGREEMENT AMOUNT:	\$67,990.00

Pursuant to Cooperative Service Agreement No. 13-73-41-5111 (2013 signature year) between Clackamas County and the United States Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS), Wildlife Services (WS), this Work Plan sets forth the objectives, activities and budget for the cooperative wildlife services program in Clackamas County July 1, 2017 through June 30, 2018.

OBJECTIVES/GOALS

The objective of the Wildlife Services program in the County is to resolve wildlife/human conflicts related to damage caused by predatory animals and other wildlife to livestock and human health and safety. Cooperative efforts between APHIS-WS and the County will maximize existing resources to accomplish the goals of this Plan. APHIS-WS will address the requirements of the National Environmental Policy Act (NEPA).

Anticipated project results and benefits:

1. To provide assistance to county residents experiencing conflicts caused by predatory animals and other wildlife.
2. To provide assistance in the form of educational information or when appropriate to utilize the most effective and safe management tools and techniques available.
3. To provide a mechanism that enables other entities to participate in the program with shared responsibilities for funding, planning and evaluation.

PLAN OF ACTION

The objectives of the wildlife damage management program will be accomplished in the following manner:

1. APHIS-WS will provide a Wildlife Specialist to respond to damage situations in Clackamas County involving predatory animals and other wildlife that threaten human health and safety, livestock, and other property.
2. Method selection will be based on an evaluation of selectivity, humaneness, human safety, effectiveness, legality, and practicality.
 - a. Field Specialists will ensure that the most effective, efficient and humane tools will be utilized and will conduct management operations in a safe manner.
 - b. Equipment will be maintained in good working order to help prevent accidents and/or hazardous situations.
 - c. Management activities will be conducted with trained USDA-WS employees and volunteers.
3. Brian Thomas, District Supervisor, Salem, Oregon district office (503) 399-5814 will be responsible for training, day-to-day supervision and monitoring of the cooperative program.
4. APHIS-WS will bill the County quarterly for actual costs associated with this work plan not to exceed \$67,990.00 as described in the Financial Plan. In accordance with the Debt Collection Improvement Act (DCIA) of 1996, bills issued by WS are due and payable within 30 days of receipt. The DCIA requires that all debts older than 120 days be forwarded to debt collection centers or commercial collection agencies for more aggressive action. Debtors have the option to verify, challenge and

compromise claims and have access to administrative appeals procedures which are both reasonable and protect the interest of the United States.

5. The Financial Plan is incorporated by reference into this Work Plan. Approval to disperse County funds as shown on the Financial Plan is granted by signature of the Work Plan. The financial point of contact for this Work Plan/Financial Plan is Deborah Stalman, Budget Analyst, (503) 326-2346, deborah.h.stalman@aphis.usda.gov.

PROCUREMENT

APHIS-WS will provide a vehicle and the initial supplies and equipment. Cooperator understands that additional supplies and equipment may need to be purchased under this agreement to replace consumed, damaged or lost supplies/equipment. Any items remaining at the end of the agreement will remain in the possession of APHIS-WS.

STIPULATIONS AND RESTRICTIONS

APHIS-WS will cooperate with the Oregon Department of Agriculture, Oregon Fire Marshal's Office, Oregon Department of Fish and Wildlife (ODFW), and the U.S. Fish and Wildlife Service (FWS) to ensure compliance with Federal, State and local laws and regulations.

COST ESTIMATE FOR SERVICES

See the financial plan on the following page.

AUTHORIZATION

Clackamas County
2051 Kaen Rd.
Oregon City, OR 97045

Clackamas County, Representative

Date

UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE
WILDLIFE SERVICES

State Director, Oregon

Date

Director, Western Region

Date

FINANCIAL PLAN

For the dispersement of funds from

Clackamas County - Clackamas County, Oregon

to

USDA APHIS Wildlife Services

for

Resolve wildlife/human conflicts and damage from predatory animals

from

7/1/2017

to

6/30/2018

Cost Element	Cost to Cooperator	Cost Share (Federal Appropriations & State Funds and other funding sources) ¹	Full Cost
Personnel Compensation	\$ 37,297.26	\$ 27,402.92	\$ 68,779.60
Travel	\$ -	\$ -	
Vehicles	\$ 9,486.36	\$ 5,195.77	\$ 8,659.62
Hires & Reimbursements	\$ 1,500.00	\$ 1,595.94	\$ 3,191.88
Supplies and Materials	\$ 2,080.58	\$ 1,040.00	\$ 2,080.00
Equipment	\$ 3,108.08	\$ 516.03	\$ 2,064.10

Subtotal (Direct Charges)	\$ 53,472.28	\$ 35,750.66	\$ 84,775.20
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Pooled Job Costs	11.00%	\$ 5,881.95	NA	
Indirect Costs	16.15%	\$ 8,635.77	NA	
Agreement Total		\$ 67,990.00	\$ 35,750.66	\$ 84,775.20
Percentage Cost Share		58%	42%	100%

The distribution of the budget from this Financial Plan may vary as necessary to accomplish the purpose of this agreement, but may not exceed:

\$ 67,990.00

¹Federal and State funds estimated based on current information at the time this Work and Financial Plan was prepared.



Jeff Jorgensen
Manager

FACILITIES MANAGEMENT

CENTRAL UTILITY PLANT

1710 Red Soils Court, #200 \ Oregon City, OR 97045

Board of County Commissioners
Clackamas County

Members of the Board:

**Approval of the Contract Amendment No. 4, Remainder Renewals No. 3 and 4
with Cintas Corporation for Uniform Services for Facilities Management**

Purpose	Request for approval to renew contract.
Fiscal Impact	Increase contract \$19,500 NTE \$69,500 for FY 2017/18 Increase contract \$12,500 NTE \$72,000 for FY 2018/19 Total contract value not to exceed \$291,500
Funding Source	Facilities Management and WES Department Funds
Duration	July 1, 2017, through June 30, 2019
Previous BCC Action	None
Strategic Plan Alignment	These services support the health and safety of personnel performing necessary maintenance and improvements to County facilities.
Contact Person	Cory Johnson, Facilities Administrator, 503-557-6422

Background

Initial contract was to supply and launder uniforms for Facilities Management personnel, with a maximum annual compensation of \$10,000 in Fiscal Year 2014/15 and the option of up to four (4) annual renewals. Subsequent contract amendments provided the addition of these services for Water Environment Services (WES), increasing annual contract amount not to exceed (NTE) \$50,000.

Uniforms are required for field staff in order to provide consistent personal protective apparel, prevent infectious and hazardous materials from contaminating staff households, and to present a consistent, professional, and readily identifiable dress code.

This request is to increase the contract amount for Facilities Management in order to provide for nine (9) additional field personnel in Fiscal Year 2017/18 and up to five (5) additional field personnel for Fiscal Year 2018/19 at an estimated \$500 per person per year. The increase will also update the contract to reflect actual usage and expected increases for the next two years.

This contract has been reviewed and approved by County Counsel.

Recommendation

Staff recommends the Board approve the attached amendment for the remainder of renewals and increases to maximum annual amounts on this contract.

Respectfully Submitted,

Christa Bosserman-Wolfe
Assistant Finance Director

Placed on the board agenda of June 29th, 2017 by Procurement Division.

AMENDMENT #4 / RENEWAL #3

**TO THE CONTRACT DOCUMENTS WITH CINTAS CORPORATION NO. 3 FOR UNIFORM,
SERVICES FOR FACILITIES MANAGEMENT**

This Amendment #4 / Renewal #3 is entered into between Cintas Corporation No. 3 (“Contractor”) and the Clackamas County (“County”) and it shall become part of the Contract documents entered into between both parties on July 8, 2014.

The Purpose of the Amendment #4 / Renewal #3 is to make the following changes to the Contract:

1. Section I. SCOPE is hereby changed as follows:

The Contract termination date is hereby changed from June 30, 2017 to **June 30, 2019.**

This Amendment #4 / Renewal #3 is exercising the option to renew the last two (2) one-year terms available in the original Contract. The noted Service Accounts below have anticipated increased usage for future periods and are outlined below by fiscal year.

Original Contract Amount	\$10,000.00
Amendment #1	\$40,000.00 + added Services
Amendment #2	Additional Language for Services
Renewal #1	\$50,000.00
Amendment #3 / Renewal #2	\$50,000.00 + added Language
Amendment #4 / Renewal #3	\$69,500.00 FY 2017/2018
Renewal #4	\$72,000.00 FY 2018/2019
Contract Maximum Total	\$ 291,500.00

Service Accounts are as follows for **2017/2018**:

- 58000 \$35,000.00 per fiscal year - Tri-City Waste Water Treatment
- 58002 \$19,500.00 per fiscal year - Clackamas County Facilities Management
- 58003 \$15,000.00 per fiscal year - Kellogg Creek Wastewater

Service Accounts are as follows for **2018/2019**:

- 58000 \$35,000.00 per fiscal year - Tri-City Waste Water Treatment
- 58002 \$22,000.00 per fiscal year - Clackamas County Facilities Management
- 58003 \$15,000.00 per fiscal year - Kellogg Creek Wastewater

County fiscal year is defined as July 1 through June 30.

2. ADD Section VIII. Execution and Counterparts:

VIII. EXECUTION AND COUNTERPARTS:

This Contract may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

SIGNATURE PAGE FOLLOWS

Except as expressly amended above, all other terms and conditions of the Contract shall remain in full force and effect.

By signature below, the parties agree to this Amendment #4 / Renewal #3, effective upon the date of the last signature below.

CINTAS CORPORATION
9045 N. Ramsey Blvd
Portland OR 97203

Clackamas County Board of County
Commissioners by:

Authorized Signature

Chair

Name / Title (Printed)

Recording Secretary

Date

Date

Telephone

Approved as to Form:

756580-89
Oregon Business Registry #

County Counsel

FBC / Nevada
Entity Type / State of Formation

Date



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

**Approval to use the State of Oregon Contract Documents with TVW, Inc. for
Janitorial Service at Various Clackamas County Facilities**

Purpose/Outcome	To provide scheduled janitorial services to 44 Clackamas County facilities.
Dollar Amount and fiscal Impact	Total amount of the 5 year contract is \$6,368,601.72. \$1,168,517.64 for the 1st year. \$1,216,775.76 the 2 nd year. \$1,259,283.84 the 3 rd year. \$1,323,224.52 the 4 th year. \$1,400,799.96 the 5 th year.
Funding Source	Funds come from allocations from the 44 buildings occupants.
Safety Impact	Provide clean and healthy environment for both employees and visitors to County facilities.
Duration	Up to 5 years.
Previous Board Action/Review	New contract
Contact Person	Cory Johnson at (503) 557-6422
Contract No.	

BACKGROUND:

Clackamas County needs a new contract for janitorial services. TVW, Inc. has been providing janitorial services to Clackamas County for the past 11 years. Per Oregon Revised Statutes (ORS 279.835 – 279.855) and County Code (C-046-0130), TVW, Inc. meets the requirement of a Qualified Rehabilitation Facility contractor to provide janitorial services to County facilities.

This contract has been reviewed and approved by County Counsel.

RECOMMENDATION:

Staff respectfully recommends the Board approve the contract with TVW, Inc. for Janitorial services at Clackamas County Facilities.

Sincerely,

Christa Bosserman-Wolfe
Assistant Finance Director

Placed on the board agenda of June 29th, 2017 by Procurement Division.



CLACKAMAS COUNTY GOODS AND SERVICES CONTRACT

This Goods and Services Contract (this “Contract”) is entered into between TVW, Inc. (“Contractor”), and Clackamas County, a political subdivisions of the State of Oregon (“County”) for the purposes of providing Janitorial Services.

I. TERM

This Contract shall become effective upon signature of both parties and shall remain in effect until **June 30, 2022**. This Contract and any amendments to this Contract will not be effective until approved in writing by an authorized representative of the Board of County Commissioners of Clackamas County. This Contract supersedes and cancels any prior contracts between the parties hereto for similar services.

II. SCOPE OF WORK

This Contract covers the Scope of Work as described in Scope of Work, attached and hereby incorporated by reference as Attachment “A.” This Contract consists of the following documents which are listed in descending order of precedence and are attached and incorporated by reference, this Contract, Attachment “A”, the Site Frequency Matrix attached and hereby incorporated by reference as Attachment “B”, the Task Frequency Matrix attached and hereby incorporated by reference as Attachment “C”, and the Fee Schedule attached and hereby incorporated by reference as Attachment “D”. Work shall be performed in accordance with a schedule approved by the County. The Contractor shall meet the highest standards prevalent in the industry or business most closely involved in providing the appropriate goods or services. The County’s Representative for this contract is: Eli Seely, eseely@clackamas.us, (503) 557-6425.

III. COMPENSATION

1. **PAYMENT.** The County agrees to pay Contractor, from available and authorized funds, a sum not to exceed **\$6,368,601.72** for the term, for accomplishing the Scope of Work required by this Contract. Monthly payments to Contractor will be made in accordance with the schedule and requirements in Attachment D.
2. **TRAVEL EXPENSE REIMBURSEMENT.** Authorized: Yes No
If travel expense reimbursement is authorized in this Contract, such expenses shall only be reimbursed at the rates in the County Contractor Travel Reimbursement Policy, hereby incorporated by reference, in effect at the time of the expense is incurred.
3. **INVOICES.** Invoices submitted for payment in connection with this Contract shall be properly documented and shall indicate pertinent County contract and/or purchase order numbers. All charges shall be billed monthly (unless a different payment period is outlined in Attachment A) and will be paid net thirty (30) days from receipt of invoice and shall be subject to Oregon Revised Statute (“ORS”) 293.462. Invoices shall be submitted to the County Representative at: 1710 Red Soils Court Suite 200, Oregon City, Oregon 97045 or via email to eseely@clackamas.us.

IV. CONTRACT PROVISIONS

1. **ACCESS TO RECORDS.** Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred in the performance of this Contract. County and their duly authorized representatives shall have access to the books, documents, papers, and records of

Contractor which are directly pertinent to this Contract for the purpose of making audit, examination, excerpts, and transcripts. Such books and records shall be maintained by Contractor for a minimum of three (3) years, or such longer period as may be required by applicable law, following final payment and termination of this Contract, or until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever date is later.

2. AVAILABILITY OF FUNDS. County certifies that sufficient funds are available and authorized for expenditure to finance costs of this Contract within its current annual appropriation or expenditure limitation, provided, however, that continuation of this Contract, or any extension, after the end of the fiscal period in which it is written, is contingent on a new appropriation or limitation for each succeeding fiscal period sufficient in amount, in the exercise of the County's reasonable administrative discretion, to continue to make payments under this Contract.

3. CAPTIONS. The captions or headings in this Contract are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Contract.

4. COMPLIANCE WITH APPLICABLE LAW. Contractor shall comply with all federal, state, county, and local laws, ordinances, and regulations applicable to the work to be done under this Contract. Contractor specifically agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor shall also comply with the Americans with Disabilities Act of 1990 (Pub. L. No. 101-336), Title VI of the Civil Rights Act of 1964, Section V of the Rehabilitation Act of 1973, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws. Contractor further agrees to make payments promptly when due, to all persons supplying to such Contractor, labor or materials for the prosecution of the work provided in this Contract; pay all contributions or amounts due the Industrial Accident Funds from such Contractor responsibilities incurred in the performance of this Contract; not permit any lien or claim to be filed or prosecuted against the County on account of any labor or material furnished; pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. If Contractor fails or refuses to make any such payments required herein, the appropriate County official may pay such claim. Any payment of a claim in the manner authorized in this section shall not relieve the Contractor or Contractor's surety from obligation with respect to unpaid claims. Contractor shall promptly pay any person or entity that furnishes medical care to Contractor's employees those sums which Contractor agreed to pay for such services and all money Contractor collected or deducted from employee's wages to provide such services.

5. EXECUTION AND COUNTERPARTS. This Contract may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

6. GOVERNING LAW. This Contract shall be governed and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, or suit between County and Contractor that arises out of or relates to the performance of this Contract shall be brought and conducted solely and exclusively within the Circuit Court for Clackamas County, for the State of Oregon. Provided, however, that if any such claim, action, or suit may be brought in a federal forum, it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

7. HAZARD COMMUNICATION. Contractor shall notify County prior to using products containing hazardous chemicals to which County employees may be exposed. Products containing hazardous chemicals are those products defined by Oregon Administrative Rules, Chapter 437. Upon County's request, Contractor shall immediately provide Material Safety Data Sheets for the products subject to this provision.

8. INDEMNITY, RESPONSIBILITY FOR DAMAGES. Contractor shall be responsible for all damage to property, injury to persons, and loss, expense, inconvenience, and delay which may be caused by, or result from, the conduct of work, or from any act, omission, or neglect of Contractor, its subcontractors, agents, or employees. The Contractor agrees to indemnify, hold harmless and defend the County, and their officers, elected officials, agents and employees from and against all claims and actions, and all expenses incidental to the investigation and defense thereof, arising out of or based upon damage or injuries to persons or property caused by the errors, omissions, fault or negligence of the Contractor or the Contractor's employees, subcontractors, or agents.

9. INDEPENDENT CONTRACTOR STATUS. The service(s) to be rendered under this Contract are those of an independent contractor. Although the County reserves the right to determine (and modify) the delivery schedule for the Work to be performed and to evaluate the quality of the completed performance, County cannot and will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing the work. Contractor is not to be considered an agent or employee of County for any purpose, including, but not limited to: (A) The Contractor will be solely responsible for payment of any Federal or State taxes required as a result of this Contract; (B) This Contract is not intended to entitle the Contractor to any benefits generally granted to the County employees, including, but not limited to, vacation, holiday and sick leave, other leaves with pay, tenure, medical and dental coverage, life and disability insurance, overtime, Social Security, Workers' Compensation, unemployment compensation, or retirement benefits (except insofar as benefits are otherwise required by law if the Contractor is presently a member of the Oregon Public Employees Retirement System); and (C) If the Contractor has the assistance of other persons in the performance of this Contract, and the Contractor is a subject employer, the Contractor shall qualify and remain qualified for the term of this Contract as an insured employer under ORS Chapter 656.

At present, the Contractor certifies that he or she, if an individual is not a program, County or Federal employee. The Contractor, if an individual, certifies that he or she is not a member of the Oregon Public Employees Retirement System.

10. INSURANCE. Insurance policies, which cannot be excess to a self-insurance program, are to be issued by an insurance company authorized to do business in the State of Oregon. Contractor shall provide insurance as indicated below:

A. COMMERCIAL GENERAL LIABILITY

The Contractor agrees to furnish the County evidence of commercial general liability insurance with a combined single limit of not less than \$1,000,000 for each claim, incident, or occurrence, with an aggregate limit of \$2,000,000 for bodily injury and property damage for the protection of the County, its officers, elected officials, 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 general aggregate shall apply separately to this project / location. The County, at its option, may require a complete copy of the above policy.

B. AUTOMOBILE LIABILITY

The Contractor agrees to furnish the County evidence of business automobile liability insurance with a combined single limit of not less than \$1,000,000 for bodily injury and property damage for the protection of the County, its officers, elected officials, 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 County, at its option, may require a complete copy of the above policy.

C. Contractor shall provide County a certificate of insurance naming the Clackamas County and its officers, elected officials, agents, and employees as an additional insured. If Contractor's insurance policy does not include a blanket endorsement for additional insured status when/where required by written contract (as required in this Contract), the insurance, shall include Clackamas

County and its officers, elected officials, agents, and employees as expressly scheduled additional insured. Use CG 20 10 or its equivalent. Such insurance shall provide sixty (60) days written notice to the County 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 County under this insurance. This policy(s) shall be primary insurance with respect to the County. Any insurance or self-insurance maintained by the County shall be excess and shall not contribute to it.

D. If the Contractor has the assistance of other persons in the performance of this Contract, and the Contractor is a subject employer, the Contractor agrees to qualify and remain qualified for the term of this Contract as an insured employer under ORS 656. The Contractor shall maintain employer's liability insurance with limits of \$100,000 for each accident, \$100,000 per disease for each employee, and \$500,000 each minimum policy limit.

E. If any other required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this Contract for a duration of thirty-six (36) months or the maximum time period the Contractor's insurer will provide "tail" coverage as subscribed, whichever is greater, or continuous "claims made" liability coverage for thirty-six (36) months following the contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage, provided it's retroactive date is on or before the effective date of this Contract.

F. 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 Contractor to the County. This policy(s) shall be primary insurance with respect to the County. Any insurance or self-insurance maintained by the County shall be excess and shall not contribute to it.

G. Contractor shall require that all of its subcontractors of any tier provide insurance coverage (including additional insured provisions) and limits identical to the insurance required of the Contractor under this Contract, unless this requirement is expressly modified or waived by the County.

11. LIMITATION OF LIABILITIES. Except for liability arising under or related to Section 14 or 21(B), neither party shall be liable for (i) any indirect, incidental, consequential or special damages under this Contract or (ii) any damages of any sort arising solely from the termination of this Contract in accordance with its terms. This Contract is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.

12. NOTICES. Except as otherwise expressly provided in this Contract, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, or mailing the same, postage prepaid, to Contractor or County at the address or number set forth on the signature page of this Contract, or to such other addresses or numbers as either party may hereafter indicate. Any communication or notice so addressed and mailed shall be deemed to be given five (5) days after mailing. Any such communication or notice delivered by facsimile shall be deemed to be given when receipt of transmission is generated by the transmitting machine. To be effective against County, such facsimile transmission must be confirmed by telephone notice to County's supervising representative. Any communication or notice by personal delivery shall be deemed to be given when actually delivered.

13. OWNERSHIP OF WORK PRODUCT. All work product of Contractor that results from this Contract (the "Work Product") is the exclusive property of County. County and Contractor intend that such Work Product be deemed "work made for hire" of which County shall be deemed the author. If for any reason the Work Product is not deemed "work for hire," Contractor hereby irrevocably assigns to County all of its right, title, and interest in and to any and all of the Work Product, whether arising from

copyright, patent, trademark or trade secret, or any other state or federal intellectual property law or doctrine. Contractor shall execute such further documents and instruments as County may reasonably request in order to fully vest such rights in County. Contractor forever waives any and all rights relating to the Work Product, including without limitation, any and all rights arising under 17 USC § 106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

14. REPRESENTATIONS AND WARRANTIES. Contractor represents and warrants to County that (1) Contractor has the power and authority to enter into and perform this Contract; (2) this Contract, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms; (3) the Work under this Contract shall be performed in a good and workmanlike manner and in accordance with the highest professional standards; and (4) Contractor shall at all times during the term of this Contract, be qualified, professionally competent, and duly licensed to perform the Work. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.

- a. Performance Warranty. Contractor warrants that the goods provided to the County shall consistently perform according to the performance characteristics described in the Scope of Work.
- b. Service Warranty. Contractor warrants that the services provided herein to the County, if any, will be performed in a workmanlike manner and in accordance with the highest professional standards. Contractor's liability and County's remedy under this services warranty are limited to Contractor's prompt correction of such services, provided that written notice of such alleged defective services shall have been given by the County to Contractor. The County agrees to provide Contractor reasonable access to the goods for purposes of repair or replacement under this services warranty. Failure of Contractor to promptly correct problems pursuant to this Service Warranty shall be deemed a material breach of this Contract.

15. SURVIVAL. All rights and obligations shall cease upon termination or expiration of this Contract, except for the rights and obligations set forth in Sections of Section IV: 1, 6, 8, 11, 13, 14, 15, and 21.

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

17. SUBCONTRACTS AND ASSIGNMENTS. Contractor shall not enter into any subcontracts for any of the work required by this Contract, or assign or transfer any of its interest in this Contract by operation of law or otherwise, without obtaining prior written approval from the County. In addition to any provisions the County may require, Contractor shall include in any permitted subcontract under this Contract a requirement that the subcontractor be bound by this section and Sections 1, 8, 13, 15, and 27 as if the subcontractor were the Contractor. County's consent to any subcontract shall not relieve Contractor of any of its duties or obligations under this Contract.

18. SUCCESSORS IN INTEREST. The provisions of this Contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective authorized successors and assigns.

19. TAX COMPLIANCE CERTIFICATION. Contractor must, throughout the duration of this Contract and any extensions, comply with all tax laws of this state and all applicable tax laws of any political subdivision of this state. Any violation of this section shall constitute a material breach of this Contract. Further, any violation of Contractor's warranty in this Contract that Contractor has complied with

the tax laws of this state and the applicable tax laws of any political subdivision of this state also shall constitute a material breach of this Contract. Any violation shall entitle County to terminate this Contract, to pursue and recover any and all damages that arise from the breach and the termination of this Contract, and to pursue any or all of the remedies available under this Contract, at law, or in equity, including but not limited to: (A) Termination of this Contract, in whole or in part; (B) Exercise of the right of setoff, and withholding of amounts otherwise due and owing to Contractor, in an amount equal to County's setoff right, without penalty; and (C) Initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief. County shall be entitled to recover any and all damages suffered as the result of Contractor's breach of this Contract, including but not limited to direct, indirect, incidental and consequential damages, costs of cure, and costs incurred in securing replacement performance. These remedies are cumulative to the extent the remedies are not inconsistent, and County may pursue any remedy or remedies singly, collectively, successively, or in any order whatsoever.

The Contractor represents and warrants that, for a period of no fewer than six calendar years preceding the effective date of this Contract, has faithfully complied with: (A) All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318; (B) Any tax provisions imposed by a political subdivision of this state that applied to Contractor, to Contractor's property, operations, receipts, or income, or to Contractor's performance of or compensation for any work performed by Contractor; (C) Any tax provisions imposed by a political subdivision of this state that applied to Contractor, or to goods, services, or property, whether tangible or intangible, provided by Contractor; and (D) Any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.

20. TERMINATION. This Contract may be terminated for the following reasons: (A) This Contract may be terminated at any time by mutual consent of the parties, or by the County for convenience upon thirty (30) days' written notice to the Contractor; (B) County may terminate this Contract effective upon delivery of notice to Contractor, or at such later date as may be established by the County, if (i) federal or state laws, rules, regulations, or guidelines are modified, changed, or interpreted in such a way that either the work under this Contract is prohibited or the County are prohibited from paying for such work from the planned funding source; or (ii) any license or certificate required by law or regulation to be held by the Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed; (C) This Contract may also be immediately terminated by the County for default (including breach of Contract) if (i) Contractor fails to provide services or materials called for by this Contract within the time specified herein or any extension thereof; or (ii) Contractor fails to perform any of the other provisions of this Contract or so fails to pursue the work as to endanger performance of this Contract in accordance with its terms, and after receipt of notice from the County, fails to correct such failure within ten (10) business days; or (D) If sufficient funds are not provided in future approved budgets of the County (or from applicable federal, state, or other sources) to permit the County in the exercise of its reasonable administrative discretion to continue this Contract, or if the program for which this Contract was executed is abolished, County may terminate this Contract without further liability by giving Contractor not less than thirty (30) days' notice.

21. REMEDIES. (A) In the event of termination pursuant to Section 20(A), (B)(i), or (D), Contractor's sole remedy shall be a claim for the sum designated for accomplishing the work multiplied by the percentage of work completed and accepted by the County, less previous amounts paid and any claim(s) which the County has against Contractor. If previous amounts paid to Contractor exceed the amount due to Contractor under Section 21(A), Contractor shall pay any excess to County on demand. (B) In the event of termination pursuant to Sections 20(B)(ii) or 20(C), the County shall have any remedy available to it in law or equity. If it is determined for any reason that Contractor was not in default under Sections 20(B)(ii) or 20(C), the rights and obligations of the parties shall be the same as if the Contract was terminated pursuant to Section 20(A). (C) Upon receiving a notice of termination of this Contract,

Contractor shall immediately cease all activities under this Contract, unless County expressly directs otherwise in such notice of termination. Upon termination of this Contract, Contractor shall deliver to County all documents, information, works-in-progress and other property that are or would be deliverables had the Contract work been completed. Upon County's request, Contractor shall surrender to anyone County designates, all documents, research or objects or other tangible things needed to complete the work.

22. NO THIRD PARTY BENEFICIARIES. County and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract.

23. TIME IS OF THE ESSENCE. Contractor agrees that time is of the essence under this Contract.

24. FOREIGN CONTRACTOR. If the Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State, Corporate Division, all information required by those agencies relative to this Contract. The Contractor shall demonstrate its legal capacity to perform these services in the State of Oregon prior to entering into this Contract.

25. FORCE MAJEURE. Neither County nor Contractor shall be held responsible for delay or default caused by fire, terrorism, riot, acts of God, or war where such cause was beyond, respectively, County's or Contractor's reasonable control. Contractor shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall upon the cessation of the cause, diligently pursue performance of its obligations under this Contract.

26. WAIVER. The failure of County to enforce any provision of this Contract shall not constitute a waiver by County of that or any other provision.

27. COMPLIANCE. Pursuant to the requirements of ORS 279B.020 and 279B.220 through 279B.235 and Article XI, Section 10, of the Oregon Constitution, the following terms and conditions are made a part of this Contract: (A) Contractor shall: (i) Make payments promptly, as due, to all persons supplying to the Contractor labor or materials for the prosecution of the work provided for in this Contract; (ii) Pay all contributions or amounts due the Industrial Accident Fund from such Contractor or subcontractor incurred in the performance of this Contract; (iii) Not permit any lien or claim to be filed or prosecuted against the County on account of any labor or material furnished. (B) If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the Contractor or a subcontractor by any person in connection with this Contract as such claim becomes due, the proper officer representing the County may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the Contractor by reason of this Contract. (C) The Contractor shall pay employees for work in accordance with ORS 279B.020 and ORS 279B.235, which is incorporated herein by this reference. All subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126. (D) The Contractor shall promptly, as due, make payment to any person or copartnership, association or corporation furnishing medical, surgical and hospital care or other needed care and attention incident to sickness and injury to the employees of the Contractor, of all sums which the Contractor agrees to pay for such services and all moneys and sums which the Contractor collected or deducted from the wages of the Contractor's employees pursuant to any law, contract or agreement for the purpose of providing or paying for such services.

ATTACHMENT A SCOPE OF WORK

SCOPE OF WORK

Contractor shall furnish all equipment, materials, and services necessary to perform the janitorial duties specified in a satisfactory manner and at not less than the frequencies set forth in the following specifications. The premises shall be maintained in a neat, clean, orderly, and first-class condition according to Cleaning Performance Standards and Janitorial Cleaning Requirements and Schedule contained in this Agreement. Janitorial services shall be performed on a schedule approved by Facilities Management.

Providers must be able to provide a level of janitorial services as identified in Cleaning Performance Standards and Janitorial Cleaning Requirements and Schedule. Clackamas County Facilities Management shall administer the contract for all areas. These facilities operate 4 to 7 days a week, 8 to 10 hours a day. Janitorial service for all facilities shall be scheduled as called for in these specifications.

Facilities shall be cleaned according to the Cleaning Performance Standards and Janitorial Cleaning Requirements and Schedule. The services for these facilities is monitored on a daily basis by building staff and routinely inspected by Facilities Management for adherence to specifications. Custodial staff working in these Facilities shall have office related janitorial experience, as well as specialized training in the handling of infectious waste, contaminated sharps containers, communicable diseases, and TB training and testing.

For purposes of this contract, the terms “Janitorial” and “Custodial” are used interchangeably.

NATURE AND EXTENT OF SERVICES

Clackamas County’s facilities serve the public in varying degrees depending on the function of each facility. Janitorial services in these facilities are required on a regularly scheduled basis coinciding with the days of operation and shall be completed during the times specified by the Contract Administrator. Days and hours of operation shall be provided by Contractors prior to service implementation. **Generally, janitorial services are required Sunday through Thursday.** Specific schedules shall be approved by Facilities Management prior to starting contract.

The highest standards of cleanliness shall be maintained. It is the intent of these specifications that all facilities present a consistently clean condition. The services outlined in these specifications are to be considered as minimum requirements but in no instance are they to limit the level of cleanliness in the buildings.

Clackamas County’s Cleaning Performance Standards are included in Section 2. Contractors shall include at a minimum the cleaning standards set forth in this document and ALL additional requirements as detailed.

Mandatory special qualifications and training required for contractors working in these facilities include:

- 1. Blood borne pathogens/HIV training and written program.**
- 2. Hazard communications program**
- 3. Tuberculosis (TB) training and optional testing**

DAILY/PERIODIC SERVICES SCHEDULE

Upon award of the Contract, the Contractor shall provide Clackamas County Facilities Management with specific dates and times for items designated in Attachments B and C. Such dates and times are subject to the approval of Facilities Management. The unique operations conducted in some County facilities require that all areas be serviced according to the needs of the facility.

All services scheduled to be performed quarterly, semiannually, and annually shall be performed within the first thirty (30) days after contract execution and then scheduled at the appropriate intervals during the term of the contract.

EMERGENCY RESPONSE

The Custodial Contractor shall provide seven day a week emergency coverage to the County facilities included in this specification. The Contractor shall have a custodian within these facilities during all approved, scheduled times. Emergency corrections called in before or after the regularly scheduled custodial hours shall be considered emergency **after-hours calls**. After-hours calls shall be submitted on a separate invoice designating the number of hours and the facility requiring such service. During normal custodial hours, emergency custodial corrections shall be addressed at no additional charge. **NOTE: Exception cleaning** such as major floods or contamination by body fluids shall be billed separately. Justifiable emergency calls are defined as follows:

1. Floods related to plumbing, roof leaks, or other sources, when flooded area cannot be isolated (closed) or continuing damage is occurring due to flood remaining overnight.
2. Blood spills, vomit, urine, or other human body fluids that cannot be isolated or blocked off.

Emergency after-hours calls shall be made directly to the contractor. Emergency request shall require contractors to call within thirty (30) minutes after receiving the first call and begin work within two (2) hours.

Emergency correction needed during normal custodial working hours shall be available by calling emergency numbers.

Non-emergency corrections shall be registered in the daily logbook for Custodial complaints or communicated by the Contract Administrator by phone, fax, or email. Non-emergency corrections shall be completed within twenty-four (24) hours. Examples of non-emergency corrections include, but are not limited to, such items as:

1. Trash or recycling can full
2. Liquid spill presenting no safety hazard.
3. Toilet paper or other dispensers empty (when other rest rooms are stocked and available)

SUPERVISION

The Contractor shall be responsible for the direct on-site inspection of the custodians through its supervisor(s), and the supervisor(s) shall be available at reasonable times to report to and confer with the Facilities Management Contract Administrator with respect to services. The telephone number of the responsible supervisor(s) shall be provided to the County for daily and emergency and/or non-routine service.

The Contractor shall provide one or more on-site supervisors whose primary task is to see to it that all Contractor's employees, in each building, understand and carry out what is required to satisfy the specifications of the Contract. The Contractor's supervisor(s) shall be fully and adequately trained and have experience in cleaning supervision, sufficient in scope to meet the approval of the Facilities Management Contract Administrator. The Contractor's supervisor(s) will be required to perform daily inspection of all buildings serviced under the Contract. The Contractor or their supervisor(s) shall be available at all times when the Contract work is in progress. The on-site supervisor(s) shall also schedule and coordinate the maintaining and/or restoration of all resilient/hard surface floor finishes, carpet cleaning, and interior and first-floor exterior window cleaning. All floor restoration projects and window cleaning shall be scheduled seven (7) days in advance with the Contract Administrator.

The services for these facilities is monitored on a daily basis by building staff and routinely inspected by Facilities Management for adherence to specifications. Custodial staff working in these facilities shall have office related experience, as well as specialized training in the handling of infectious waste, contaminated sharps containers, and communicable diseases.

QUALITY CONTROL INSPECTIONS

A regularly scheduled monthly quality control inspection will be performed by Facilities Management.

EXCEPTION CLEANING SERVICE

Contractor may occasionally be required to perform cleaning services on an exception basis for items or areas not covered by the Janitorial Cleaning Requirements and Schedule. Such services shall be requested by the Contract Administrator on an individual basis and shall be billed separately on a monthly basis as applicable. Contractor shall specify a dollar cost per worker-hour for exception cleaning services. Exception cleaning **is not** a part of the monthly compensation per building.

CONTRACTORS SUPPLIED ITEMS

All labor, janitorial tools, equipment, machines, and supplies necessary for the performance of daily janitorial services shall be furnished by Contractor at no expense or further cost to Facilities Management.

The Contractor shall provide a list of cleaning supplies that will be used in Clackamas County facilities. The County will review the list and provide written acceptance or rejection of each proposed cleaning item on the list. No cleaning supplies will be added to the County's approved list without written approval from Facilities Management.

Facilities Management requires current safety data sheets (SDS) for all chemicals being used on-site in all County facilities. Contractor shall provide SDS and product labels to the Contract Administrator prior to the use of any chemicals. The Brooks Building, Public Services Building (PSB), and Development Services Building (DSB) are LEED-certified and require the use of appropriate chemicals.

FACILITIES MANAGEMENT SUPPLIED ITEMS

Facilities Management will furnish soap, seat covers, toilet tissues, garbage bags/can liners, and paper towels for use in restrooms and other areas within County facilities. These supplies will be available for pickup at the Facilities Management storage building, by appointment, not more than three (3) days after requested by Contractor.

Sanitary napkin/tampon dispensers are serviced by County staff.

JANITORIAL LOG

Contractor shall furnish a janitorial log for each facility and/or work site as designated by Facilities Management to be reviewed by janitorial personnel and supervisor daily. Janitorial personnel shall acknowledge in writing any entry made by County personnel. This log shall remain in designated areas of each facility.

GENERAL NOTATION

Janitorial staff shall not operate or adjust the setting of any heating, ventilation, or air conditioning systems in facilities without written approval of Facilities Management.

Janitorial staff shall not permit visitors or children inside buildings at any time.

Janitorial staff shall leave only designated lights on and shall check windows and doors for security upon completion of custodial work.

Janitorial staff shall learn and carefully operate building security systems according to instructions.

Janitorial staff shall report any damaged or broken plumbing, glass, light fixtures, furniture, floor paint, lavatory fixtures, etc., to Facilities Management.

Janitorial staff shall order needed supplies through Facilities Management, allowing three (3) days lead time.

Janitorial staff shall use designated closets and areas for storage of equipment and supplies.

Closet areas shall be kept clean and orderly.

Janitorial staff shall check the logbook daily/nightly for instructions and cleaning problems.

Janitorial staff shall repair/replace, at Contractor cost, any furnishings or fixtures damaged by janitorial staff.

Turn in lost and found articles to Facilities Management within twenty-four (24) hours.

IDENTIFICATION OF EMPLOYEES

The Contractor shall provide uniforms and identification of its employees. All employees shall wear uniforms at all times so that each employee is readily identifiable. All personnel shall be clean and neat at all times. Minimum requirement of a uniform shall be a shirt with company name, logo, and employee name.

All employees will be supplied with a picture ID badge. These picture ID badges shall be worn and displayed at all times janitorial employees are in County facilities.

SECURITY CLEARANCES

Contractor shall provide names and other requested information to Facilities Management on **all** employees involved in the execution of this Contract for the purpose of obtaining a Security Clearance. **Until a Security Clearance is completed, employees shall be restricted to a limited number of County facilities, to be defined by the Contract Administrator.** Contractor shall allow a minimum of two (2) weeks for Security Clearance. Contractor's employees shall be fingerprinted as directed by

Facilities Management at Contractor's expense. The current charge for fingerprinting is fifteen dollars (\$15).

SDS

The Contractor shall comply with all state and federal Occupational Safety and Health Administration (OSHA) regulations regarding the storage of hazardous materials, and shall post SDSs in the storage locations. In addition, the Contractor shall supply SDSs to Facilities Management for all products it supplies for use in performance of this Contract. All SDSs shall be kept up to date. All products shall be properly labeled. **No product shall be used in County facilities until its SDS has been reviewed and approved in writing by Facilities Management.**

REQUIRED TRAINING

Contractor shall provide copies of all required programs as listed below. The programs shall be complete and include the names of all employees to be used in the performance of this Agreement. **Note: All employees shall be trained or scheduled for training prior to beginning work in County facilities.**

1. Certified HIV/hepatitis training and vaccination program per OR-OSHA regulations OAR 437, Division 2, General Occupational Safety and Health Rules (29 CFR 1910.1030) bloodborne pathogens
2. Hazard Communications Program (MSDS)
3. Tuberculosis (TB) training and optional testing program (OSHA)
4. Custodial/housekeeping training program on proper techniques and cleaning methods complete with all related safety warnings.

In the interest of safety, janitorial employees must be able to communicate in English both orally and in writing, or be accompanied at all times by an employee who is able to do so.

SECURITY

Any disclosure or removal of any matter and/or property from County facilities on the part of the janitorial staff shall be cause for immediate cancellation of the Contract. Any liability, including but not limited to attorney's fees, resulting from any such action or suit brought against the County as a result of Contractor's employees' willful or negligent release of information, document, or property contained in the building shall be borne by the Contractor. **All information, documents, and property contained within these facilities shall be considered privileged and confidential and should be treated as such.**

CLEANING AND PERFORMANCE STANDARDS

FLOOR MAINTENANCE

- Thoroughly vacuum all carpeted areas, using professionally appropriate vacuuming equipment. This shall include all areas of each facility, and under desks, chairs, and tables.
- Edge all carpeted areas.
- Spot clean all carpeted areas.
- Vinyl tile in all buildings shall be dusted with treated dust mops. Spills and spots shall be removed.
- Damp mop all resilient flooring with appropriate cleaning agents.
- Sweep, wet mop, and disinfect all kitchen/dining room, restroom/locker room, and shower room floors.

- Vacuum entrance mats and all other separate mats as may be required throughout the building. Clean under entrance mats.
- Sweep or vacuum stairways.

WASTE MATERIALS

- Empty all trash containers into central collection containers. Clean trash containers as necessary to maintain clean, odor-free containers. Replace can liners as necessary. All liners in exam rooms, restrooms, and kitchen/dining areas shall be replaced daily.
- Deskside trash containers at PSB and DSB shall be maintained by County employees, with only central containers maintained by janitorial employees.
- Empty and clean all outside ashtrays and trash receptacles.

DUSTING

- Dust all desks, tops of partitions, tops of doorways, tops of vending machines, chair legs, filing cabinets, bookcases, other furniture, countertops, window sills, window ledges, from floor to a height of seventy-two (72) inches. Note: Papers spread out on desks or other surfaces are not to be disturbed or moved.
- Dust high (over 72") moldings, shelves, bookcases, door casings, window casings, hanging light fixtures, partition tops, ledges, etc. There shall be no cobwebs visible in any areas.

RESTROOMS

- Clean and disinfect all urinals and toilets using appropriate cleanser for the removal of stains.
- Wash and disinfect partitions, sheetrock, tile walls, floors, and showers. Remove all graffiti.
- Clean and disinfect all sinks and countertops.
- Clean exterior of all dispensers and service all soap, towel, toilet tissue, and seat cover dispensers.
- Clean mirrors and empty trash. Service as required to maintain high standards of cleanliness.

DOORS, DOOR KNOBS, DOOR JAMBS, WALLS, FINISH MOLDING, AND CEILINGS

- Remove all fingerprints and other smudges from all doors, door knobs, door jambs, walls (especially around switch and electrical outlet cover plates), finish moldings, and ceilings.
- Clean and polish chrome and bright metal, entrance doors, and kick and push plates.
- Clean and polish elevator doors, control panels, and floor indicator plates where appropriate.
- Remove vacuum cord marks from door jambs and outside corners of walls and partitions.

FURNITURE

- Vacuum all upholster and carpet partitions.
- Polish wood and smooth upholstery surfaces.
- Clean leather, plastic, vinyl, and naugahyde furniture and furniture covers. Polish office furniture which has been cleared of all paper, books, etc.

GLASS

- Clean mirrors, reception counter glass, glass doors, and door relites. Lobby area windows must be cleaned of finger and hand prints.
- The interior and exterior sides of all first-floor windows shall be cleaned twice per year. Window screens shall also be removed, cleaned, and replaced.

INCIDENTALS

- Check and acknowledge entries in janitorial logs.
- Advise Facilities Management of any irregularities noted during servicing. (e.g. defective plumbing fixtures, burned-out lights, graffiti which cannot be removed, etc.)
- Spot check employee work stations and perform any incidental cleaning supplementary to regular waste removal, dusting, and vacuuming necessary to insure clean, neat appearing work areas.
- In kitchen areas, clean and wash exteriors of all vending machines, exteriors of cooking appliances, and kitchen fixtures and counter tops. All refrigerators shall be cleaned by County employees in all buildings with the use of approved cleaners purchased by County Departments/Divisions. Main lunchroom refrigerators shall be cleaned by Facilities Management staff on a regular basis.
- Wipe and thoroughly clean lunch and conference room tables with appropriate cleaning agents.
- Per schedule, vacuum or wash all ceiling and wall air grills.
- Per schedule, clean lens covers on all light fixtures.
- Clean all exterior entry areas and clean as necessary both sides of all entry-related glass doors and associated interior glass panels and frames.
- Spot check and clean high traffic and heavily soiled areas. Spot shampoo carpeted areas.
- Clean and disinfect all telephone handsets.
- Clean and disinfect all drinking fountains.
- Turn off all lights except those required to be left on.
- Close and lock all entrance doors and windows.



CLACKAMAS COUNTY GOODS AND SERVICES CONTRACT

This Goods and Services Contract (this "Contract") is entered into between TVW, Inc. ("Contractor"), and Clackamas County, a political subdivisions of the State of Oregon ("County") for the purposes of providing Janitorial Services.

I. TERM

This Contract shall become effective upon signature of both parties and shall remain in effect until **June 30, 2022**. This Contract and any amendments to this Contract will not be effective until approved in writing by an authorized representative of the Board of County Commissioners of Clackamas County. This Contract supersedes and cancels any prior contracts between the parties hereto for similar services.

II. SCOPE OF WORK

This Contract covers the Scope of Work as described in Scope of Work, attached and hereby incorporated by reference as Attachment "A." This Contract consists of the following documents which are listed in descending order of precedence and are attached and incorporated by reference, this Contract, Attachment "A", the Site Frequency Matrix attached and hereby incorporated by reference as Attachment "B", the Task Frequency Matrix attached and hereby incorporated by reference as Attachment "C", and the Fee Schedule attached and hereby incorporated by reference as Attachment "D". Work shall be performed in accordance with a schedule approved by the County. The Contractor shall meet the highest standards prevalent in the industry or business most closely involved in providing the appropriate goods or services. The County's Representative for this contract is: Eli Seely, eseely@clackamas.us, (503) 557-6425.

III. COMPENSATION

- PAYMENT.** The County agrees to pay Contractor, from available and authorized funds, a sum not to exceed \$6,368,601.72 for the term, for accomplishing the Scope of Work required by this Contract. Monthly payments to Contractor will be made in accordance with the schedule and requirements in Attachment D.
- TRAVEL EXPENSE REIMBURSEMENT.** Authorized: Yes No
If travel expense reimbursement is authorized in this Contract, such expenses shall only be reimbursed at the rates in the County Contractor Travel Reimbursement Policy, hereby incorporated by reference, in effect at the time of the expense is incurred.
- INVOICES.** Invoices submitted for payment in connection with this Contract shall be properly documented and shall indicate pertinent County contract and/or purchase order numbers. All charges shall be billed monthly (unless a different payment period is outlined in Attachment A) and will be paid net thirty (30) days from receipt of invoice and shall be subject to Oregon Revised Statute ("ORS") 293.462. Invoices shall be submitted to the County Representative at: 1710 Red Soils Court Suite 200, Oregon City, Oregon 97045 or via email to eseely@clackamas.us.

IV. CONTRACT PROVISIONS

- ACCESS TO RECORDS.** Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred in the performance of this Contract. County and their duly authorized representatives shall have access to the books, documents, papers, and records of

Contractor which are directly pertinent to this Contract for the purpose of making audit, examination, excerpts, and transcripts. Such books and records shall be maintained by Contractor for a minimum of three (3) years, or such longer period as may be required by applicable law, following final payment and termination of this Contract, or until the conclusion of any audit, controversy or litigation arising out of or related to this Contract, whichever date is later.

2. AVAILABILITY OF FUNDS. County certifies that sufficient funds are available and authorized for expenditure to finance costs of this Contract within its current annual appropriation or expenditure limitation, provided, however, that continuation of this Contract, or any extension, after the end of the fiscal period in which it is written, is contingent on a new appropriation or limitation for each succeeding fiscal period sufficient in amount, in the exercise of the County's reasonable administrative discretion, to continue to make payments under this Contract.

3. CAPTIONS. The captions or headings in this Contract are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Contract.

4. COMPLIANCE WITH APPLICABLE LAW. Contractor shall comply with all federal, state, county, and local laws, ordinances, and regulations applicable to the work to be done under this Contract. Contractor specifically agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor shall also comply with the Americans with Disabilities Act of 1990 (Pub. L. No. 101-336), Title VI of the Civil Rights Act of 1964, Section V of the Rehabilitation Act of 1973, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws. Contractor further agrees to make payments promptly when due, to all persons supplying to such Contractor, labor or materials for the prosecution of the work provided in this Contract; pay all contributions or amounts due the Industrial Accident Funds from such Contractor responsibilities incurred in the performance of this Contract; not permit any lien or claim to be filed or prosecuted against the County on account of any labor or material furnished; pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. If Contractor fails or refuses to make any such payments required herein, the appropriate County official may pay such claim. Any payment of a claim in the manner authorized in this section shall not relieve the Contractor or Contractor's surety from obligation with respect to unpaid claims. Contractor shall promptly pay any person or entity that furnishes medical care to Contractor's employees those sums which Contractor agreed to pay for such services and all money Contractor collected or deducted from employee's wages to provide such services.

5. EXECUTION AND COUNTERPARTS. This Contract may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

6. GOVERNING LAW. This Contract shall be governed and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, or suit between County and Contractor that arises out of or relates to the performance of this Contract shall be brought and conducted solely and exclusively within the Circuit Court for Clackamas County, for the State of Oregon. Provided, however, that if any such claim, action, or suit may be brought in a federal forum, it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

7. HAZARD COMMUNICATION. Contractor shall notify County prior to using products containing hazardous chemicals to which County employees may be exposed. Products containing hazardous chemicals are those products defined by Oregon Administrative Rules, Chapter 437. Upon County's request, Contractor shall immediately provide Material Safety Data Sheets for the products subject to this provision.

8. INDEMNITY, RESPONSIBILITY FOR DAMAGES. Contractor shall be responsible for all damage to property, injury to persons, and loss, expense, inconvenience, and delay which may be caused by, or result from, the conduct of work, or from any act, omission, or neglect of Contractor, its subcontractors, agents, or employees. The Contractor agrees to indemnify, hold harmless and defend the County, and their officers, elected officials, agents and employees from and against all claims and actions, and all expenses incidental to the investigation and defense thereof, arising out of or based upon damage or injuries to persons or property caused by the errors, omissions, fault or negligence of the Contractor or the Contractor's employees, subcontractors, or agents.

9. INDEPENDENT CONTRACTOR STATUS. The service(s) to be rendered under this Contract are those of an independent contractor. Although the County reserves the right to determine (and modify) the delivery schedule for the Work to be performed and to evaluate the quality of the completed performance, County cannot and will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing the work. Contractor is not to be considered an agent or employee of County for any purpose, including, but not limited to: (A) The Contractor will be solely responsible for payment of any Federal or State taxes required as a result of this Contract; (B) This Contract is not intended to entitle the Contractor to any benefits generally granted to the County employees, including, but not limited to, vacation, holiday and sick leave, other leaves with pay, tenure, medical and dental coverage, life and disability insurance, overtime, Social Security, Workers' Compensation, unemployment compensation, or retirement benefits (except insofar as benefits are otherwise required by law if the Contractor is presently a member of the Oregon Public Employees Retirement System); and (C) If the Contractor has the assistance of other persons in the performance of this Contract, and the Contractor is a subject employer, the Contractor shall qualify and remain qualified for the term of this Contract as an insured employer under ORS Chapter 656.

At present, the Contractor certifies that he or she, if an individual is not a program, County or Federal employee. The Contractor, if an individual, certifies that he or she is not a member of the Oregon Public Employees Retirement System.

10. INSURANCE. Insurance policies, which cannot be excess to a self-insurance program, are to be issued by an insurance company authorized to do business in the State of Oregon. Contractor shall provide insurance as indicated below:

A. COMMERCIAL GENERAL LIABILITY

The Contractor agrees to furnish the County evidence of commercial general liability insurance with a combined single limit of not less than \$1,000,000 for each claim, incident, or occurrence, with an aggregate limit of \$2,000,000 for bodily injury and property damage for the protection of the County, its officers, elected officials, 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 general aggregate shall apply separately to this project / location. The County, at its option, may require a complete copy of the above policy.

B. AUTOMOBILE LIABILITY

The Contractor agrees to furnish the County evidence of business automobile liability insurance with a combined single limit of not less than \$1,000,000 for bodily injury and property damage for the protection of the County, its officers, elected officials, 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 County, at its option, may require a complete copy of the above policy.

C. Contractor shall provide County a certificate of insurance naming the Clackamas County and its officers, elected officials, agents, and employees as an additional insured. If Contractor's insurance policy does not include a blanket endorsement for additional insured status when/where required by written contract (as required in this Contract), the insurance, shall include Clackamas

County and its officers, elected officials, agents, and employees as expressly scheduled additional insured. Use CG 20 10 or its equivalent. Such insurance shall provide sixty (60) days written notice to the County 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 County under this insurance. This policy(s) shall be primary insurance with respect to the County. Any insurance or self-insurance maintained by the County shall be excess and shall not contribute to it.

D. If the Contractor has the assistance of other persons in the performance of this Contract, and the Contractor is a subject employer, the Contractor agrees to qualify and remain qualified for the term of this Contract as an insured employer under ORS 656. The Contractor shall maintain employer's liability insurance with limits of \$100,000 for each accident, \$100,000 per disease for each employee, and \$500,000 each minimum policy limit.

E. If any other required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this Contract for a duration of thirty-six (36) months or the maximum time period the Contractor's insurer will provide "tail" coverage as subscribed, whichever is greater, or continuous "claims made" liability coverage for thirty-six (36) months following the contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage, provided it's retroactive date is on or before the effective date of this Contract.

F. 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 Contractor to the County. This policy(s) shall be primary insurance with respect to the County. Any insurance or self-insurance maintained by the County shall be excess and shall not contribute to it.

G. Contractor shall require that all of its subcontractors of any tier provide insurance coverage (including additional insured provisions) and limits identical to the insurance required of the Contractor under this Contract, unless this requirement is expressly modified or waived by the County.

11. LIMITATION OF LIABILITIES. Except for liability arising under or related to Section 14 or 21(B), neither party shall be liable for (i) any indirect, incidental, consequential or special damages under this Contract or (ii) any damages of any sort arising solely from the termination of this Contract in accordance with its terms. This Contract is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.

12. NOTICES. Except as otherwise expressly provided in this Contract, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, or mailing the same, postage prepaid, to Contractor or County at the address or number set forth on the signature page of this Contract, or to such other addresses or numbers as either party may hereafter indicate. Any communication or notice so addressed and mailed shall be deemed to be given five (5) days after mailing. Any such communication or notice delivered by facsimile shall be deemed to be given when receipt of transmission is generated by the transmitting machine. To be effective against County, such facsimile transmission must be confirmed by telephone notice to County's supervising representative. Any communication or notice by personal delivery shall be deemed to be given when actually delivered.

13. OWNERSHIP OF WORK PRODUCT. All work product of Contractor that results from this Contract (the "Work Product") is the exclusive property of County. County and Contractor intend that such Work Product be deemed "work made for hire" of which County shall be deemed the author. If for any reason the Work Product is not deemed "work for hire," Contractor hereby irrevocably assigns to County all of its right, title, and interest in and to any and all of the Work Product, whether arising from

copyright, patent, trademark or trade secret, or any other state or federal intellectual property law or doctrine. Contractor shall execute such further documents and instruments as County may reasonably request in order to fully vest such rights in County. Contractor forever waives any and all rights relating to the Work Product, including without limitation, any and all rights arising under 17 USC § 106A or any other rights of identification of authorship or rights of approval, restriction or limitation on use or subsequent modifications.

14. REPRESENTATIONS AND WARRANTIES. Contractor represents and warrants to County that (1) Contractor has the power and authority to enter into and perform this Contract; (2) this Contract, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms; (3) the Work under this Contract shall be performed in a good and workmanlike manner and in accordance with the highest professional standards; and (4) Contractor shall at all times during the term of this Contract, be qualified, professionally competent, and duly licensed to perform the Work. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided.

- a. **Performance Warranty.** Contractor warrants that the goods provided to the County shall consistently perform according to the performance characteristics described in the Scope of Work.
- b. **Service Warranty.** Contractor warrants that the services provided herein to the County, if any, will be performed in a workmanlike manner and in accordance with the highest professional standards. Contractor's liability and County's remedy under this services warranty are limited to Contractor's prompt correction of such services, provided that written notice of such alleged defective services shall have been given by the County to Contractor. The County agrees to provide Contractor reasonable access to the goods for purposes of repair or replacement under this services warranty. Failure of Contractor to promptly correct problems pursuant to this Service Warranty shall be deemed a material breach of this Contract.

15. SURVIVAL. All rights and obligations shall cease upon termination or expiration of this Contract, except for the rights and obligations set forth in Sections of Section IV: 1, 6, 8, 11, 13, 14, 15, and 21.

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

17. SUBCONTRACTS AND ASSIGNMENTS. Contractor shall not enter into any subcontracts for any of the work required by this Contract, or assign or transfer any of its interest in this Contract by operation of law or otherwise, without obtaining prior written approval from the County. In addition to any provisions the County may require, Contractor shall include in any permitted subcontract under this Contract a requirement that the subcontractor be bound by this section and Sections 1, 8, 13, 15, and 27 as if the subcontractor were the Contractor. County's consent to any subcontract shall not relieve Contractor of any of its duties or obligations under this Contract.

18. SUCCESSORS IN INTEREST. The provisions of this Contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective authorized successors and assigns.

19. TAX COMPLIANCE CERTIFICATION. Contractor must, throughout the duration of this Contract and any extensions, comply with all tax laws of this state and all applicable tax laws of any political subdivision of this state. Any violation of this section shall constitute a material breach of this Contract. Further, any violation of Contractor's warranty in this Contract that Contractor has complied with

the tax laws of this state and the applicable tax laws of any political subdivision of this state also shall constitute a material breach of this Contract. Any violation shall entitle County to terminate this Contract, to pursue and recover any and all damages that arise from the breach and the termination of this Contract, and to pursue any or all of the remedies available under this Contract, at law, or in equity, including but not limited to: (A) Termination of this Contract, in whole or in part; (B) Exercise of the right of setoff, and withholding of amounts otherwise due and owing to Contractor, in an amount equal to County's setoff right, without penalty; and (C) Initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief. County shall be entitled to recover any and all damages suffered as the result of Contractor's breach of this Contract, including but not limited to direct, indirect, incidental and consequential damages, costs of cure, and costs incurred in securing replacement performance. These remedies are cumulative to the extent the remedies are not inconsistent, and County may pursue any remedy or remedies singly, collectively, successively, or in any order whatsoever.

The Contractor represents and warrants that, for a period of no fewer than six calendar years preceding the effective date of this Contract, has faithfully complied with: (A) All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318; (B) Any tax provisions imposed by a political subdivision of this state that applied to Contractor, to Contractor's property, operations, receipts, or income, or to Contractor's performance of or compensation for any work performed by Contractor; (C) Any tax provisions imposed by a political subdivision of this state that applied to Contractor, or to goods, services, or property, whether tangible or intangible, provided by Contractor; and (D) Any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.

20. TERMINATION. This Contract may be terminated for the following reasons: (A) This Contract may be terminated at any time by mutual consent of the parties, or by the County for convenience upon thirty (30) days' written notice to the Contractor; (B) County may terminate this Contract effective upon delivery of notice to Contractor, or at such later date as may be established by the County, if (i) federal or state laws, rules, regulations, or guidelines are modified, changed, or interpreted in such a way that either the work under this Contract is prohibited or the County are prohibited from paying for such work from the planned funding source; or (ii) any license or certificate required by law or regulation to be held by the Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed; (C) This Contract may also be immediately terminated by the County for default (including breach of Contract) if (i) Contractor fails to provide services or materials called for by this Contract within the time specified herein or any extension thereof; or (ii) Contractor fails to perform any of the other provisions of this Contract or so fails to pursue the work as to endanger performance of this Contract in accordance with its terms, and after receipt of notice from the County, fails to correct such failure within ten (10) business days; or (D) If sufficient funds are not provided in future approved budgets of the County (or from applicable federal, state, or other sources) to permit the County in the exercise of its reasonable administrative discretion to continue this Contract, or if the program for which this Contract was executed is abolished, County may terminate this Contract without further liability by giving Contractor not less than thirty (30) days' notice.

21. REMEDIES. (A) In the event of termination pursuant to Section 20(A), (B)(i), or (D), Contractor's sole remedy shall be a claim for the sum designated for accomplishing the work multiplied by the percentage of work completed and accepted by the County, less previous amounts paid and any claim(s) which the County has against Contractor. If previous amounts paid to Contractor exceed the amount due to Contractor under Section 21(A), Contractor shall pay any excess to County on demand. (B) In the event of termination pursuant to Sections 20(B)(ii) or 20(C), the County shall have any remedy available to it in law or equity. If it is determined for any reason that Contractor was not in default under Sections 20(B)(ii) or 20(C), the rights and obligations of the parties shall be the same as if the Contract was terminated pursuant to Section 20(A). (C) Upon receiving a notice of termination of this Contract,

Contractor shall immediately cease all activities under this Contract, unless County expressly directs otherwise in such notice of termination. Upon termination of this Contract, Contractor shall deliver to County all documents, information, works-in-progress and other property that are or would be deliverables had the Contract work been completed. Upon County's request, Contractor shall surrender to anyone County designates, all documents, research or objects or other tangible things needed to complete the work.

22. NO THIRD PARTY BENEFICIARIES. County and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms. Nothing in this Contract gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Contract.

23. TIME IS OF THE ESSENCE. Contractor agrees that time is of the essence under this Contract.

24. FOREIGN CONTRACTOR. If the Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue and the Secretary of State, Corporate Division, all information required by those agencies relative to this Contract. The Contractor shall demonstrate its legal capacity to perform these services in the State of Oregon prior to entering into this Contract.

25. FORCE MAJEURE. Neither County nor Contractor shall be held responsible for delay or default caused by fire, terrorism, riot, acts of God, or war where such cause was beyond, respectively, County's or Contractor's reasonable control. Contractor shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall upon the cessation of the cause, diligently pursue performance of its obligations under this Contract.

26. WAIVER. The failure of County to enforce any provision of this Contract shall not constitute a waiver by County of that or any other provision.

27. COMPLIANCE. Pursuant to the requirements of ORS 279B.020 and 279B.220 through 279B.235 and Article XI, Section 10, of the Oregon Constitution, the following terms and conditions are made a part of this Contract: (A) Contractor shall: (i) Make payments promptly, as due, to all persons supplying to the Contractor labor or materials for the prosecution of the work provided for in this Contract; (ii) Pay all contributions or amounts due the Industrial Accident Fund from such Contractor or subcontractor incurred in the performance of this Contract; (iii) Not permit any lien or claim to be filed or prosecuted against the County on account of any labor or material furnished. (B) If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the Contractor or a subcontractor by any person in connection with this Contract as such claim becomes due, the proper officer representing the County may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the Contractor by reason of this Contract. (C) The Contractor shall pay employees for work in accordance with ORS 279B.020 and ORS 279B.235, which is incorporated herein by this reference. All subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126. (D) The Contractor shall promptly, as due, make payment to any person or copartnership, association or corporation furnishing medical, surgical and hospital care or other needed care and attention incident to sickness and injury to the employees of the Contractor, of all sums which the Contractor agrees to pay for such services and all moneys and sums which the Contractor collected or deducted from the wages of the Contractor's employees pursuant to any law, contract or agreement for the purpose of providing or paying for such services.

28. **DELIVERY.** All deliveries shall be F.O.B. destination with all transportation and handling charges paid by the Contractor, unless specified otherwise in this Contract. Responsibility and liability for loss or damage shall remain with the Contractor until final inspection and acceptance, when responsibility shall pass to the County except as to latent defects, fraud and Contractor's warranty obligations.

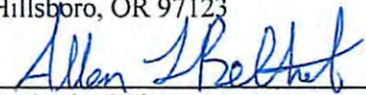
29. **INSPECTIONS.** Goods and services furnished under this Contract will be subject to inspection and test by the County at times and places determined by the County. If the County finds goods and services furnished to be incomplete or not in compliance with the Contract, the County, at its sole discretion, may either reject the goods and services, require Contractor to correct any defects without charge, or negotiate with Contractor to sell the goods and services to the County at a reduced price, whichever the County deems equitable under the circumstances. If Contractor is unable or refuses to cure any defects within a time deemed reasonable by the County, the County may reject the goods and services and cancel the Contract in whole or in part. Nothing in this paragraph shall in any way affect or limit the County's rights as a Buyer, including the rights and remedies relating to rejection under ORS 72.6020 and revocation of acceptance under ORS 72.6080.

30. **MERGER.** THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER REFERENCED THEREIN. THERE ARE NO UNDERSTANDINGS, AGREEMENTS, OR REPRESENTATIONS, ORAL OR WRITTEN, NOT SPECIFIED HEREIN REGARDING THIS CONTRACT. NO AMENDMENT, CONSENT, OR WAIVER OF TERMS OF THIS CONTRACT SHALL BIND EITHER PARTY UNLESS IN WRITING AND SIGNED BY ALL PARTIES. ANY SUCH AMENDMENT, CONSENT, OR WAIVER SHALL BE EFFECTIVE ONLY IN THE SPECIFIC INSTANCE AND FOR THE SPECIFIC PURPOSE GIVEN. CONTRACTOR, BY THE SIGNATURE HERETO OF ITS AUTHORIZED REPRESENTATIVE, ACKNOWLEDGES HAVING READ AND UNDERSTOOD THIS CONTRACT AND CONTRACTOR AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

By their signatures below, the parties to this Contract agree to the terms, conditions, and content expressed herein.

TVW, Inc.
6615 SE Alexander Street
Hillsboro, OR 97123

Clackamas County

 6-19-2017
Authorized Signature Date

Chair Date

Allen L. Bethel / Division Manager

Name / Title (Printed)

Recording Secretary Date

082027-15

Oregon Business Registry #

Approved as to Form:

DNP Oregon

Entity Type / State of Formation

 20 June 2017
County Counsel Date

ATTACHMENT A SCOPE OF WORK

SCOPE OF WORK

Contractor shall furnish all equipment, materials, and services necessary to perform the janitorial duties specified in a satisfactory manner and at not less than the frequencies set forth in the following specifications. The premises shall be maintained in a neat, clean, orderly, and first-class condition according to Cleaning Performance Standards and Janitorial Cleaning Requirements and Schedule contained in this Agreement. Janitorial services shall be performed on a schedule approved by Facilities Management.

Providers must be able to provide a level of janitorial services as identified in Cleaning Performance Standards and Janitorial Cleaning Requirements and Schedule. Clackamas County Facilities Management shall administer the contract for all areas. These facilities operate 4 to 7 days a week, 8 to 10 hours a day. Janitorial service for all facilities shall be scheduled as called for in these specifications.

Facilities shall be cleaned according to the Cleaning Performance Standards and Janitorial Cleaning Requirements and Schedule. The services for these facilities is monitored on a daily basis by building staff and routinely inspected by Facilities Management for adherence to specifications. Custodial staff working in these Facilities shall have office related janitorial experience, as well as specialized training in the handling of infectious waste, contaminated sharps containers, communicable diseases, and TB training and testing.

For purposes of this contract, the terms "Janitorial" and "Custodial" are used interchangeably.

NATURE AND EXTENT OF SERVICES

Clackamas County's facilities serve the public in varying degrees depending on the function of each facility. Janitorial services in these facilities are required on a regularly scheduled basis coinciding with the days of operation and shall be completed during the times specified by the Contract Administrator. Days and hours of operation shall be provided by Contractors prior to service implementation. **Generally, janitorial services are required Sunday through Thursday.** Specific schedules shall be approved by Facilities Management prior to starting contract.

The highest standards of cleanliness shall be maintained. It is the intent of these specifications that all facilities present a consistently clean condition. The services outlined in these specifications are to be considered as minimum requirements but in no instance are they to limit the level of cleanliness in the buildings.

Clackamas County's Cleaning Performance Standards are included in Section 2. Contractors shall include at a minimum the cleaning standards set forth in this document and ALL additional requirements as detailed.

Mandatory special qualifications and training required for contractors working in these facilities include:

- 1. Blood borne pathogens/HIV training and written program.**
- 2. Hazard communications program**
- 3. Tuberculosis (TB) training and optional testing**

DAILY/PERIODIC SERVICES SCHEDULE

Upon award of the Contract, the Contractor shall provide Clackamas County Facilities Management with specific dates and times for items designated in Attachments B and C. Such dates and times are subject to the approval of Facilities Management. The unique operations conducted in some County facilities require that all areas be serviced according to the needs of the facility.

All services scheduled to be performed quarterly, semiannually, and annually shall be performed within the first thirty (30) days after contract execution and then scheduled at the appropriate intervals during the term of the contract.

EMERGENCY RESPONSE

The Custodial Contractor shall provide seven day a week emergency coverage to the County facilities included in this specification. The Contractor shall have a custodian within these facilities during all approved, scheduled times. Emergency corrections called in before or after the regularly scheduled custodial hours shall be considered emergency after-hours calls. After-hours calls shall be submitted on a separate invoice designating the number of hours and the facility requiring such service. During normal custodial hours, emergency custodial corrections shall be addressed at no additional charge. **NOTE: Exception cleaning such as major floods or contamination by body fluids shall be billed separately.** Justifiable emergency calls are defined as follows:

1. Floods related to plumbing, roof leaks, or other sources, when flooded area cannot be isolated (closed) or continuing damage is occurring due to flood remaining overnight.
2. Blood spills, vomit, urine, or other human body fluids that cannot be isolated or blocked off.

Emergency after-hours calls shall be made directly to the contractor. Emergency request shall require contractors to call within thirty (30) minutes after receiving the first call and begin work within two (2) hours.

Emergency correction needed during normal custodial working hours shall be available by calling emergency numbers.

Non-emergency corrections shall be registered in the daily logbook for Custodial complaints or communicated by the Contract Administrator by phone, fax, or email. Non-emergency corrections shall be completed within twenty-four (24) hours. Examples of non-emergency corrections include, but are not limited to, such items as:

1. Trash or recycling can full
2. Liquid spill presenting no safety hazard.
3. Toilet paper or other dispensers empty (when other rest rooms are stocked and available)

SUPERVISION

The Contractor shall be responsible for the direct on-site inspection of the custodians through its supervisor(s), and the supervisor(s) shall be available at reasonable times to report to and confer with the Facilities Management Contract Administrator with respect to services. The telephone number of the responsible supervisor(s) shall be provided to the County for daily and emergency and/or non-routine service.

The Contractor shall provide one or more on-site supervisors whose primary task is to see to it that all Contractor's employees, in each building, understand and carry out what is required to satisfy the specifications of the Contract. The Contractor's supervisor(s) shall be fully and adequately trained and have experience in cleaning supervision, sufficient in scope to meet the approval of the Facilities Management Contract Administrator. The Contractor's supervisor(s) will be required to perform daily inspection of all buildings serviced under the Contract. The Contractor or their supervisor(s) shall be available at all times when the Contract work is in progress. The on-site supervisor(s) shall also schedule and coordinate the maintaining and/or restoration of all resilient/hard surface floor finishes, carpet cleaning, and interior and first-floor exterior window cleaning. All floor restoration projects and window cleaning shall be scheduled seven (7) days in advance with the Contract Administrator.

The services for these facilities is monitored on a daily basis by building staff and routinely inspected by Facilities Management for adherence to specifications. Custodial staff working in these facilities shall have office related experience, as well as specialized training in the handling of infectious waste, contaminated sharps containers, and communicable diseases.

QUALITY CONTROL INSPECTIONS

A regularly scheduled monthly quality control inspection will be performed by Facilities Management.

EXCEPTION CLEANING SERVICE

Contractor may occasionally be required to perform cleaning services on an exception basis for items or areas not covered by the Janitorial Cleaning Requirements and Schedule. Such services shall be requested by the Contract Administrator on an individual basis and shall be billed separately on a monthly basis as applicable. Contractor shall specify a dollar cost per worker-hour for exception cleaning services. Exception cleaning is not a part of the monthly compensation per building.

CONTRACTORS SUPPLIED ITEMS

All labor, janitorial tools, equipment, machines, and supplies necessary for the performance of daily janitorial services shall be furnished by Contractor at no expense or further cost to Facilities Management.

The Contractor shall provide a list of cleaning supplies that will be used in Clackamas County facilities. The County will review the list and provide written acceptance or rejection of each proposed cleaning item on the list. No cleaning supplies will be added to the County's approved list without written approval from Facilities Management.

Facilities Management requires current safety data sheets (SDS) for all chemicals being used on-site in all County facilities. Contractor shall provide SDS and product labels to the Contract Administrator prior to the use of any chemicals. The Brooks Building, Public Services Building (PSB), and Development Services Building (DSB) are LEED-certified and require the use of appropriate chemicals.

FACILITIES MANAGEMENT SUPPLIED ITEMS

Facilities Management will furnish soap, seat covers, toilet tissues, garbage bags/can liners, and paper towels for use in restrooms and other areas within County facilities. These supplies will be available for pickup at the Facilities Management storage building, by appointment, not more than three (3) days after requested by Contractor.

Sanitary napkin/tampon dispensers are serviced by County staff.

JANITORIAL LOG

Contractor shall furnish a janitorial log for each facility and/or work site as designated by Facilities Management to be reviewed by janitorial personnel and supervisor daily. Janitorial personnel shall acknowledge in writing any entry made by County personnel. This log shall remain in designated areas of each facility.

GENERAL NOTATION

Janitorial staff shall not operate or adjust the setting of any heating, ventilation, or air conditioning systems in facilities without written approval of Facilities Management.

Janitorial staff shall not permit visitors or children inside buildings at any time.

Janitorial staff shall leave only designated lights on and shall check windows and doors for security upon completion of custodial work.

Janitorial staff shall learn and carefully operate building security systems according to instructions.

Janitorial staff shall report any damaged or broken plumbing, glass, light fixtures, furniture, floor paint, lavatory fixtures, etc., to Facilities Management.

Janitorial staff shall order needed supplies through Facilities Management, allowing three (3) days lead time.

Janitorial staff shall use designated closets and areas for storage of equipment and supplies.

Closet areas shall be kept clean and orderly.

Janitorial staff shall check the logbook daily/nightly for instructions and cleaning problems.

Janitorial staff shall repair/replace, at Contractor cost, any furnishings or fixtures damaged by janitorial staff.

Turn in lost and found articles to Facilities Management within twenty-four (24) hours.

IDENTIFICATION OF EMPLOYEES

The Contractor shall provide uniforms and identification of its employees. All employees shall wear uniforms at all times so that each employee is readily identifiable. All personnel shall be clean and neat at all times. Minimum requirement of a uniform shall be a shirt with company name, logo, and employee name.

All employees will be supplied with a picture ID badge. These picture ID badges shall be worn and displayed at all times janitorial employees are in County facilities.

SECURITY CLEARANCES

Contractor shall provide names and other requested information to Facilities Management on all employees involved in the execution of this Contract for the purpose of obtaining a Security Clearance. **Until a Security Clearance is completed, employees shall be restricted to a limited number of County facilities, to be defined by the Contract Administrator.** Contractor shall allow a minimum of two (2) weeks for Security Clearance. Contractor's employees shall be fingerprinted as directed by

Facilities Management at Contractor's expense. The current charge for fingerprinting is fifteen dollars (\$15).

SDS

The Contractor shall comply with all state and federal Occupational Safety and Health Administration (OSHA) regulations regarding the storage of hazardous materials, and shall post SDSs in the storage locations. In addition, the Contractor shall supply SDSs to Facilities Management for all products it supplies for use in performance of this Contract. All SDSs shall be kept up to date. All products shall be properly labeled. **No product shall be used in County facilities until its SDS has been reviewed and approved in writing by Facilities Management.**

REQUIRED TRAINING

Contractor shall provide copies of all required programs as listed below. The programs shall be complete and include the names of all employees to be used in the performance of this Agreement. **Note: All employees shall be trained or scheduled for training prior to beginning work in County facilities.**

1. Certified HIV/hepatitis training and vaccination program per OR-OSHA regulations OAR 437, Division 2, General Occupational Safety and Health Rules (29 CFR 1910.1030) bloodborne pathogens
2. Hazard Communications Program (MSDS)
3. Tuberculosis (TB) training and optional testing program (OSHA)
4. Custodial/housekeeping training program on proper techniques and cleaning methods complete with all related safety warnings.

In the interest of safety, janitorial employees must be able to communicate in English both orally and in writing, or be accompanied at all times by an employee who is able to do so.

SECURITY

Any disclosure or removal of any matter and/or property from County facilities on the part of the janitorial staff shall be cause for immediate cancellation of the Contract. Any liability, including but not limited to attorney's fees, resulting from any such action or suit brought against the County as a result of Contractor's employees' willful or negligent release of information, document, or property contained in the building shall be borne by the Contractor. **All information, documents, and property contained within these facilities shall be considered privileged and confidential and should be treated as such.**

CLEANING AND PERFORMANCE STANDARDS

FLOOR MAINTENANCE

- Thoroughly vacuum all carpeted areas, using professionally appropriate vacuuming equipment. This shall include all areas of each facility, and under desks, chairs, and tables.
- Edge all carpeted areas.
- Spot clean all carpeted areas.
- Vinyl tile in all buildings shall be dusted with treated dust mops. Spills and spots shall be removed.
- Damp mop all resilient flooring with appropriate cleaning agents.
- Sweep, wet mop, and disinfect all kitchen/dining room, restroom/locker room, and shower room floors.

- Vacuum entrance mats and all other separate mats as may be required throughout the building. Clean under entrance mats.
- Sweep or vacuum stairways.

WASTE MATERIALS

- Empty all trash containers into central collection containers. Clean trash containers as necessary to maintain clean, odor-free containers. Replace can liners as necessary. All liners in exam rooms, restrooms, and kitchen/dining areas shall be replaced daily.
- Deskside trash containers at PSB and DSB shall be maintained by County employees, with only central containers maintained by janitorial employees.
- Empty and clean all outside ashtrays and trash receptacles.

DUSTING

- Dust all desks, tops of partitions, tops of doorways, tops of vending machines, chair legs, filing cabinets, bookcases, other furniture, countertops, window sills, window ledges, from floor to a height of seventy-two (72) inches. Note: Papers spread out on desks or other surfaces are not to be disturbed or moved.
- Dust high (over 72") moldings, shelves, bookcases, door casings, window casings, hanging light fixtures, partition tops, ledges, etc. There shall be no cobwebs visible in any areas.

RESTROOMS

- Clean and disinfect all urinals and toilets using appropriate cleanser for the removal of stains.
- Wash and disinfect partitions, sheetrock, tile walls, floors, and showers. Remove all graffiti.
- Clean and disinfect all sinks and countertops.
- Clean exterior of all dispensers and service all soap, towel, toilet tissue, and seat cover dispensers.
- Clean mirrors and empty trash. Service as required to maintain high standards of cleanliness.

DOORS, DOOR KNOBS, DOOR JAMBS, WALLS, FINISH MOLDING, AND CEILINGS

- Remove all fingerprints and other smudges from all doors, door knobs, door jambs, walls (especially around switch and electrical outlet cover plates), finish moldings, and ceilings.
- Clean and polish chrome and bright metal, entrance doors, and kick and push plates.
- Clean and polish elevator doors, control panels, and floor indicator plates where appropriate.
- Remove vacuum cord marks from door jambs and outside corners of walls and partitions.

FURNITURE

- Vacuum all upholster and carpet partitions.
- Polish wood and smooth upholstery surfaces.
- Clean leather, plastic, vinyl, and naugahyde furniture and furniture covers. Polish office furniture which has been cleared of all paper, books, etc.

GLASS

- Clean mirrors, reception counter glass, glass doors, and door relites. Lobby area windows must be cleaned of finger and hand prints.
- The interior and exterior sides of all first-floor windows shall be cleaned twice per year. Window screens shall also be removed, cleaned, and replaced.

INCIDENTALS

- Check and acknowledge entries in janitorial logs.
- Advise Facilities Management of any irregularities noted during servicing. (e.g. defective plumbing fixtures, burned-out lights, graffiti which cannot be removed, etc.)
- Spot check employee work stations and perform any incidental cleaning supplementary to regular waste removal, dusting, and vacuuming necessary to insure clean, neat appearing work areas.
- In kitchen areas, clean and wash exteriors of all vending machines, exteriors of cooking appliances, and kitchen fixtures and counter tops. All refrigerators shall be cleaned by County employees in all buildings with the use of approved cleaners purchased by County Departments/Divisions. Main lunchroom refrigerators shall be cleaned by Facilities Management staff on a regular basis.
- Wipe and thoroughly clean lunch and conference room tables with appropriate cleaning agents.
- Per schedule, vacuum or wash all ceiling and wall air grills.
- Per schedule, clean lens covers on all light fixtures.
- Clean all exterior entry areas and clean as necessary both sides of all entry-related glass doors and associated interior glass panels and frames.
- Spot check and clean high traffic and heavily soiled areas. Spot shampoo carpeted areas.
- Clean and disinfect all telephone handsets.
- Clean and disinfect all drinking fountains.
- Turn off all lights except those required to be left on.
- Close and lock all entrance doors and windows.

**ATTACHMENT B
SITE FREQUENCY MATRIX**

Facility Name	Address_Street	Address_City	Address_Zip	Cleaning SF	Days of Service/Week	Time of Service
A Safe Place/Shaver	256 Warner Milne Road	Oregon City	97045	9,152		5 Evening
Abernethy Maintenance Yard Restroom	902 Abernethy Road	Oregon City	97045	50		5 Evening
Beavercreek Health & Wellness Center	1425 Beavercreek Road	Oregon City	97045	13,007		5 Evening
Beavercreek Health & Wellness Center Annex	1431 Beavercreek Road	Oregon City	97045	1,748		5 Evening
Bridge Maintenance	902 Abernethy Road	Oregon City	97045	600		4 Evening
Brooks Building	9101 SE Sunnybrook Boulevard	Clackamas	97015	70,094		5 Morning
Butler Building	108 8th Street	Oregon City	97045	3,000		5 Evening
C-COM Building	2200 Kaen Road	Oregon City	97045	10,752		5 Evening
Centerstone Clinic	11211 SE 82nd Avenue	Happy Valley	97086	6,900		6 Evening
Courthouse	807 Main Street	Oregon City	97045	59,000		5 Evening
Development Services Building (DSB)	150 Beavercreek Road	Oregon City	97045	141,937		4 Morning
Dog Services	13141 SE Highway 212	Clackamas	97015	5,444		2 Evening
Gladstone Health and Wellness Center	18911 Portland Avenue	Gladstone	97027	2,446		5 Evening
Grady J. Waxenfelter Building	902 Abernethy Road	Oregon City	97045	1,708		5 Evening
Hilltop Behavioral Health Center	998 Library Court	Oregon City	97045	15,080		5 Evening
Holman Building	821 Main Street	Oregon City	97045	9,659		5 Evening
Justice Court @ Clackamas Corner	11750 SE 82nd Avenue, Suite D	Happy Valley	97086	7,850		5 Evening
Juvenile Annex	2106 Kaen Road	Oregon City	97045	1,985		5 Evening
Juvenile Building	2121 Kaen Road (Includes 2123 Kaen Road)	Oregon City	97045	16,598		5 Evening
Juvenile Modular	2125 Kaen Road	Oregon City	97045	1,748		5 Evening
Juvenile Skills Center	2100A Kaen Road	Oregon City	97045	1,748		4 Evening
Kellogg Creek Water Resource Recovery Facility - Administration Building	11525 SE McLoughlin Boulevard	Milwaukie	97222	2,400		2 Day
Kellogg Creek Water Resource Recovery Facility - Break Room & Lockers	11525 SE McLoughlin Boulevard	Milwaukie	97222	1,280		2 Day
McCoy Building	902 Abernethy Road	Oregon City	97045	6,000		4 Evening
Multnomah Lodge (2nd Floor)	707 Main Street	Oregon City	97045	5,000		5 Evening
Multnomah Lodge (3rd Floor)	708 Main Street	Oregon City	97046	5,000		5 Evening
Oak Lodge Library @ McLoughlin Business Park	16201 SE McLoughlin Boulevard	Oak Grove	97267	8,722		6 Evening
OSU Extension Service	200 Warner Milne Road	Oregon City	97045	3,420		2 Evening
OSU Extension Service Annex	168 Warner Milne Road	Oregon City	97045	1,792		2 Evening
Public Safety Training Center	12700 SE 82nd Avenue	Clackamas	97015	15,140		6 Evening
Public Services Building (PSB)	2051 Kaen Road	Oregon City	97045	109,350		4 Morning
Sheriff Fleet Administration & Shop	1007 Abernethy Road	Oregon City	97045	360		2 Evening
Silver Oak Building - Library Network	1810 Red Soils Court	Oregon City	97046	4,327		3 Evening
Silver Oak Building - Records Management	1810 Red Soils Court	Oregon City	97045	1,789		5 Evening
Stewart Behavioral Health Center	1002 Library Court	Oregon City	97045	4,909		5 Evening
Stokes Building	1024 Main Street	Oregon City	97045	19,205		5 Evening
Sunnyside Health & Wellness Center	9775 SE Sunnyside Road	Clackamas	97015	11,990		5 Evening
Traffic Maintenance Building	902 Abernethy Road	Oregon City	97045	1,000		5 Evening
Tri-City Treatment Plant - Admin Building	15941 S Agnes Avenue	Oregon City	97045	10,000		2 Day
Tri-City Treatment Plant - Lab Building	15941 S Agnes Avenue	Oregon City	97045	6,000		2 Day
TS-1 Building	121 Library Court	Oregon City	97045	5,963		4 Evening
TS-2 Building	168 Warner Milne Road	Oregon City	97045	10,229		4 Evening
Willamette Building	104-112 11th Street	Oregon City	97045	9,275		5 Evening
Women, Infants, and Children (WIC) Office	999 Library Court	Oregon City	97045	5,994		5 Evening

**ATTACHMENT C
TASK FREQUENCY MATRIX**

Lobbies, public corridors, stairwells, and elevator cabs	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty and damp wipe all waste and recycling receptacles, replace liners as needed (inspect daily, empty and clean as required)	x					
Dust mop all areas using a treated mop	x					
Spot clean all vertical surfaces	x					
Sanitize and polish all drinking fountains	x					
Clean and polish all metal bright work	x					
Spot clean all walls, doors, light switches, control panels, thresholds, and elevators (inspect daily, clean as required)	x					
Clean elevator door tracks on each floor	x					
Vacuum all carpeted areas	x					
Spot mop all resilient floor surfaces	x					
Spot clean with extractor or spotting agent all carpet spots and spills (inspect daily, clean as required)	x					
Clean all interior glass in lobbies, doors, relites, reception windows, and counters (inspect daily, clean as required)	x					
Wipe down countertops and tables with a disinfectant	x					
Wipe down non-upholstered lobby furniture with disinfectant	x					
Clean visible marks/prints from interior of windows	x					
Complete mop all resilient floor surfaces (every other day)		3				
Clean and dust all horizontal surfaces below 72" in height		x				
Vacuum all upholstered furniture		x				
Dust all low reach areas including baseboards and ledges		x				
Detail vacuum/edge all areas		x				
Spot clean all upholstered furniture and fabric partitions		x				
Dust all office furniture and equipment below 72" in height		x				
Sanitize phone receivers		x				
Dust around and behind office equipment		x				
Clean window sills and ledges		x				
Dust lamps and side tables		x				
Vacuum all ceiling and wall air grills			x			
Dust blinds and draps			x			
Clean washable furniture and equipment with disinfectant			x			
Wash all ceiling and wall air grills				x		

Restrooms, locker rooms, and shower rooms	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty trash, replace liners, and clean outside of containers	X					
Vacuum all carpeted areas	X					
Clean and disinfect all restroom, locker room, and shower room fixtures (toilets, urinals, sinks, showers, etc.)	X					
Clean and disinfect all restroom partitions, walls, and doors	X					
Clean and sanitize all showers	X					
Clean and fill all dispensers	X					
Spot clean all walls	X					
Clean and sanitize all floors	X					
Clean all glass and mirrors	X					
Polish all metal bright work (every other day)		3				
Clean grout				X		
Dust all blinds				X		

Conference rooms, meeting rooms, and common/general use areas	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty and damp wipe all waste and recycling receptacles, replace liners as needed (inspect daily, empty and clean as required)	X					
Wipe down countertops and tables with a disinfectant	X					
Clean glass in interior windows, doors, and relites (inspect daily, clean as required)	X					
Organize chairs and tables as required	X					
Vacuum all carpeted areas	X					
Spot clean all vertical surfaces (inspect daily, clean as required)	X					
Spot clean with extractor or spotting agent all carpet spots and spills (inspect daily, clean as required)	X					
Clean and sanitize all telephones		X				
Dust all furniture, equipment, and accessories		X				
Detail vacuum and edge vacuum all carpeted areas		X				
Low dust all surfaces including baseboard and ledges		X				
Vacuum all ceiling and wall air grills				X		
Dust all blinds and drapes				X		
High dust all surfaces over 72"				X		
Spot clean all upholster furniture and fabric partitions or sound panels (inspect daily, clean as required)				X		
Dust around and behind computer terminals				X		
Wash all ceiling and wall air grills					X	

Office and office cubicle areas	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty all trash (except PSB and DSB)	x					
Damp wipe all waste and recycle receptacles, replace liners as needed (inspect daily, empty as required, except in PSB and DSB)	x					
Wipe down countertops and tables with a disinfectant cleaner (only clean areas that are clear of materials)	x					
Clean glass in interior windows, doors, and relites (inspect daily, clean as required)	x					
Organize chairs and tables as required	x					
Spot clean all vertical surfaces (inspect daily, clean as required)	x					
Clean and sanitize all telephones		x				
Dust all furniture, equipment, and accessories		x				
Vacuum all carpeted areas		x				
Detail vacuum and edge vacuum all carpeted areas		x				
Low dust all surfaces including baseboard and ledges		x				
Spot clean with extractor or spotting agent all carpet spots and spills (inspect daily, clean as required)		x				
Vacuum all ceiling and wall air grills			x			
Dust all blinds and drapes			x			
High dust all surfaces over 72"			x			
Spot clean all upholster furniture and fabric partitions or sound panels (inspect daily, clean as required)			x			
Dust around and behind computer terminals			x			
Wash all ceiling and wall air grills				x		
Office and cubicle recycling to be performed by County employees						

Eating areas	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Damp clean and sanitize tables, chairs, counters, appliance exteriors, cupboard fronts and tops	x					

Empty all containers and disposals. Wash and sanitize interior and exterior of all containers	x					
Clean and disinfect sinks	x					
Mop floors with disinfectant	x					
Vacuum carpeted areas	x					
Clean and fill dispensers	x					
Low dust all surfaces below 72"	x					
High dust all surfaces over 72"		x				

Floor care	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Spot clean all carpeted areas (inspect daily, clean as required)	x					
Maintain high gloss finish on vinyl and tile floors			x			
Clean grout in tile floors			x			
Clean carpets in lobbies, conference rooms, meeting rooms, hallways, and high traffic areas			x			
Complete strip and wax all vinyl and tile floors				x		
Clean carpets in office and office cubicle areas					x	
Complete trip and reseal all resilient floors						x

Miscellaneous	Daily	Weekly	Monthly	Quarterly	Semi-Annual	Annual
Empty and clean exterior ashtrays and trash receptacles within 50 feet of exterior doors	x					
Empty and clean exterior ashtrays and trash receptacles in Red Soils Plaza and Liberty Plaza	x					
Clean and sweep all exterior entry areas, doorways, walk off mats, and vestibles of cobwebs, trash, and debris	x					
Check logbook and make corrections	x					
Notify Facilities Management of any irregularities (e.g. defective plumbing, burnt out lights, unlocked doors, etc.)	x					
Turn off all lights except those to be left on, close and latch all window and door locks	x					
Clean lens covers on all light fixtures			x			
Wash all interior windows of entire building, including removal and cleaning of window screens					x	
Wash all exterior windows of first floor, including removal and cleaning of window screens					x	

ATTACHMENT D FEE SCHEDULE

Facility Name	Monthly Cost (Year 1)	Year 1 Total	Monthly Cost (Year 2)	Year 2 Total	Monthly Cost (Year 3)	Year 3 Total	Monthly Cost (Year 4)	Year 4 Total	Monthly Cost (Year 5)	Year 5 Total
A-Step Place/Shaver	\$ 1,510.44	\$ 18,125.28	\$ 1,570.77	\$ 18,849.24	\$ 1,618.89	\$ 19,426.68	\$ 1,698.81	\$ 20,385.72	\$ 1,795.04	\$ 21,540.48
Abernethy Maintenance Yard Restroom	\$ 252.23	\$ 3,026.76	\$ 262.33	\$ 3,147.96	\$ 273.65	\$ 3,283.80	\$ 288.08	\$ 3,456.96	\$ 305.52	\$ 3,666.24
Beavercreek Health & Wellness Center	\$ 3,845.69	\$ 46,160.28	\$ 4,051.67	\$ 48,620.04	\$ 4,211.62	\$ 50,541.84	\$ 4,492.60	\$ 53,911.20	\$ 4,699.64	\$ 56,395.68
Beavercreek Health & Wellness Center Annex	\$ 422.37	\$ 5,068.44	\$ 434.39	\$ 5,212.68	\$ 448.15	\$ 5,377.80	\$ 470.20	\$ 5,642.40	\$ 496.68	\$ 5,960.16
Bridges Maintenance	\$ 228.91	\$ 2,746.92	\$ 237.76	\$ 2,853.12	\$ 244.23	\$ 2,930.78	\$ 255.64	\$ 3,067.68	\$ 269.77	\$ 3,237.24
Brooks Building	\$ 10,179.01	\$ 122,148.12	\$ 10,639.71	\$ 127,676.52	\$ 11,059.57	\$ 132,714.84	\$ 11,634.35	\$ 139,612.20	\$ 12,328.54	\$ 147,942.48
Butler Building	\$ 698.71	\$ 8,384.52	\$ 725.22	\$ 8,702.64	\$ 742.01	\$ 8,904.12	\$ 779.05	\$ 9,348.60	\$ 823.54	\$ 9,882.48
C-COM (911) Building	\$ 1,839.06	\$ 22,068.72	\$ 1,900.87	\$ 22,810.44	\$ 1,966.72	\$ 23,600.64	\$ 2,066.87	\$ 24,802.44	\$ 2,187.58	\$ 26,248.56
Centerstone Clinic	\$ 1,606.71	\$ 19,280.52	\$ 1,662.48	\$ 19,949.76	\$ 1,719.69	\$ 20,636.28	\$ 1,907.76	\$ 22,893.12	\$ 2,012.11	\$ 24,145.32
Courthouse	\$ 8,977.20	\$ 107,726.40	\$ 9,402.62	\$ 112,831.44	\$ 9,765.13	\$ 117,181.56	\$ 10,291.77	\$ 123,501.24	\$ 10,930.40	\$ 131,164.80
Development Services Building (DSB)	\$ 14,783.74	\$ 177,404.88	\$ 15,384.48	\$ 184,613.52	\$ 15,872.03	\$ 190,464.36	\$ 16,671.37	\$ 200,058.44	\$ 17,639.89	\$ 211,698.56
Dog Services	\$ 876.02	\$ 10,512.24	\$ 942.72	\$ 11,312.64	\$ 988.99	\$ 11,867.88	\$ 1,013.56	\$ 12,162.72	\$ 1,069.35	\$ 12,760.20
Gladstone Health and Wellness Center	\$ 1,060.65	\$ 12,727.80	\$ 1,106.85	\$ 13,282.20	\$ 1,151.97	\$ 13,823.64	\$ 1,210.19	\$ 14,521.20	\$ 1,280.09	\$ 15,361.08
Grady J. Wexenfelder Building (Fleet Services)	\$ 414.26	\$ 4,971.12	\$ 433.38	\$ 5,200.56	\$ 450.17	\$ 5,402.04	\$ 473.89	\$ 5,686.68	\$ 502.58	\$ 6,030.96
Hilltop Behavioral Health Center	\$ 4,311.51	\$ 51,738.12	\$ 4,514.14	\$ 54,169.68	\$ 4,669.67	\$ 56,036.04	\$ 4,907.06	\$ 58,884.72	\$ 5,205.41	\$ 62,464.92
Holman Building	\$ 1,549.18	\$ 18,590.16	\$ 1,615.10	\$ 19,381.20	\$ 1,668.84	\$ 20,026.08	\$ 1,752.21	\$ 21,026.52	\$ 1,852.47	\$ 22,219.64
Justice Court @ Clackamas Corner	\$ 1,340.30	\$ 16,083.60	\$ 1,397.44	\$ 16,769.28	\$ 1,449.09	\$ 17,389.08	\$ 1,522.49	\$ 18,269.88	\$ 1,610.87	\$ 19,330.44
Juvenile Annex	\$ 472.56	\$ 5,670.72	\$ 485.42	\$ 5,825.04	\$ 499.49	\$ 5,993.88	\$ 523.52	\$ 6,282.24	\$ 552.30	\$ 6,627.60
Juvenile Building	\$ 3,024.78	\$ 36,297.36	\$ 3,037.08	\$ 36,444.72	\$ 3,149.49	\$ 37,799.88	\$ 3,312.07	\$ 39,744.84	\$ 3,508.52	\$ 42,107.24
Juvenile Modular	\$ 326.61	\$ 3,919.32	\$ 338.90	\$ 4,066.80	\$ 348.78	\$ 4,185.36	\$ 364.87	\$ 4,378.44	\$ 384.63	\$ 4,615.56
Juvenile Skills Center	\$ 500.20	\$ 6,002.40	\$ 511.57	\$ 6,138.84	\$ 519.49	\$ 6,233.88	\$ 534.26	\$ 6,411.12	\$ 551.88	\$ 6,622.56
Kellogg Creek - Break Room & Lockers	\$ 502.35	\$ 6,028.20	\$ 521.60	\$ 6,259.20	\$ 540.73	\$ 6,488.76	\$ 565.99	\$ 6,791.88	\$ 596.17	\$ 7,154.04
Kellogg Creek - Administration Building	\$ 519.78	\$ 6,237.36	\$ 498.45	\$ 5,981.52	\$ 500.76	\$ 6,009.12	\$ 524.40	\$ 6,292.80	\$ 552.62	\$ 6,831.44
McCoy Building	\$ 1,342.15	\$ 16,105.80	\$ 1,363.03	\$ 16,356.36	\$ 1,416.14	\$ 16,993.68	\$ 1,488.69	\$ 17,864.28	\$ 1,576.05	\$ 19,912.60
Multnomah Lodge (707 Main 2nd Floor)	\$ 995.87	\$ 11,950.44	\$ 1,041.55	\$ 12,498.60	\$ 1,085.32	\$ 13,023.84	\$ 1,141.08	\$ 13,692.96	\$ 1,208.89	\$ 14,500.68
Multnomah Lodge (707 Main 3rd Floor)	\$ 942.02	\$ 11,304.24	\$ 978.53	\$ 11,742.36	\$ 1,007.45	\$ 12,089.40	\$ 1,059.49	\$ 12,713.88	\$ 1,122.27	\$ 13,467.24
Oak Lodge Library @ McLoughlin Business Park	\$ 1,743.76	\$ 20,925.12	\$ 1,808.69	\$ 21,704.28	\$ 1,827.88	\$ 21,934.56	\$ 1,921.48	\$ 23,057.76	\$ 2,036.44	\$ 24,437.28
OSU Extension Service	\$ 405.26	\$ 4,863.12	\$ 421.72	\$ 5,060.64	\$ 437.59	\$ 5,251.08	\$ 458.42	\$ 5,501.04	\$ 483.35	\$ 5,800.20
OSU Extension Service Annex	\$ 335.61	\$ 4,027.32	\$ 348.41	\$ 4,180.92	\$ 355.47	\$ 4,265.64	\$ 373.77	\$ 4,483.24	\$ 393.58	\$ 4,722.96
Public Safety Training Center	\$ 2,250.21	\$ 27,002.52	\$ 2,348.73	\$ 28,184.76	\$ 2,446.68	\$ 29,360.16	\$ 2,572.26	\$ 30,867.12	\$ 2,723.68	\$ 32,684.16
Public Services Building (PSB)	\$ 13,890.53	\$ 166,686.36	\$ 14,478.28	\$ 173,739.36	\$ 14,975.53	\$ 179,706.36	\$ 15,602.38	\$ 187,228.56	\$ 16,502.88	\$ 198,034.32
Sheriff Fleet Administration & Shop	\$ 191.46	\$ 2,297.52	\$ 193.91	\$ 2,319.72	\$ 212.11	\$ 2,545.32	\$ 222.14	\$ 2,665.68	\$ 234.01	\$ 2,808.12
Silver Oak Building - Library Network	\$ 548.50	\$ 6,582.00	\$ 564.47	\$ 6,773.64	\$ 580.85	\$ 6,971.40	\$ 610.78	\$ 7,329.36	\$ 646.76	\$ 7,761.12
Silver Oak Building - Records Management	\$ 427.23	\$ 5,126.76	\$ 444.35	\$ 5,332.20	\$ 457.96	\$ 5,495.52	\$ 479.90	\$ 5,758.80	\$ 506.19	\$ 6,074.28
Stewart Behavioral Health Center	\$ 1,179.44	\$ 14,153.28	\$ 1,252.69	\$ 15,031.56	\$ 1,285.72	\$ 15,428.64	\$ 1,349.92	\$ 16,199.04	\$ 1,430.80	\$ 17,169.60
Stokes Building	\$ 2,412.74	\$ 28,952.88	\$ 2,522.80	\$ 30,273.60	\$ 2,606.63	\$ 31,279.56	\$ 2,743.78	\$ 32,925.36	\$ 2,909.52	\$ 34,914.24
Sunnyside Health & Wellness Center	\$ 3,688.10	\$ 44,257.20	\$ 3,850.02	\$ 46,200.24	\$ 4,019.95	\$ 48,239.20	\$ 4,232.15	\$ 50,785.60	\$ 4,489.78	\$ 53,877.36
Traffic Maintenance Building (Sign Shop)	\$ 536.70	\$ 6,440.40	\$ 561.61	\$ 6,739.32	\$ 585.96	\$ 7,031.52	\$ 616.76	\$ 7,401.12	\$ 654.06	\$ 7,848.72
Tri-City Treatment Plant - Admin Building	\$ 1,898.52	\$ 22,782.24	\$ 1,951.77	\$ 23,421.24	\$ 1,904.14	\$ 22,849.68	\$ 1,973.54	\$ 23,682.48	\$ 2,056.93	\$ 24,675.96
Tri-City Treatment Plant - Lab Building	\$ 855.74	\$ 10,268.88	\$ 888.83	\$ 10,665.96	\$ 921.46	\$ 11,057.52	\$ 964.43	\$ 11,573.16	\$ 1,015.82	\$ 12,189.84
TS-1 Building	\$ 976.64	\$ 11,719.68	\$ 1,016.04	\$ 12,192.48	\$ 1,050.22	\$ 12,602.64	\$ 1,100.65	\$ 13,207.80	\$ 1,161.07	\$ 13,932.84
TS-2 Building	\$ 1,504.94	\$ 18,059.28	\$ 1,560.55	\$ 18,726.60	\$ 1,595.91	\$ 19,150.92	\$ 1,677.27	\$ 20,127.24	\$ 1,775.44	\$ 21,305.28
Willamette Building	\$ 1,529.55	\$ 18,354.60	\$ 1,593.56	\$ 19,122.72	\$ 1,665.94	\$ 19,991.28	\$ 1,752.13	\$ 21,025.56	\$ 1,856.13	\$ 22,278.56
Women, Infants, and Children (WIC) Office	\$ 1,177.28	\$ 14,127.36	\$ 1,219.18	\$ 14,630.16	\$ 1,262.55	\$ 15,150.60	\$ 1,326.67	\$ 15,920.04	\$ 1,408.16	\$ 16,897.92
Total	\$ 97,376.47	\$ 1,168,517.64	\$ 101,397.98	\$ 1,216,775.76	\$ 104,940.32	\$ 1,259,283.84	\$ 110,268.71	\$ 1,323,224.52	\$ 116,733.33	\$ 1,400,799.92



Capt. Jenna Morrison
Director

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June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of Intergovernmental Agreement between Clackamas County
Community Corrections and the City of Wilsonville to Provide Work Crew Services

Purpose/Outcomes	This IGA allows Community Corrections to provide offender work service crews for the City of Wilsonville.
Dollar Amount and Fiscal Impact	The IGA will provide approximately \$50,000 in revenue to support the Community Service program.
Funding Source	City of Wilsonville.
Safety Impact	Work Crews improve public areas by cleaning up trash and clearing vegetation.
Duration	Effective July 1, 2017 and terminates June 30, 2018.
Previous Board Action/Review	Annual renewal.
Contact Person	Capt. Jenna Morrison, Director - Community Corrections – 503-655-8866

BACKGROUND: Clackamas County Community Corrections provides supervised offender work crews for sites under the control of the City of Wilsonville. Crews consisting of a minimum of four offenders perform landscaping and cleanup for generally six hours per day. Community Corrections provides a Park Maintenance Specialist or Work Crew Specialist to supervise each crew. This Agreement provides a way for offenders to give back to the communities they have victimized while generating revenue for the program. The \$400 per crew fee helps to offset the cost of staff supervision, tools, and transportation to and from the site. The term of this Agreement is for a one year, July 1, 2017 through June 30, 2018 and allows for two additional one year renewals.

RECOMMENDATION: Community Corrections respectfully requests that the Board of County Commissioners approves this Intergovernmental Agreement to provide work service crews to the City of Wilsonville.

Respectfully submitted,

Captain Jenna Morrison, Director
Community Corrections



Capt. Jenna Morrison
Director

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June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval Intergovernmental Agreement Amendment #1, between Clackamas County Community Corrections and the City of Happy Valley to Provide Work Crew Services

Purpose/Outcomes	This IGA allows Community Corrections to provide offender work service crews for the City of Happy Valley.
Dollar Amount and Fiscal Impact	The IGA will provide approximately \$20,000 in revenue to support the Community Service program.
Funding Source	City of Happy Valley.
Safety Impact	Work Crews improve public areas by cleaning up trash and clearing vegetation.
Duration	Effective July 1, 2017 and terminates June 30, 2018.
Previous Board Action/Review	Annual renewal.
Contact Person	Capt. Jenna Morrison, Director - Community Corrections – 503-655-8866

BACKGROUND: Clackamas County Community Corrections provides supervised offender work crews for sites under the control of the City of Happy Valley. Crews consisting of a minimum of four offenders perform landscaping and cleanup for generally six hours per day. Community Corrections provides a Park Maintenance Specialist or Work Crew Specialist to supervise each crew. This Agreement provides a way for offenders to give back to the communities they have victimized while generating revenue for the program. The \$400 per crew fee helps to offset the cost of staff supervision, tools, and transportation to and from the site. Amendment #1 updates the indemnity language and renews the Agreement for one year, July 1, 2017 through June 30, 2018. This is the first of two renewals allowed under the original agreement.

RECOMMENDATION: Community Corrections respectfully requests that the Board of County Commissioners approves this Amendment #1 to provide work service crews to the City of Happy Valley.

Respectfully submitted,

Captain Jenna Morrison, Director
Community Corrections



Capt. Jenna Morrison
Director

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June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval Intergovernmental Agreement, Amendment #1 between Clackamas County
Community Corrections and the City of Milwaukie to Provide Work Crew Services

Purpose/Outcomes	This IGA allows Community Corrections to provide offender work service crews for the City of Milwaukie.
Dollar Amount and Fiscal Impact	The IGA will provide approximately \$8,000 in revenue to support the Community Service program.
Funding Source	City of Milwaukie.
Safety Impact	Work Crews improve public areas by cleaning up trash and clearing vegetation.
Duration	Effective July 1, 2017 and terminates June 30, 2018.
Previous Board Action/Review	Annual renewal.
Contact Person	Capt. Jenna Morrison, Director - Community Corrections – 503-655-8866

BACKGROUND: Clackamas County Community Corrections provides supervised offender work crews for sites under the control of the City of Milwaukie. Crews consisting of a minimum of four offenders perform landscaping and cleanup for generally six hours per day. Community Corrections provides a Park Maintenance Specialist or Work Crew Specialist to supervise each crew. This Agreement provides a way for offenders to give back to the communities they have victimized while generating revenue for the program. The \$400 per crew fee helps to offset the cost of staff supervision, tools, and transportation to and from the site. Amendment #1 updates the indemnity language and renews the Agreement for one year, July 1, 2017 through June 30, 2018. This is the first of two renewals allowed under the original agreement.

RECOMMENDATION: Community Corrections respectfully requests that the Board of County Commissioners approves this Amendment #1 to provide work service crews to the City of Milwaukie.

Respectfully submitted,

Captain Jenna Morrison, Director
Community Corrections



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Capt. Jenna Morrison
 Director

Board of County Commissioners
 Clackamas County

Members of the Board:

Approval of Contract Amendment #1/Renewal #2 with CODA Inc. to provide drug assessments
of Community Corrections' clients at the Transition Center

Purpose/Outcome	Amendment #1/Renewal #2 extends the Agreement through June 30, 2018.
Dollar Amount and Fiscal Impact	\$240,000
Funding Source	Carryover funds
Duration	July 1, 2017-June 30, 2018
Previous Board Action/Review	Annual renewal
Strategic Plan Alignment	Provide supervision, resources, intervention, and treatment services. Ensure Safe, Healthy and Secure Communities
Contact Person	Captain Jenna Morrison, Director, Community Corrections – 503-655-8725

BACKGROUND: Community Corrections Transition Center contracts with CODA Inc. to facilitate development of patient care plans by engaging individuals recently released from incarceration and who are identified as likely to benefit from treatment for a substance use disorder. One FTE Clinician will initiate admission and coordinate with CODA programs to facilitate transition into treatment. Emphasis is on timely and low barrier admission to CODA programs, active communication and coordination with community partners, engagement of patients in early recovery, and utilization of medication-assisted treatment strategies where indicated. This will be the second of two renewals available allowed in the original contract. This contract has been funded previously by Justice Reinvestment Act funds. Carryover funds including unspent JRA funds, will be used to continue this service to Transition Center clients.

RECOMMENDATION: Community Corrections respectfully requests that the Board of County Commissioners approves this amendment and renewal with CODA, Inc. to continue to provide substance abuse assessment and treatment coordination services for Community Corrections clients.

This contract has been reviewed as to form by County Counsel.

Respectfully submitted,

Captain Jenna Morrison
 Director, Community Corrections

Placed on the Board Agenda of _____ by the Procurement Division.



June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of an Amended & Restated Intergovernmental Agreement (IGA) between Clackamas County (County), Oregon City (City), Metro (Metro) and the State of Oregon (State) to continue the public partnership on the Willamette Falls Legacy Project

Purpose/Outcomes	This Amended & Restated Intergovernmental Agreement extends the four party public partnership which governs the roles, responsibilities and requirements for the four partners on the Willamette Falls Legacy Project. The Project entails the design and construction of the Riverwalk, along with future private development on the upland portion of the site.
Dollar Amount and Fiscal Impact	Overall Project Cost Estimate: \$16,534,699 (Phase I of the Riverwalk) County Allocation for FY 17-18: \$150,000 (see Attachment A)
Funding Source	BCS Economic Development Funds FY 17-18
Duration	The Amended & Restated IGA will expire June 30, 2023.
Previous Board Action	Original Approval of multi-party Intergovernmental Agreement (IGA) approved by BCC February 18, 2016.
Strategic Plan Alignment	1. Promote high wage job creation 2. Grow a Vibrant economy
Contact Person	Gary Barth, <i>Director of Business & Community Services</i> , 503-742-4299

BACKGROUND:

This is an Amended & Restated Intergovernmental Agreement between the County and its three partners for the design and construction of the River Walk on a Metro-owned easement on the Willamette Falls Legacy property, as well as future private development on the upland portion of the property. The current IGA between the four public partners expires on June 30, 2017. This new IGA would extend through June 30, 2023. Any County funds to be contributed to the Partnership or the project will be subject to annual appropriations.

County Counsel has reviewed and approved the amended and restated Intergovernmental Agreement (IGA).

RECOMMENDATION:

Staff respectfully recommends that The Board of County Commissioners approve and sign the attached Amended & Restated IGA with Oregon City, Metro, and the State of Oregon, whereby the County can continue to participate as a partner in the Willamette Falls Legacy Project as outlined in the agreement.

ATTACHMENT:

1. Proposed Amended & Restated IGA between Clackamas County, Oregon City, Metro, and the State of Oregon.

Respectfully submitted,

Gary Barth, Director of Business and Community Services

**Amended and Restated
INTERGOVERNMENTAL AGREEMENT
Willamette Falls Legacy Project**

This AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT (“Agreement”) is made and entered into by and among the State of Oregon, through its Portland Metro Regional Solutions Office and its Parks and Recreation Department (the “State”), Clackamas County (the “County”), the City of Oregon City (the “City”) and Metro (“Metro”) (each a “party” and collectively, the “parties”), effective as of the last date of signature below (the “Effective Date”).

RECITALS

A. In February 2011, the former Blue Heron Paper Company located at 419/427 Main Street, Oregon City, Oregon (the “Property”) entered Chapter 7 bankruptcy, resulting in the loss of skilled jobs and leaving the mill property vacant, under the control of a bankruptcy trustee.

B. The parties began investigating the Property due to its proximity to Willamette Falls, a natural, cultural and historic wonder, and conducted environmental, structural, and historical analyses to better understand the Property, including the potential for public access to Willamette Falls and future redevelopment.

C. With the cooperation and contributions of the bankruptcy trustee, the parties commenced a land use master plan and rezoning effort, guided by four core values endorsed by the parties: public access, historic and cultural interpretation, economic redevelopment, and healthy habitat (the “Four Core Values”).

D. On July 29, 2013, the governor signed Senate Bill 5506 (“SB 5506”), and on August 14, 2013, signed Senate Bill 5533, together authorizing the sale of lottery-backed bonds to provide \$5 million for a public access project to Willamette Falls, so long as certain conditions set forth in SB 5506 were met (the “\$5M of State Funds”).

E. In May 2014, Falls Legacy, LLC, a Washington limited liability company (the “Owner”) purchased the Property from the bankruptcy trustee, and submitted the land use master plan and rezone application developed by the parties to the City, which was adopted in September 2014 as Master Plan CP 14-02, Zone Change and Text Amendment ZC 14-03, and Comprehensive Plan Amendment PZ 14-01.

F. On September 26, 2014, the parties entered into a Memorandum of Understanding (the “MOU”) regarding the former Blue Heron Paper Company property, documenting the parties’ shared commitment to the Four Core Values and to design and construction of public open space(s) and parkway on the Property with unobstructed views of the Willamette River and Willamette Falls (the “Riverwalk”).

G. On December 11, 2014, Portland General Electric Company (“PGE”) donated an option to Metro allowing Metro to acquire an easement over PGE property adjacent to Willamette Falls (the “PGE Option”), which PGE Option and future easement will allow design and construction of the Riverwalk, which may include a viewpoint of Willamette Falls on property owned by PGE.

H. On December 15, 2014, the Owner donated an easement to Metro, recorded in the Clackamas County Official Records as Document No. 2014-064826, to facilitate the design and construction of the Riverwalk on the Property (the “Easement”).

I. On December 29, 2014, the governor determined that the conditions of SB 5506 had been met, and the State of Oregon Parks and Recreation Department provided the \$5M of State Funds to Metro in accordance with an Intergovernmental Agreement between Metro and the State (Agreement No. 7554), dated June 1, 2015, which was amended by a First Amendment to Intergovernmental Agreement, dated May 26, 2017.

J. On May 29, 2015, Metro issued a Notice of Intent to Award for RFP 2903 selecting the design team of Mayer/Reed, Snøhetta, and DIALOG for design of the Willamette Falls Riverwalk, and has subsequently entered into two Professional Services Contracts with Snøhetta, the first dated February 11, 2016 and a second dated January 30, 2017, for the design of the Riverwalk.

K. On August 12, 2015, the governor signed House Bill 5030 and Senate Bill 5507 approving an additional \$7.5 million of State funding for the Riverwalk, and the State of Oregon Parks and Recreation Department is currently negotiating an agreement to transfer the \$7.5 million of State funds to Metro.

L. On September 24, 2015, the Metro Council awarded the City and the County a Community Planning and Development Grant (the “CPDG”) to conduct development opportunity studies on the Property.

M. With the award of the CPDG, the parties’ efforts now include more than the Riverwalk, working to address, among other things, potential future open space and connections to the Property and infrastructure and economic development needs for the Property (the “Willamette Falls Legacy Project” or simply, the “Legacy Project”).

N. On May 20, 2016, the federal Environmental Protection Agency awarded Metro, the County, and the City a \$600,000 Coalition Assessment Grant for the McLoughlin Corridor, which funds are to be used, in part, to further assess the environmental condition of the Property.

O. On October 27, 2016, Metro and the City entered into an interim agreement with Rediscover the Falls to assist the nonprofit “friends” group in building capacity to create enduring public interest in the Riverwalk, and since this time, Rediscover the Falls has been actively and successfully fundraising on behalf of the Riverwalk.

P. On April 11, 2017, Metro submitted a request to the U.S. Army Corps of Engineers to initiate review under Section 106 of the National Historic Preservation Act of the Riverwalk.

Q. On May 17, 2017, the Partners approved the Riverwalk design and a phase one Riverwalk project that provides a prominent view of the falls from the southwest portion of the site as well as demolition and site preparation within portions of the Riverwalk (“Phase 1 Project”); and as depicted in the Riverwalk design presentation.

R. The parties recognize the need to create a decision-making and organizational structure among the public entities so that (a) the parties can deliver unified direction and messages to outside parties, (b) the Legacy Project is a model of fiscal discipline, efficiency and accountability, (c) the parties have clarity on scope, schedule and budget for all aspects of the Legacy Project, and (d) the parties can effectively collaborate with the Owner, PGE, and other third parties, and to this end, the parties entered into the first Intergovernmental Agreement on July 7, 2016 (the “Original Governance IGA”).

S. Under the authority of ORS 190.010 and ORS 190.110, the parties now desire to enter into this Agreement for the purpose of amending and restating the Original Governance IGA, in order to, among other things, update the governance structure needed for the Legacy Project during design and construction of the Phase 1 Project, on the terms and conditions set forth below.

NOW, THEREFORE, for and in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties agree as follows:

AGREEMENTS

1. Restatement; Term. The Original Governance IGA is amended and restated in its entirety as set forth in this Agreement. The term of this Agreement shall commence on the Effective Date and expire on June 30, 2023, unless amended and extended by written agreement of the parties.

2. Definitions. In addition to the definitions set forth in the Recitals, above, capitalized terms used in this Agreement shall have the definitions set forth in this Section 2, below.

2.1 Legacy Project. The Willamette Falls Legacy Project as defined in Recital M, above, which as of the Effective Date, includes the following sub-components or sub-projects: the Riverwalk, Phase 1 Project, and economic development.

2.2 Legacy Project Budget. The budget for the Legacy Project compiled by the Legacy Project Manager and approved by the Partners Group showing sources and uses of all Legacy Project funds, to be updated from time to time. The Legacy Project Budget approved and authorized by the parties as of the Effective Date is attached as Exhibit A.

2.3 Legacy Project Milestones. Key decision points for the Legacy Project, as determined by the TAC, including design milestones for the Riverwalk.

2.4 Legacy Project Manager. Staff person employed by Metro to be the project manager for the Legacy Project.

2.5 Partners Group. The advisory governing body for the Legacy Project, comprised of two (2) elected officials and the chief administrator from each of Metro, the County and the City, and two (2) elected officials and high-level staff from the State, as set forth on the attached Exhibit B.

2.6 TAC. The Technical Advisory Committee for the Legacy Project, comprised of non-elected staff from each of the parties and that reports to the Partners Group, as described further in Section 4, below.

3. Authority

3.1 ***Reservation of Regulatory and Legislative Authority***. Each party expressly reserves its regulatory and legislative authority with respect to the Legacy Project and the Property, including, for example, the City's regulatory authority over land use approvals, the State's authority over submerged lands, and each party's legislative authority to appropriate funds.

3.2 ***Legacy Project Budget; Appropriation of Funds***. As of the Effective Date, each party represents that it has appropriated or received the funds set forth on the Legacy Project Budget for such party, for the fiscal year(s) covered by such party's appropriation. Each party represents that it has authorized use during such fiscal year(s) of the appropriated funds in accordance with the Legacy Project Budget and this Agreement. The Legacy Project Budget may be revised from time to time by the Partners Group, within the amounts appropriated by the parties in their individual capacities. Spending in future fiscal years is subject to appropriation by each party's governing body, in such body's sole legislative discretion, and this Agreement may be amended by the parties to reflect such future budget approvals. All spending under this Agreement is subject to audit.

3.3 ***Delegation of Administrative Authority***. The work of the Legacy Project and its participants is advisory, structured such that the Partners Group can make unified recommendations to each of the governing bodies of the parties. In addition, upon approval of this Agreement by a party, that party's staff and elected representatives that participate in the Legacy Project, including the Partners Group or the TAC shall have the authority to fully participate in the Legacy Project and to make non-legislative or administrative decisions on behalf of such party in accordance with this Agreement.

3.4 ***Staff Participation***. The parties intend that staff participating in the Legacy Project and the various project groups will work on behalf of the best interests of the Legacy Project, representing not only the best interests of their employer but also of the Legacy Project itself. In that manner, staff will freely communicate and share information with other agency staff and generally support each other with respect to the Legacy Project.

Notwithstanding the foregoing, finance and legal staff participating in the Legacy Project and in the various project groups represent solely their employers, as they owe a professional duty of loyalty and a fiduciary duty solely to their respective agencies.

4. TAC

4.1 **Membership.** Each party shall designate two (2) representatives of such party to attend the TAC meetings and shall send alternate(s) if one or both designated representatives are unable to attend or participate by telephone.

4.2 **Meetings.** The TAC meets biweekly, or as otherwise agreed upon by the TAC, and shall keep minutes documenting its consideration and approval of any items. Items requiring TAC approval shall be emailed to the TAC at least two (2) business days in advance of the TAC meeting so that any party can be sure to send a representative or call into the meeting when that party desires to weigh in on a Legacy Project decision. Any member of the TAC can call an emergency meeting of the TAC by notification to the Legacy Project Manager, who will use best efforts to schedule a meeting as soon as practical. Parties shall use best efforts to participate in emergency meetings of the TAC.

4.3 **Work.** Except with regard to the Phase 1 Project, as set forth in Section 10, below, the TAC shall consider for approval individual contracts, scopes of work, requests for proposals or bids, budgets, contract modifications, Legacy Project Milestones, responses to significant external opportunities or threats, and decisions whether to recommend future intergovernmental agreements among the parties to the Partners Group or to pursue grant or funding opportunities. The TAC shall prepare the agenda of the Partners Group. The specific work of the TAC and the party responsible for such work is set forth on Exhibit C. The TAC may create subcommittees to complete the work of the TAC, as the TAC deems necessary.

4.4 **Decisions.** Decisions of the TAC will be noted in the minutes for the TAC meeting. Should a TAC member disagree with a TAC decision, he or she may express such disagreement at the TAC meeting. If the TAC is unable to resolve the issue, the TAC member may elect to put it on the agenda for consideration at the next Partners Group meeting (as further described in Section 5.2 and Section 7.2, below).

4.5 **Communication.** Members of the TAC shall have the responsibility to communicate with their representatives on the Partners Group in between Partners Group meetings and with regard to agendas of the TAC and the Partners Group, to ensure each party is internally apprised of Legacy Project direction, as each party deems necessary.

4.6 **Finance Oversight Subcommittee.** The TAC shall create a Finance Oversight Subcommittee made up of at least one member from each party. The Finance Oversight Subcommittee shall provide advice and direction on the Legacy Project Budget and expenditures of the Legacy Project. The subcommittee will design a financial reporting format and meet with the Legacy Project Manager quarterly to review reports.

5. Partners Group

5.1 The Partners Group meets quarterly, or as otherwise agreed upon by the Partners Group or the TAC, and shall keep minutes. Without objection from any member of the Partners Group at a Partners Group meeting, matters considered by the Partners Group for approval will be deemed approved and so noted in the minutes. The Partners Group is considered a public body in accordance with Oregon Public Meeting Law, providing recommendations and advice to each of the parties' governing bodies. The Partners Group may adopt procedures, as deemed necessary by the Partners Group, for orderly conduct of its meetings.

5.2 Except with regard to the Phase 1 Project, as set forth in Section 10, below, the Partners Group sets policy direction for the Legacy Project, approves Legacy Project Milestones and the Legacy Project Budget on a quarterly basis, sets direction in response to significant threats or opportunities (as determined by the TAC), recommends future intergovernmental agreements among the parties (to be approved by each party's governing body, if required), and makes recommendations that involve any material trade-offs among the Four Core Values. In addition, the Partners Group shall consider decisions that lack consensus at the TAC if added to the Partners Group agenda by a member of the TAC (as described in Section 4.4, above).

5.3 Members of the Partners Group shall communicate with their respective agency or government to ensure each party is apprised of Legacy Project direction and to ensure any decisions of the Legacy Project that require approval of such party's governing body are brought to the party's governing body for consideration.

6. Legacy Project Manager

6.1 The Legacy Project Manager will manage the Legacy Project by, among other things, coordinating the work of the TAC, and collaborating with PGE, the Owner, Rediscover the Falls, and other third parties. The Legacy Project Manager shall track the Legacy Project Budget and provide reporting on the Legacy Project Budget to the TAC and the Partners Group. The Legacy Project Manager may request that a party lead a portion of the work of the TAC, with the approval of such party.

6.2 The Legacy Project Manager has day-to-day management authority of the Legacy Project in order to lead the Legacy Project forward consistent with the approvals provided by the Partners Group and the TAC, and consistent with the Legacy Project Budget. The Legacy Project Manager shall have the authority to approve *de minimus* changes to scopes of work or spending within the Legacy Project Budget (including contingencies), without the need for further consideration at the TAC or by the Partners Group; provided that the Legacy Project Manager shall keep the TAC apprised if multiple *de minimus* changes may have a cumulative impact on the Legacy Project.

7. Project Decision-making

7.1 **Consensus.** Decision-making for the Legacy Project at the TAC and Partners Group shall be by consensus. Consensus is defined as the point where all parties agree on an option with which they are willing to move forward, and includes the opportunity for a party to express reservations or dissent while nevertheless agreeing to allow the Legacy Project to move forward. Each party, by signing onto this Agreement, commits its confidences to the Legacy Project's decision-making structure, recognizing this project structure and the collaboration it represents among the parties as the Legacy Project's best chance for success.

7.2 Protocols for Disagreement.

7.2.1. If there is no consensus at the TAC level, the majority decision of the TAC shall be deemed the decision of the TAC, unless a member of the TAC elects within three (3) days of the TAC meeting at which the decision was made, to place the decision on the next Partners Group meeting agenda. This will ensure that decisions made at the TAC level can be relied upon to move the Legacy Project forward.

7.2.2. If there is no consensus on a decision at the Partners Group (whether or not such decision is brought to the Partners Group by a member of the TAC, in accordance with Section 7.2.1, above), the Partners Group will provide direction and recommendations to the TAC for discussion and consideration of the issue.

7.2.3. After discussion of the issue at the TAC, taking into account the direction and recommendations of the Partners Group, the decision will be considered at the next Partners Group meeting. The members of the Partners Group shall strive to make a decision to keep the Legacy Project moving forward. At this stage of disagreement, on matters that are critical to long-term operations and maintenance of the Riverwalk, any parties that are identified as a future owner in accordance with Section 9, below, shall be given deference. Any resolution or conclusion in this circumstance that lacks consensus at the Partners Group will not bind the dissenting party.

7.2.4. If the need for a decision is urgent, the Legacy Project Manager may set emergency meetings of both the TAC and the Partners Group. The parties shall use best efforts to attend any emergency meetings.

8. General Obligations the Parties Regarding the Legacy Project Work

8.1 **Reporting Expenditures.** Parties shall report all expenditures to the Legacy Project Manager, including copies of invoices and any reasonable supporting documentation. The Legacy Project Manager shall provide a quarterly report on the Legacy Project Budget and expenditures to the TAC and the Partners Group to ensure that the Project is remaining coordinated and on budget.

8.2 **Contracts.** Parties shall notify the Legacy Project Manager of all draft contracts that such party is considering entering into with third parties and that are related to the Legacy Project. If requested by the Legacy Project Manager, a party shall provide copies of the

draft contract and scope of work to the Legacy Project Manager, with reasonable opportunity for comment and review. If requested by the Legacy Project Manager, prior to executing a contract related to the Legacy Project, a party shall have obtained approval from the TAC of the contract's scope, schedule, budget, workplan, and deliverables.

8.3 **Participation.** The parties shall participate meaningfully in all Legacy Project groups, and respect the roles and responsibilities assigned to each Partner in such participation.

8.4 **Staff Contributions; Tracking of Staff Expenditures.** The parties shall provide key contributions of staff to lead and/or participate in the work of the TAC, as set forth in the attached Exhibit D. Each party shall track staff expenditures for match, and report staff expenditures on the Legacy Project to the Legacy Project Manager, as requested by the Legacy Project Manager; provided, however, that it is understood and agreed that, unless otherwise specifically agreed to by the Partners Group, that staff resources, time and contributions shall be deemed "in-kind" contributions to the Project, and no party shall charge time or seek to recover expenses from the Project.

8.5 **Communication Protocols.** All publicity and strategic communications for the Legacy Project will be coordinated through the TAC, so that the parties can deliver unified direction and messages to outside parties. Each party commits to working within Legacy Project channels and the structure set forth in this Agreement, especially with respect to any potential conflicts, disagreements, external events, or pressures. The parties shall consult with each other first, prior to outreach to third parties, at emergency TAC or Partners Group meetings, as necessary. The parties commit to attendance at emergency meetings.

9. **Future Riverwalk Owner.** The parties understand and agree that it is highly unusual to advance a project through construction without identifying the entity or entities that will own or operate the Riverwalk. The parties commit to developing and participating in a process to identify a future owner and shall strive to identify the owner(s) and operator(s) of the Riverwalk prior to submittal of application(s) for demolition or building permits, whichever is sooner. If the entity or entities that will own or operate the Riverwalk are not a party to this Agreement or if the future owner(s) desire additional decisionmaking rights regarding the Phase 1 Project, the parties will amend this Agreement appropriately and enter into a separate agreement with the owner or operator, as necessary. The prospective owner(s) will be considered "identified" when they have committed to the Partners Group to take responsibility for future operations, maintenance and security of the Riverwalk. An entity's commitment to ownership and/or operation to the Partners Group should be in the form of a resolution adopted by the entity's governing body.

10. **The Phase 1 Project.** The parties acknowledge that Metro has voluntarily assumed the risk associated with constructing the Phase 1 Project. In acknowledgment of the financial, staffing, and scheduling complexity and risk that Metro is assuming, the parties agree that following the Partners Group's approval of the Riverwalk design and the Phase 1 Project, Metro shall have sole authority and is granted discretion to implement the design and construct the Phase 1 Project, including project permitting, planning, construction contracting, and construction. In implementing the design, Metro is authorized to make all project related

decisions, including those associated with value engineering, contracting, scheduling, budgeting, project feasibility, staffing, collaboration with third parties (including the Owner and PGE), permitting, conditions of approval, and other decisions that may affect the design or construction of the Phase 1 Project. Metro's decisions regarding implementation of the design and construction of the Phase 1 Project are not subject to review under the terms of this Agreement, expressly reserving each parties' regulatory authority as set forth in Section 3.1, above. Metro agrees to use reasonable efforts to construct the Phase 1 Project, but Metro shall not be required to defend nor prosecute any appeals and shall use its sole discretion to determine whether construction of the Phase 1 Project is worth pursuing in the event of any appeals, permit denials, or the discovery of currently unknown conditions. Metro shall use its best efforts to inform the other parties of significant construction decisions, to obtain input from the TAC, the Partners Group, and any potential future owner on such matters, and to keep the parties updated and engaged on the Phase 1 Project. Future phases of the Riverwalk shall be subject to the terms and conditions of this Agreement and not this Section 10.

11. Miscellaneous

11.1 ***Waiver of Liability.*** Each party assumes all risks arising out of such party's participation in the Legacy Project, including with respect to the condition of the Property, and no party shall be liable to another for such risks, except to the extent caused by a party's gross negligence or willful misconduct.

11.2 ***Indemnity.*** Each party shall hold harmless and indemnify the other parties, and their agents and employees, against any and all liability, settlements, loss, costs, and expenses in connection with any action, suit, or claim arising out of the indemnifying party's work and actions under this Agreement within the maximum liability limits set forth under the Oregon Tort Claims Act and Oregon Constitution.

11.3 ***Termination.*** A party may terminate this Agreement at any time as to such party with thirty (30) days prior written notice to the other parties, if the terminating party believes, or has reason to believe, that funding sufficient to comply with this Agreement will not be made available to the terminating party by the terminating party's governing body. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the parties prior to termination.

11.4 ***Laws of Oregon; Compliance with Laws.*** The laws of the State of Oregon shall govern this Agreement, and the parties agree to submit to the jurisdiction of the courts of the State of Oregon. All activities of a party under this Agreement shall be in compliance with all applicable laws, statutes, ordinances, rules, regulations, and requirements of any governmental authority, including all applicable provisions of ORS chapters 279A, 279B, and 279C.

11.5 ***Maintenance of Records.*** The parties shall maintain all fiscal records relating to this Agreement in accordance with generally accepted accounting principles. In addition, the parties shall maintain any other records pertinent to this Agreement in such a manner as to clearly document their performance. Each party acknowledges and agrees that it shall retain such documents for a period of three (3) years after termination of this Agreement, or

such longer period as may be required by applicable law. In the event of any audit, controversy, or litigation arising out of or related to this Agreement, the parties shall retain such documents until the conclusion thereof.

11.6 ***Relationship of Parties.*** Each of the parties hereto is deemed an independent contractor for purposes of this Agreement. No representative, agent, employee, or contractor of one party shall be deemed to be an employee, agent or contractor of any other party for any purpose. Nothing herein is intended, nor may it be construed, to create among the parties any relationship of principal and agent, partnership, joint venture, or any similar relationship, and each party hereby disclaims any such relationship.

11.7 ***Preservation of Privileges; Public Records.*** The parties acknowledge and agree that a primary purpose of this Agreement is to encourage frank communication and close collaboration among the parties for the maximum benefit of the Legacy Project, preliminary to any final action by the parties' governing bodies. The parties will disclose and transmit information to one another regarding possible direction for the Legacy Project and possible real estate transaction(s) with the Owner or third parties. The parties intend to preserve all rights under Oregon Public Records law, including, without limitation, exemptions related to internal advisory communications under ORS 192.502(1) and related to sharing of information regarding a potential real property negotiation under ORS 192.502(9)(a), the disclosure of which is restricted under ORS 192.660(2)(e). The parties intend by this section to protect from disclosure all Legacy Project information exchanged between any parties, or between any party and a consultant hired by a party for the Legacy Project, to the greatest extent permitted by law, regarding less whether the exchange occurred before execution of this Agreement and regardless of whether the writing or the document is marked "Confidential."

11.8 ***No Third-Party Beneficiary.*** This Agreement is between the parties and creates no third-party beneficiaries. Nothing in this Agreement gives or will be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

11.9 ***Assignment.*** No party may assign this Agreement, in whole or in part, or any right or obligation hereunder, without the prior written approval of the other parties.

11.10 ***Entire Agreement; Prior Agreements.*** This Agreement constitutes the entire agreement among the parties on the subject matter hereof and supersedes all prior or contemporaneous written or oral understandings, representations, or communications of every kind. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. To the extent this Agreement contradicts the MOU, this Agreement governs.

11.11 ***Modification; Waiver.*** No course of dealing between the parties and no usage of trade will be relevant to supplement any term used in this Agreement. No waiver, consent, modification, or change of terms of this Agreement will bind any party unless in writing and signed by the parties. The failure of a party to enforce any provision of this Agreement will not constitute a waiver by a party of that or any other provision.

11.12 **Authority.** The representatives signing on behalf of the parties certify they are duly authorized by the party for whom they sign to make this Agreement.

11.13 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

CITY OF OREGON CITY

METRO

Name: _____
Title: _____
Date: _____

Name: _____
Title: _____
Date: _____

CLACKAMAS COUNTY

STATE OF OREGON, through its Parks
and Recreation Department

Name: _____
Title: _____
Date: _____

Name: _____
Title: _____
Date: _____

STATE OF OREGON, through its
Portland Metro Regional Solutions
Office

Name: _____
Title: _____
Date: _____

- Exhibit A: Legacy Project Budget
- Exhibit B: Partners Group
- Exhibit C: TAC Work
- Exhibit D: Staffing Commitments

WILLAMETTE FALLS LEGACY PROJECT SOURCES AND USES
 FY 2017-2018 THROUGH FY 2018-2019

USES Contracts or Work Scopes	FY 17/18 - 18/19 Budget	SOURCES																													
		State		Metro						CLACK CO										Oregon City				RTF		Falls Legacy LLC					
		Lottery Bonds		NA Bond		General Fund		EPA Grant		Ec Dev Budget		CPDG Grant		NA Local Share		M/N Grant		Urban Renewal/ED		General Fund		Public Works		Park SDCs		Fundraising		CPDG Grant Match		Essement	
		FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19	FY 17/18	FY 18/19		
WFLP TAC																															
Friends Group	\$200,000									\$50,000																					
Federal and State Lobbying	\$0																														
Communications	\$210,000			\$100,000	\$100,000																\$5,000	\$5,000									
Unallocated	\$15,000																														
Subtotal	\$425,000	\$0	\$0	\$100,000	\$100,000	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
RIVERWALK																															
Construction Drawings	\$2,148,514	\$250,000		\$412,536																	\$27,500		\$65,000		\$85,804	\$64,196	\$1,043,478				
Site Survey	\$100,000			\$100,000																											
Archeological Support	\$160,000			\$100,000	\$50,000																\$10,000										
Cost Estimating	\$55,000			\$55,000																											
Bidding	\$72,000			\$36,000	\$36,000																										
Construction Contingency	\$1,113,750	\$150,000	\$963,750																												
Technical Studies	\$142,823			\$120,323																	\$22,500										
Operations and Maintenance Plan																															
Pre-Const. Habitat Restoration	\$17,500			\$17,500																											
Brownfield Remediation Plan	\$300,000			\$100,000				\$200,000																							
Materials and Supplies	\$92,000			\$12,000																											
Permitting	\$225,000	\$200,000		\$25,000																											
Construction	\$9,082,772	\$400,000	\$5,481,250																												
Staffing: PA	\$600,000			\$300,000	\$300,000																										
Staffing: Communications	\$208,000			\$104,000	\$104,000																										
Staffing: Oregon City	\$0																														
Owner Contingency	\$704,740			\$364,196	\$340,544																										
Subtotal	\$14,962,099	\$1,000,000	\$6,425,000	\$1,746,555	\$830,544	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$60,000	\$55,000	\$65,000	\$30,000	\$185,804	\$64,196	\$1,043,478	\$2,956,522	\$0	\$0	\$100,000	\$100,000		
INFRASTRUCTURE																															
WE Tunnel Improvements	\$250,000																														
Railroad Ave ROW Acquisition	\$41,300																														
Development Strategy	\$611,300																														
McLoughlin-Canemah Trail Plan	\$30,000																														
Staff: Development Strategy Lead	\$80,000																														
Unallocated Funds/Contingency	\$85,000																														
Subtotal	\$1,097,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$295,000	\$0	\$0	\$0	\$25,000	\$0	\$15,000	\$0	\$166,300	\$125,000	\$0	\$0	\$0	\$0	\$0	\$396,300	\$0	\$0	\$0		
ECONOMIC DEVELOPMENT																															
Ec Dev Staff Contract	\$50,000																														
Subtotal	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Grand Total	\$16,534,699	\$1,000,000	\$6,425,000	\$1,846,555	\$830,544	\$0	\$0	\$200,000	\$150,000	\$0	\$295,000	\$0	\$200,000	\$0	\$25,000	\$0	\$150,000	\$125,000	\$221,300	\$155,000	\$185,804	\$64,196	\$1,043,478	\$2,956,522	\$396,300	\$0	\$100,000	\$100,000			
		\$7,425,000							\$150,000							\$1,411,300							\$4,000,000			\$596,300					

NOTES: Budget reflects carryover from the previous budget period as well as new allocation. New sources such as grants and unanticipated fundraising will be reflected in future budget updates.

**WILLAMETTE FALLS RIVERWALK UPDATED PROJECT FUNDING
CONCEPT DESIGN & PHASE I PROJECT**

Project Sources	Metro NA Bond	Metro Gen. Fnd.	State Bond	State Bond	Falls Legacy	Tourism Grant	Oregon City	Fundraising	Total
Total Funds	\$ 5,000,000	\$ 100,000	\$ 5,000,000	\$ 7,500,000	\$ 400,000	\$ 53,622	\$ 1,245,581	\$ 5,912,939	\$ 25,212,142
Spent to Date	\$ 1,173,148	\$ 50,000	\$ 0	\$ 0	\$ 200,000	\$ 53,622	\$ 643,081	\$ 0	\$ 2,119,851
Available	\$ 3,826,852	\$ 50,000	\$ 5,000,000	\$ 7,500,000	\$ 200,000	\$ 0	\$ 602,500	\$ 5,912,939	\$ 23,092,291
Unallocated	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Project Budget	Metro NA Bond	Metro Gen. Fnd.	State Bond	State Bond	Falls Legacy	Tourism Grant	Oregon City	Fundraising	Total
Pre-Concept	\$ 126,754	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 75,000	\$ 0	\$ 201,754
Concept Design	\$ 1,655,447	\$ 50,000	\$ 0	\$ 0	\$ 200,000	\$ 53,622	\$ 568,081	\$ 0	\$ 2,527,150
Construction Documents*	\$ 1,869,065	\$ 0	\$ 250,000	\$ 0	\$ 200,000	\$ 0	\$ 452,500	\$ 709,553	\$ 3,481,118
Permitting and Construction	\$ 0	\$ 0	\$ 4,750,000	\$ 6,578,574	\$ 0	\$ 0	\$ 150,000	\$ 4,316,445	\$ 15,795,019
Owner Contingency	\$ 1,348,734	\$ 50,000	\$ 0	\$ 921,426	\$ 0	\$ 0	\$ 0	\$ 886,941	\$ 3,207,101
Total	\$ 5,000,000	\$ 100,000	\$ 5,000,000	\$ 7,500,000	\$ 400,000	\$ 53,622	\$ 1,245,581	\$ 5,912,939	\$ 25,212,142

*Construction Documentation includes additional technical investigation to support Phase I

Exhibit B

Partners Group

State

State Senator
State Representative
Regional Solutions
Oregon State Parks

Metro

Metro Council President
Metro Councilor
Metro Chief Operating Officer

Clackamas County

County Commissioner
County Commissioner
County Administrator

Oregon City

Mayor
City Commissioner
City Manager

Exhibit C

Work of the TAC

1. **General.** The following subsections set forth roles and responsibilities regarding the work of the TAC, as of the Effective Date of this Agreement and may change from time to time upon approval of the TAC.

1.1 **Project Administration.** Metro will lead and manage the overall administration of the TAC. It will create TAC agendas and meeting notes, and coordinate the Partners Group meetings. Metro's work will also include tracking the Legacy Project scope, schedule, Legacy Project Budget, and expenditures.

1.2 **Strategic Communications.** Except as related to tribal involvement in Section 1.6, below, Metro will lead the social media strategy, manage newsletters, provide coordination of public engagement, and create materials needed for funding requests, among other things. Metro will closely coordinate this work with the TAC and with communications staff of each party.

1.3 **Public Engagement.** Metro will lead the public engagement efforts in close coordination with the City. Metro will update the Legacy Project website.

1.4 **Funding Strategy.** The parties, through the TAC, will collaborate on fundraising and financing of the Legacy Project and future phases of the Riverwalk. This work will coordinate opportunities with Rediscover the Falls and is supported by funding from Oregon City, Clackamas County, and Metro.

1.5 **Private Parties.** In coordination with and with input from the TAC, Metro will lead negotiations with the Owner, PGE, and other third parties with respect to issues that have the potential to significantly impact all aspects of the Legacy Project, including real property issues. The parties shall refrain from communicating directly with the Owner, PGE, or other third parties on these issues without Metro's coordination and input in advance.

1.6 **Tribal Involvement.** The State will take the lead in government to government tribal consultation about involvement in the Willamette Falls Legacy Project and interpretation of the Riverwalk. Metro will create a process for additional tribal involvement, as necessary.

1.7 **Coordination with State Agencies.** The State, through the Regional Solutions office, will lead communication, coordination, and involvement of State Parks and all other state agencies in the Legacy Project, especially with regard to required state permits for the Riverwalk and state funding.

1.8 **Site Access and Tours.** Metro will coordinate scheduling of site access and site tours with the Owner and PGE, and will update the TAC regarding tours on a weekly basis. All parties shall help lead and facilitate the tours.

1.9 ***Implementation Strategies.*** Metro will lead efforts to deliver key decisions and workplans associated with the work of the TAC for future phases of the Legacy Project, taking into account such things as governance, Riverwalk ownership, fundraising, and financing. Metro awarded Oregon City a Community Planning and Development Grant (“CPDG”) for the purposes of reducing and removing barriers to private development. The TAC will continue to coordinate the scope of work for the CPDG as it relates to the Legacy Project.

1.10 ***Riverwalk Project Manager.*** Metro will provide a staff person to manage and coordinate all of the scopes of work and consultant contracts related to the Riverwalk. The Riverwalk Project Manager will create a project management plan for all the Riverwalk work.

1.11 ***Economic Development Project Manager.*** The City will take the lead on the creation and implementation of an economic development strategy for the Legacy Project.

WILLAMETTE FALLS LEGACY PROJECT

EXHIBIT D

PROPOSED IN KIND STAFFING COMMITMENTS FOR FY 17-18 & FY 18-19

Oregon City Key Staff	Primary Responsibility
Community Dev. Director	TAC
Community Services Director	TAC
Public Works Director	Infrastructure Planning Lead
Economic Development Mgr.	Economic Redevelopment Lead
Senior Planner	Economic Redevelopment Planning
Assistant Planner	Deputy Project Manager
Capital Projects Engineer	Infrastructure Planning

Clackamas County Key Staff	Primary Responsibility
BCS Director	TAC
Economic Development Coordinator	TAC & Economic Development Support

Metro Key Staff	Primary Responsibility
Parks & Ops. Prgm. Dir.	TAC
Conservation Program Director	TAC
Principal Parks Planner	WFLP Project Coordinator
Principal Parks Planner	Riverwalk Project Manager
Construction Project Manager	Riverwalk Construction Manager
Attorney	Project Attorney
Natural Resource Scientist	Habitat Design Expert
Communications Manager	Communications Lead
Program Assistant	Project Administrator

State of Oregon Key Staff	Primary Responsibility
Parks and Recreation Dep. Dir.	TAC
Metro Region Coordinator	TAC
Salmonberry Project Manager	TAC
Metro-area Regional Rep.	TAC



JUVENILE DEPARTMENT
JUVENILE INTAKE AND ASSESSMENT CENTER
2121 KAEN ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of Commissioners
Clackamas County

Members of the Board:

Approval of Amendment No. 3 to Contract No. 931488
Between Metro and Clackamas County

Purpose/ Outcomes	Extend an existing contract between Metro and Clackamas County through the Juvenile Department for litter pick-up near the Metro South Transfer Station.
Dollar Amount and Fiscal Impact	The value of Amendment No. 3 is \$72,000. These additional funds will increase the maximum value of the contract to \$215,000.
Funding Source	Metro
Duration	Effective July 1, 2017 to June 30, 2019
Previous Board Action	The initial contract received Board approval on January 17, 2013. Amendments No. 1 & 2 were approved by the Board June 5, 2014 and June 11, 2015, respectively.
Strategic Plan Alignment	Ensure safe, healthy and secure communities.
Contact Person	Lisa Krzmarzick, Senior Administrative Analyst, Juvenile Department, ext. 8788
Contract No.	Metro Contract No. 931488

BACKGROUND:

Metro and Clackamas County, through the Department of Transportation and Development (DTD), entered into a contractual relationship in January of 2013, regarding litter pick-up on roads and sections of I-205 near the Metro South Transfer Station, located at 2001 Washington Street, in Oregon City. DTD provided and supervised work crews for litter pick-up until the contract was transferred to the County's Juvenile Department on January 1, 2014.

The Juvenile Department provides work crews through its Project Payback Next Step program. The program supports youth in the development of work readiness skills and vocational exploration. The service provided by the youth work crews contribute to a safe and healthy community.

The initial contract provided \$75,000 for services and materials. Amendment No. 2 increased the maximum value by \$68,000 for a total of \$143,000.

The contract is effective July 1, 2017 through June 30, 2019. The two-year contract maximum is \$72,000. Increasing the maximum value of the contract to \$215,000.

County Counsel reviewed and approved this amendment on May 23, 2017.

RECOMMENDATION:

Staff recommends the Board approval of this amendment.

Respectfully submitted,

Christina L. McMahan, Director
Juvenile Department

Amendment



AMENDMENT NO. 03

CONTRACT NO. 931488

This Amendment hereby amends the above titled contract between Metro, a metropolitan service district organized under the law of the State of Oregon and the Metro Charter, and Clackamas County, hereinafter referred to as "County."

This amendment is a change order to the original Scope of Work as follows:

The purpose of this amendment is to continue the services for an additional two years.

The contract expiration date is extended from June 30, 2017 to June 30, 2019.

Metro shall pay County for services performed and materials delivered under this amendment in the amount not to exceed SEVENTY TWO THOUSAND AND NO/100THS DOLLARS (\$72,000.00), for a total contract amount not to exceed TWO HUNDRED FIFTEEN THOUSAND AND NO/100THS DOLLARS (\$215,000.00).

Except for the above, all other conditions and covenants remain in full force and effect.

IN WITNESS TO THE ABOVE, the following duly authorized representatives of the parties referenced have executed this Amendment.

CLACKAMAS COUNTY

METRO

By _____

Print Name Christina L. McMahan, Director

Date _____

By 

Print Name Paul Simon

Date 4/16/17

Approved as to form:

/s/ Stephen Madkour 5/23/2017
County Counsel

Dated this _____ day of _____, 2017
Board of County Commissioners

Jim Bernard, Chair

Recording Secretary



June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

**Approval of Intergovernmental Agreement with the State of Oregon Acting
by and through its Oregon Youth Authority for Individualized Services**

Purpose/ Outcomes	This IGA between the State of Oregon, by and through Oregon Youth Authority, and Clackamas County for Individualized Services Funding
Dollar Amount and Fiscal Impact	The maximum contract value is \$75,667.00
Funding Source	State of Oregon
Duration	Effective July 1, 2017 through June 30, 2019
Previous Board Action	IGA signed July 16, 2015 Agenda Item C.1
Strategic Plan Alignment	Ensure safe, healthy, and secure communities: Provides funds for individualized services to youth who are adjudicated delinquent to prevent the youth offender from further escalation into the Juvenile Justice System, increases public safety by providing more appropriate services to youth offenders in the community, and reduces the propensity of youth offenders to commit crimes and engage in antisocial behavior.
Contact Person	Lisa Krzmarzick, Senior Administrative Analyst, Juvenile Department, ext. 8788

BACKGROUND:

Provides funds for individual services for adjudicated youth and their families. Such services include psychological evaluations, therapy, GED testing and classes, bus passes, various pro-social and/or classes, polygraph tests, etc. The County agrees to provide youth-specific, comprehensive wrap around services for youth who are eligible for these services. In order to be eligible, a youth must be adjudicated delinquent and in need of services that cannot be funded through any other source, public or private, in any other way. Youth must be at risk of commitment to the Oregon Youth Authority (OYA), an OYA youth correctional facility, or youth at risk of recommitment/revocation to an OYA youth correctional facility.

RECOMMENDATION:

Staff recommends the Board of County Commissioners approve the attached Intergovernmental Agreement.

Respectfully submitted,

Christina L. McMahan, Director
Juvenile Department

In compliance with the Americans with Disabilities Act, this document is available in alternate formats such as Braille, large print, audio tape, oral presentation, and computer disk. To request an alternate format call the State of Oregon, Oregon Youth Authority, Procurement Unit at (503) 373-7371.

**STATE OF OREGON
INTERGOVERNMENTAL AGREEMENT
INDIVIDUALIZED SERVICES**



Agreement #13736

This Agreement is between the State of Oregon, acting by and through its **Oregon Youth Authority**, hereafter called "**OYA**" or "**Agency**", and **Clackamas County**, hereafter called "**County**", both individually without distinction as "Party" and collectively as the "Parties."

Agency's **Agreement Administrator** for this Agreement is: Laura Ward
Phone Number: (503) 373-7125
Address: 530 Center St NE, Suite 500, Salem, Oregon 97301

1. Effective Date and Duration. Upon receipt of all required approvals and execution by all parties, this Agreement shall be effective **July 1, 2017**. Unless extended or terminated earlier in accordance with its terms, this Agreement shall terminate when Agency accepts County's completed performance or on **June 30, 2019**, whichever date occurs first. Agreement termination shall not extinguish or prejudice Agency's right to enforce this Agreement with respect to any default by County that has not been cured.

2. Statement of Work. County shall perform the work (the "Work" or "Service") as set forth in the Statement of Work, which includes the delivery schedule for such Work, and that is attached hereto as Exhibit A. County shall perform the Work in accordance with the terms and conditions of this Agreement.

3. Consideration

- a. The maximum, not-to-exceed compensation payable to County under this Agreement, which includes any allowable expenses, is **\$75,667.00**. Agency will not pay County any amount in excess of the not-to-exceed compensation of this Agreement for completing the Work, and will not pay for Work performed before the date this Agreement becomes effective or after the termination of this Agreement. If the maximum compensation is increased by amendment of this Agreement, the amendment must be fully effective before County performs Work subject to the amendment.
- b. Interim payments to County shall be subject to ORS 293.462, and shall be made in accordance with the payment schedule and requirements in Exhibit A.
- c. Agency will pay only for completed Work that is accepted by Agency.

4. Documents. This Agreement consists of the following documents, which are listed in descending order of precedence: this Agreement less all exhibits, Exhibit A (the Statement of Work), Exhibit B (Subcontractor Requirements) and Exhibit C (Service Tracking in JJIS). Exhibit A, B and C are attached hereto and incorporated herein by this reference.

5. Independent Contractor; Responsibility for Taxes and Withholding

- a. County shall perform all Work as an independent contractor. The Agency reserves the right (i) to determine and modify the delivery schedule for the Work and (ii) to evaluate the quality of the Work Product, however, the Agency may not and will not control the means or manner of County's performance. County is responsible for determining the appropriate means and manner of performing the Work.
- b. If County is currently performing work for the State of Oregon or the federal government, County by signature to this Agreement, represents and warrants that: County's Work to be performed under this Agreement creates no potential or actual conflict of interest as defined by ORS 244 and no statutes, rules or regulations of the state or federal agency for which County currently performs work would prohibit County's Work under this Agreement.

c. The parties agree and acknowledge that their relationship is that of independent contracting parties and that County is not an "officer", "employee", or "agent" of the Agency, as those terms are used in ORS 30.265 or otherwise.

d. County shall be responsible for all federal or state taxes applicable to compensation or payments paid to County under this Agreement and, unless County is subject to backup withholding, Agency will not withhold from such compensation or payments any amount(s) to cover County's federal or state tax obligations. County is not eligible for any social security, unemployment insurance or workers' compensation benefits from compensation or payments paid to County under this Agreement, except as a self-employed individual.

6. Subcontracts, Successors, and Assignments

a. County may contract with a third person or entity (a "Subcontractor") for delivery of a particular Service or portion thereof (a "Subcontract"). County may permit a Subcontractor to subcontract with a third person or entity for delivery of a particular Service or portion thereof and such subcontractors shall also be considered Subcontractors for purposes of this Agreement and the subcontracts shall be considered Subcontracts for purposes of this Agreement. County shall not permit any person or entity to be a Subcontractor unless the person or entity holds all licenses, certificates, authorizations and other approvals required by applicable law to deliver the Service. County shall ensure that the Subcontract is in writing and contains all provisions of this Agreement necessary for County to comply with its obligations under this Agreement and applicable to the Subcontractor's performance under the Subcontract, including but not limited to, all provisions of this Agreement that expressly require County to require Subcontractor's compliance with respect thereto. County shall maintain an originally executed copy of each Subcontract at its office and shall furnish a copy of any Subcontract to the Agency upon request.

b. County shall not assign, delegate or transfer its interest in this Agreement without prior written approval of Agency. Any such assignment or transfer, if approved, is subject to such conditions and provisions as the Agency may deem necessary. No approval by the Agency of the assignment or transfer of interest shall be deemed to create any obligation of the Agency in addition to those set forth in the Agreement.

c. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, and permitted assigns.

7. No Third Party Beneficiaries. The Agency and County are the only parties to this Agreement and are the only parties entitled to enforce its terms. The parties agree that County's performance under this Agreement is solely for the benefit of the Agency to assist and enable the Agency to accomplish its statutory mission. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons any greater than the rights and benefits enjoyed by the general public unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

8. Funds Available and Authorized; Payments. County shall not be compensated for Work performed under this Agreement by any other agency or department of the State of Oregon. Agency certifies that it has sufficient funds currently authorized for expenditure to finance the costs of this Agreement within the Agency's current biennial appropriation or limitation. County understands and agrees that Agency's payment of amounts under this Agreement is contingent on Agency receiving appropriations, limitations, allotments or other expenditure authority sufficient to allow Agency, in the exercise of its reasonable administrative discretion, to continue to make payments under this Agreement.

9. Representations and Warranties. County represents and warrants to Agency as follows:

a. Organization and Authority. County is a political subdivision of the State of Oregon duly organized and validly existing under the laws of the State of Oregon. County has full power, authority and legal right to make this Agreement and to incur and perform its obligation hereunder.

b. Due Authorization. The making and performance by County of this Agreement (1) have been duly authorized by all necessary action of County and (2) do not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of County's charter or other organizational document and (3) do not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which County is a party or by which County or any of its properties may be bound or affected. No authorization, consent, license, approval of, filing or registration with or notification to any other governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by County of this Agreement.

c. Binding Obligation. This Agreement has been duly executed and delivered by County and constitutes a legal, valid and binding obligation of County, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.

d. Accuracy of Information. The statements made in and the information provided in connection with any applications, requests or submissions to the State hereunder or in connection with any funding provided to County hereunder are true and accurate in all materials respects.

e. Services. The delivery of each Service will comply with the terms and conditions of this Agreement and meet the standards for such Service as set forth herein, including but not limited to, any terms, conditions, standards and requirements set forth in Exhibit A.

f. The warranties set forth above are in addition to, and not in lieu of, any other warranties set forth in this Agreement or implied by law.

10. Ownership of Intellectual Property.

a. Except as otherwise expressly provided herein, or as otherwise provided by state or federal law, OYA will not own the right, title and interest in any intellectual property created or delivered by County or a Subcontractor in connection with the Services. With respect to that portion of the intellectual property that the County owns, County grants to OYA a perpetual, worldwide, non-exclusive, royalty-free and irrevocable license, subject to any provisions in the Agreement that restrict or prohibit dissemination or disclosure of information, to (i) use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the intellectual property, (ii) authorize third parties to exercise the rights set forth in Section 10.a(i) on OYA's behalf, and (iii) sublicense to third parties the rights set forth in Section 10a(i).

b. If state or federal law requires that OYA or County grant to the United States a license to any intellectual property or if state or federal law requires that OYA or the United States own the intellectual property, then County shall execute such further documents and instruments as OYA may reasonably request in order to make any such grant or to assign ownership in the intellectual property to the United States or OYA. To the extent that OYA becomes the owner of any intellectual property created or delivered by County in connection with the Services, OYA will grant a perpetual, worldwide, non-exclusive, royalty-free and irrevocable license, subject to any provisions in the Agreement that restrict or prohibit dissemination or disclosure of information, to County to use, copy, distribute, display, build upon and improve the intellectual property.

c. County shall include in its Subcontracts terms and conditions necessary to require that Subcontractors execute such further documents and instruments as OYA may reasonably request in order to make any grant of license or assignment of ownership that may be required by federal or state law or otherwise requested by OYA.

11. Contribution

a. 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.

b. 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.

c. 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.

12. Default; Remedies; Termination.

a. Default by County. County shall be in default under this Agreement upon the occurrence of any of the following events:

(i) County fails to perform, observe or discharge any of its covenants, agreements or obligations set forth herein, including but not limited to, County's failure to comply with the Individualized Services Referral form;

(ii) Any representation, warranty or statement made by County herein or in any documents or reports relied upon by Agency to measure the delivery of Services, the expenditure of funds or the performance by County is untrue in any material respect when made;

(iii) County (i) applies for or consents to the appointment of, or taking of possession by, a receiver, custodian, trustee, or liquidator of itself or all of its property, (ii) admits in writing its inability, or is generally unable, to pay its debts as they become due, (iii) makes a general assignment for the benefit of its creditors, (iv) is adjudicated a bankrupt or insolvent, (v) commences a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (vi) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vii) fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the Bankruptcy Code, or (viii) takes any action for the purpose of effecting any of the foregoing; or

(iv) A proceeding or case is commenced, without the application or consent of County, in any court of competent jurisdiction, seeking (i) the liquidation, dissolution or winding-up, or the composition or readjustment of debts, of County, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of County or of all or any substantial part of its assets, or (iii) similar relief in respect to County under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case continues un-dismissed, or an order, judgment, or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect for a period of sixty consecutive days, or an order for relief against County is entered in an involuntary case under the Federal Bankruptcy Code (as now or hereafter in effect).

b. Agency's Remedies for County's Default. In the event County is in default under Section 12.a, Agency may, at its option, pursue any or all of the remedies available to it under this Agreement and at law or in equity, including, but not limited to:

(i) termination of this Agreement under Section 12.e(ii)(D), (E), or (F);

(ii) withholding all monies due for Work and Work Products that County has failed to deliver within any scheduled completion dates or has performed inadequately or defectively;

(iii) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief;

(iv) exercise of its right of setoff.

These remedies are cumulative to the extent the remedies are not inconsistent, and Agency may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever. If a court determines that County was not in default under Section 12.a, then County shall be entitled to the same remedies as if this Agreement was terminated pursuant to Section 12.e(ii)(A), (B), or (C).

c. Agency Default. Agency shall be in default under this Agreement upon the occurrence of any of the following events:

(i) Agency fails to perform, observe or discharge any of its covenants, agreements, or obligations set forth herein; or

(ii) Any representation, warranty or statement made by Agency herein is untrue in any material respect when made.

d. County's Remedies for Agency's Default. In the event Agency terminates the Agreement under Section 12.e(ii)(A), (B), or (C), or in the event Agency is in default under Section 12.c and whether or not County elects to

exercise its right to terminate the Agreement under Section 12.e(i)(B), County's sole monetary remedy shall be (a) with respect to services compensable on an hourly basis, a claim for unpaid invoices, hours worked within any limits set forth in this Agreement but not yet billed, authorized expenses incurred and interest within the limits permitted under ORS 293.462, and (b) with respect to deliverable-based Work, a claim for the sum designated for completing the deliverable multiplied by the percentage of Work completed and accepted by Agency, less previous amounts paid and any claim(s) that Agency has against County. In no event shall Agency be liable to County for any expenses related to termination of this Agreement or for anticipated profits. If previous amounts paid to County exceed the amount due to County under this Section 12.d, County shall pay immediately any excess to Agency upon written demand.

e. Termination.

(i) County Termination. County may terminate this Agreement:

(A) In its entirety for its convenience, upon 90 days advance written notice to the Agency.

(B) Upon 30 days advance written notice to Agency, if Agency is in default under this Agreement and such default remains uncured at the end of said 30 day period or such longer period, if any, as County may specify in the notice.

(C) Upon 45 days advance written notice to Agency, if County does not obtain funding, appropriations and other expenditure authorizations from County's governing body, federal, state or other sources sufficient to permit County to satisfy its performance obligations under this Agreement, as determined by County in the reasonable exercise of its administrative discretion.

(D) Immediately upon written notice to Agency, if Oregon statutes or federal laws, regulations or guidelines are modified, changed or interpreted in such a way that County no longer has the authority to meet its obligations under this Agreement.

(ii) Agency's Termination. Agency may terminate this Agreement in its entirety or may terminate its obligation to provide funds under any portion of this Agreement:

(A) Upon 90 days' advance written notice to County, if Agency determines, in its sole discretion, to end all or any portion of the funds to County under this Agreement.

(B) Upon 45 days written notice to County, if Agency does not obtain funding, appropriations and other expenditure authorizations from federal, state or other sources sufficient, in the exercise of Agency's reasonable administrative discretion, to meet the payment obligations of Agency under this Agreement.

(C) Immediately upon written notice if state or federal laws, regulations, or guidelines are modified changed or interpreted in such a way that the Agency does not have the authority to provide funds for one or more Services or no longer has the authority to provide the funds from the funding source it had planned to use.

(D) Upon 30 days advance written notice to County, if County is in default under this Agreement and such default remains uncured at the end of said 30 day period or such longer period, if any, as Agency may specify in the notice.

(E) Immediately upon written notice to County, if any license or certificate required by law or regulation to be held by County or a subcontractor to deliver a Service is for any reason denied, revoked, suspended, not renewed or changed in such a way that County or a subcontractor no longer meets requirements to deliver the Service. This termination right may only be exercised with respect to the particular group of Services impacted by loss of necessary licensure or certification.

(F) Immediately upon written notice to County, if Agency determines that County or any of its subcontractors have endangered or are endangering the health or safety of a Client or others.

(iii) Entire Agreement. Upon termination of this Agreement in its entirety, Agency shall have no further obligation to pay funds to County under this Agreement, whether or not Agency has paid to County all funds described in Exhibit A. Notwithstanding the foregoing, Agency shall make payments to reimburse County's for services provided prior to the effective date of termination where such services are authorized pursuant to this Agreement and are not disputed by Agency.

13. Limitation of Liabilities. EXCEPT FOR LIABILITY OF DAMAGES ARISING OUT OF OR RELATED TO SECTION 11, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT. NEITHER PARTY SHALL BE LIABLE FOR ANY DAMAGES OF ANY SORT ARISING SOLELY FROM THE TERMINATION OF THIS AGREEMENT OR ANY PART HEREOF IN ACCORDANCE WITH ITS TERMS.

14. Records Maintenance; Access. County shall maintain, and require all subcontractors to maintain, all financial records relating to this Agreement or any subcontractor contract in accordance with generally accepted accounting principles. In addition, County shall maintain and require all subcontractors to maintain, any other records (including but not limited to statistical records) pertinent to this Agreement in such a manner as to clearly document County's and

each subcontractor's performance. County acknowledges and agrees that Agency and the Oregon Secretary of State's Office and the federal government and their duly authorized representatives shall have access to such fiscal and statistical records and other books, documents, papers, plans and writings of County that are pertinent to this Agreement to perform examinations, audits and program reviews and make excerpts and transcripts. A copy of an audit or report will be made available to County. County shall retain and keep accessible all such fiscal and statistical records, books, documents, papers, plans, and writings for a minimum of six (6) years, or such longer period as may be required by applicable law, following final payment and termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.

15. Compliance with Applicable Law. County shall comply and require all subcontractors to comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Agreement or to the delivery of Services. Without limiting the generality of the foregoing, County expressly agrees to comply with the following laws, regulations and executive orders to the extent they are applicable to the Agreement: (i) Titles VI and VII of the Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) the Health Insurance Portability and Accountability Act of 1996; (vi) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vii) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (viii) ORS Chapter 659, as amended; (ix) all regulations and administrative rules established pursuant to the foregoing laws; and (x) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. These laws, regulations and executive orders are incorporated by reference herein to the extent that they are applicable to the Agreement and required by law to be so incorporated. Agency's performance under the Agreement is conditioned upon County's compliance with the provisions of ORS 279B.220, 279B.230 and 279B.235, which are incorporated by reference herein. County shall, to the maximum extent economically feasible in the performance of this Agreement, use recycled paper (as defined in ORS 279A.010(1)(gg)), recycled PETE products (as defined in ORS 279A.010(1)(hh)), and other recycled products (as "recycled product" is defined in ORS 279A.010(1)(ii)).

16. Force Majeure. Neither Agency nor County shall be held responsible for delay or default caused by fire, civil unrest, labor unrest, natural causes, terrorist acts and other acts of political sabotage, and war which is beyond respectively, the Agency's or County's reasonable control. Each party shall, however, make all reasonable efforts to remove or eliminate such cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

17. Survival. All rights and obligations shall cease upon termination or expiration of this Agreement, except for the rights and obligations set forth in Sections 1, 7, 8, 9, 10, 11, 12, 13, 14, 17, 20, 21, 22 and 24.

18. Notice. Except as otherwise expressly provided in this Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing, by personal delivery, facsimile, electronic mail, or mailing the same, postage prepaid, to County or Agency at the address or number set forth in this Agreement, or to such other addresses or numbers as either party may indicate pursuant to this Section 18. Any communication or notice so addressed and mailed shall be effective five (5) days after mailing. Any communication or notice delivered by facsimile shall be effective on the day the transmitting machine generates a receipt of the successful transmission, if transmission was during normal business hours of the recipient, or on the next business day, if transmission was outside normal business hours of the recipient. Any communication or notice delivered by electronic mail shall be effective on the day of notification of delivery to the recipient's e-mail system. Any communication or notice given by personal delivery shall be effective when actually delivered.

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

20. Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of the Agreement so executed shall constitute an original.

21. Governing Law; Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between Agency (and/or any other agency or department of the State of Oregon) and County that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within a Circuit Court in the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. COUNTY, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

22. Integration and Waiver. This Agreement, including all of its Exhibits, constitutes the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The failure of either party to enforce any provision of this Agreement shall not constitute a waiver by that party of that or any other provision. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

23. Criminal History Checks: The Agency has statutory authority to access criminal offender information on all persons providing services under this Agreement (ORS 181.010, 420A.010 (11) and 420A.021).

24. Confidentiality of Information.

a. The use or disclosure by the County and its employees and agents of any information concerning a recipient of Services, for any purpose not directly connected with the administration of the County's responsibilities with respect to such Services, is prohibited, except on written consent of the person or persons authorized by law to consent to such use or disclosure. The County shall prohibit the use or disclosure by the County's subcontractors and their employees and agents of any information concerning a recipient of Services provided under the applicable subcontracts, for any purpose not directly connected with the administration of the County's or subcontractor's responsibilities with respect to such Services, except on written consent of the person or persons authorized by law to consent to such use or disclosure. All records and files shall be appropriately secured to prevent access by unauthorized persons. The County shall, and shall require its subcontractors to, comply with all appropriate federal and state laws, rules and regulations regarding confidentiality of client records.

b. Agency shall include a provision in its contracts with contractors who utilize information related to the Services provided under this Agreement for research purposes, providing that contractor and its subcontractors under that contract shall not release confidential information on individual youth for purposes unrelated to the administration of the contract or required by applicable law, and a provision that contractor or its subcontractors under that contract shall appropriately secure all records and files to prevent access by unauthorized persons.

c. County shall maintain and require all Providers to maintain a Client record for each youth that receives a Service.

25. County-Client Relationship. The County shall establish a system approved by Agency through which a youth and the youth's parents or guardian may present grievances about the operation of the County's service program. At the time arrangements are made for the County's services, the County shall advise the youth and parents or guardian of the youth of the existence of this grievance system. The County shall notify the Agency of all unresolved grievances.

26. Program Records, Controls, Reports and Monitoring Procedures. The County shall maintain program records including statistical records, and provide program records to the Agency at times and in the form prescribed by the Agency. The County shall establish and exercise such controls as are necessary to assure full compliance with the program requirements of this Agreement. The County also agrees that a program and facilities review (including meetings with youth, review of service records, review of policy and procedures, review of staffing ratios and job descriptions, and meetings with any staff directly or indirectly involved in the provision of services) may be conducted at any reasonable time by any or all of the following: state personnel, federal personnel, and other persons authorized by the Agency. The County shall cooperate fully with such reviews.

27. Mandatory Reporting: As required by Oregon Law (ORS 419B.005 through ORS 419B.050), all OYA contractors must immediately inform either the local office of the Department of Human Services (DHS) or a law

COUNTY, BY EXECUTION OF THIS AGREEMENT, HEREBY ACKNOWLEDGES THAT COUNTY HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

YOU WILL NOT BE PAID FOR SERVICES RENDERED PRIOR TO NECESSARY STATE APPROVALS

I hereby certify and affirm I am eligible and authorized to sign this agreement on behalf of the County.

AGENCY: STATE OF OREGON, acting by and through its Oregon Youth Authority

By: _____ Date: _____

By: _____ Date: _____

Amber Forster, Designated Procurement Officer

Title: _____

Mailing Address: 530 Center St. NE, Suite 500
Salem, Oregon 97301-3740

Mailing Address: _____

Facsimile: (503) 373-7921

Facsimile: _____

Approved as to Legal Sufficiency by the **Attorney General's Office:** (Required if total amount owing under the Agreement, including amendments, exceeds or is likely to exceed \$150,000.00)

By: _____
Recording Secretary

By: **Exempt OAR 137-045-0050** Date: _____
Assistant Attorney General

Date: _____

County Counsel Approval:
By: /s/ Jeffrey Munns
Date: June 20, 2017

Reviewed and Approved by **OYA Agreement Administrator:**

By: Approved via e-mail Date: 4/25/17
Laura Ward

Reviewed by **OYA Procurement Specialist:**

By: _____ Date: _____
Laura Mulholland

**EXHIBIT A
STATEMENT OF WORK**

1. STATEMENT OF WORK:

1.1 Overview: Individualized services funds are intended to purchase services to meet widely varied needs, ranging from simple one-time services/purchases to complex, multi-disciplinary case management services necessary to keep a youth offender in the community, prevent commitment to Oregon Youth Authority (OYA or Agency) Probation and/or an OYA youth correctional facility, or revocation/recommitment of a youth offender to an OYA youth correctional facility. Funds are not intended for routine and ongoing costs that are already built in to other payment structures such as ongoing clothing needs, grooming needs, student body cards, etc. Rather, they are intended to fill in where other funding sources are unavailable because of the uniqueness of the need. The purchase shall directly support a need specifically itemized in a case/reformation plan. County shall research and use other resources before using Individualized services funds. Individualized services are intended to be based on evidence-based principles.

Individualized services provided by the County shall have a holistic approach across the following case plan domains:

- a) Medical;
- b) Mental Health;
- c) Social Living Skills;
- d) Alcohol and Drug Treatment;
- e) Education;
- f) Vocational;
- g) Family; and
- h) Offense specific.

Individualized services requested shall be:

- a) case-plan driven and community based;
- b) based on evidenced-based principles;
- c) outcome oriented;
- d) proactive in approach (not crisis driven); and
- e) culturally competent and gender specific.

1.2 Eligibility: The County agrees to provide youth-specific, comprehensive wrap around services for youth who are eligible for Individualized services funds. Eligible youth are those youth who have been adjudicated delinquent; are in need of services that **cannot** be funded through any other source, public or private, in any other way and services are case plan driven; and are determined to:

- a) be at risk of commitment to the OYA; or
- b) be at risk of commitment to an OYA youth correctional facility; or
- c) be at risk of recommitment/revocation to an OYA youth correctional facility.

1.3 Supervising Representatives: The Supervising Representatives for purposes of this Agreement shall be:

AGENCY: Peter Sprengelmeyer, Assistant Director, Community Services
530 Center Street NE, Suite 500, Salem, Oregon, 97301
(503) 373-7531
Peter.Sprengelmeyer@oya.state.or.us

COUNTY: Christina McMahan, Juvenile Department Director
2121 Kaen Road, Oregon City, Oregon 97045-4037
503-650-8342 x3171
CMcMahan@co.clackamas.or.us

Should a change in the Agency's or County's Supervising Representative or Agency's Agreement Administrator become necessary, Agency or County will notify the other party of such change. Such change shall be effective without the necessity of executing a formal amendment to this Agreement.

1.4 Services: The County's juvenile department staff shall be responsible for providing services to youth offenders referred for services under this Agreement. All referrals shall be submitted and approved using the Individualized Services Referral form as identified in subsection 1.6 of this Exhibit A. The services provided under this Agreement must:

- a) be youth-specific;
- b) provide direct support of the youth offender's specific case/reformation plan;
- c) be utilized only when no other funding sources exist, public or private, for which the youth offender could qualify;
- d) reflect a prudent expenditure of public funds and be within acceptable community norms;
- e) present no threat to public safety; and
- f) conform to the Agency's Individualized Services User Handbook. A copy of the Agency's Individualized Services User Handbook will be on file with the County and Agency.

1.5 Process: Individualized services expenditures must be approved in advance and in writing by a designee of the County and a designee of the Agency. The designee for both the County Juvenile Department and Agency shall be approved by the Agency's Supervising Representative of this Agreement.

1.6 Individualized Services Referral Form: Before any expenditures can be approved under this Agreement, the County, in consultation with the Agency, shall develop a form for each youth for whom Services are requested, titled "Individualized Services Referral" that shall be approved by the Agency Parole / Probation Supervisor or designee and Juvenile Department-designated representative for authorization of services under this Agreement. The form shall include:

- a) a statement that services are being provided under the terms of this Agreement;
- b) youth offender's Juvenile Justice Information System (JJIS) number;
- c) name of the youth offender;
- d) youth offender's date of birth;
- e) basis of jurisdiction;
- f) the signature of the requestor;
- g) case/reformation plan domain and objective and how the requested service will aid in the accomplishment of that plan;
- h) a description of the services to be provided;
- i) the service provider selected;
- j) unit cost;
- k) number of units;
- l) the total dollar amount of the services being requested;
- m) beginning and ending dates for which the services are to be delivered; and
- n) the approval signatures from a designated representative of both the County and the Agency.

County shall keep the detailed Individualized Services Referral form on file with the County and available for Agency review for a period of 24 months after the end date of this Agreement. County shall keep copies of the form available thereafter in the County's youth offender's case specific file.

1.7 Goals/Objectives: The goal of the expenditure of funds under this Agreement shall be to prevent the youth offender from further escalation into the Juvenile Justice System. Measurable progress toward these general goals shall be included in the synopsis as described in subsection 1.8 of this Exhibit A below. The goals for these funds include:

- a) reduce commitments and revocations of youth offenders who can safely be managed in the community;
- b) increase public safety by providing more appropriate services to youth offenders in the community;
- c) increase positive reformation and evidenced-based reduction of risk;

- d) decrease self-destructive behavior of youth offenders served;
- e) increase educational participation of youth offenders served;
- f) reduce the propensity of youth offenders to commit crimes;
- g) increase the skills of youth offenders to appropriately live in a community setting; and
- h) reduce the propensity of a youth offender to engage in antisocial behavior.

1.8 Synopsis: The County shall provide the Agency, **on a monthly or quarterly basis**, a synopsis of youth offenders who have been approved for the Individualized services funds during the previous month or quarter. The expenditure of Individualized service funds is directly related to the youth offender’s case/reformation plan. All of the information required in the synopsis is available in the youth offender’s case/reformation plan. The synopsis shall include:

- a) the youth offender’s JJIS number;
- b) the youth offender’s status (OYA, Juvenile Department);
- c) the risk score from the Agency’s adopted risk tool or the Oregon JCP Screen/Assessment instrument;
- d) the date(s) services were provided;
- e) the type of service authorized for the youth offender;
- f) the service provider;
- g) the total amount expended for the youth offender; and
- h) a brief description of what domain and objective from the youth offender’s case/reformation plan were met.

The synopsis shall be detailed and in the following format:

JJIS Number	Youth Status	Risk Score	Date(s) of Service	Type of Service	Service Provider	Amount Expended	Domain	Objective	OYA Agreement Number
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All of the information required in the synopsis is available in the youth offender’s case/reformation plan.

The County shall provide additional youth offender specific and service specific information upon request by the Agency. County shall send the synopsis monthly or quarterly attached to the invoice to the Oregon Youth Authority, Authorized Representative per Subsection 1.3 of this Exhibit A.

1.9 Survey/Report: The Agency is periodically required to report information on how the Individualized service funds are utilized. To meet this requirement the Agency may periodically request a report from the County that may include all or a portion of the information reported in the synopsis. The County shall provide this report upon the Agency’s request.

1.10 Verification of Service: The County by **submitting an invoice, completed Individualized Services Referral Form(s) and synopsis for reimbursement** is verifying that all services obtained for youth offenders under this Agreement have been provided as specified in the Individualized Services Referral form.

1.11 Other Funding Source Limits: Should a youth offender receiving services under this Agreement become eligible for services under any other private or public funding, then the services authorized by the Agreement for that specific youth offender shall be terminated and County shall not seek reimbursement for any future services so long as other funding exists.

1.12 Equal Access: The County agrees that there will be equal access to these funds for all adjudicated youths that have need for services under this Agreement. The County agrees that gender equity and diversity will be addressed appropriately and equitably.

1.13 Female Offenders: The Agency recognizes that female offender services continue to be more difficult to access; the use of Individualized services for female youth offenders will reflect services that offer specific and appropriate services for this population and employ service providers cognizant of female issues.

1.14 Evidence-Based Programs: County shall work with Agency to develop a process to ensure that programs and services funded under this Agreement are appropriate and workable and meet the guidelines of evidence-based

programs and cost effectiveness as described under SB 267 (2003), ORS 182.515, as applicable. County shall work with Agency to develop a reporting process on County's evidence-based programs and services funded under this Agreement. County shall submit such reports to the Agency on County's evidence-based programs and services funded under this Agreement at such frequency as may be requested by Agency.

1.15 Reporting and Documentation: During the term of this Agreement, County shall provide OYA with the necessary service information to track treatment and accountability services in JJIS, as defined by JJIS policy, Exhibit C "Service Tracking in JJIS" as it may be from time to time amended, or by service extracts, for progress in achieving the high level outcomes. This also applies to providing information on funded services not tracked in JJIS.

2. CONSIDERATION:

2.1 As consideration for the services provided by the County under this Agreement, the Agency, subject to the provision of ORS 293.462 (payment of overdue account charges) and the terms and conditions of this Agreement, will pay to the County, by warrant(s) an amount not to exceed **\$75,667.00**.

2.2 The Agency reserves the right to deny payment for services provided that do not conform to the Agency's Individualized Services User Handbook, as may be revised from time to time.

2.3 Agency will reimburse County for all Allowable Costs that are authorized pursuant to this Agreement. "Allowable Costs" are defined as those costs which are reasonable and necessary for delivery of services under this Agreement, determined in accordance with 2 CFR Part 230 (Office of Management and Budget (OMB) Circular A 122) as revised from time to time. Agency will reimburse County for the Allowable Costs under this Agreement at the rates not to exceed those shown on the published OYA rate schedule or, if the services are not listed on the OYA rate schedule, then at the Oregon Medicaid rate, at the time services were provided. The rate schedule is available at <http://www.oregon.gov/oia/Pages/contracts.aspx>. When the rate schedule is revised, the County will be notified of the new rates. When determining appropriate providers for County adjudicated youth, County must be aware of any Agency contracts with the same providers and not agree to reimburse the provider for more than the comparable amount the provider charges the Agency for similar services.

2.4 It is agreed that any payment or reimbursement received by the County from a parent or guardian or any other personal entitlement received on behalf of any youth offender served under this Agreement shall be promptly remitted by the County to the Agency.

2.5 If the County allocates any indirect costs to this Agreement, the County shall make available to the Agency, upon request, a written cost allocation plan covering the handling and distribution of indirect costs. If all costs are direct costs to this Agreement, no cost allocation plan is required. In no event shall this subsection be construed to allow the County to require the Agency to pay any indirect costs allocated to this Agreement by County.

The County shall make available upon request by the Agency a monthly or quarterly detailed administrative financial report to support the actual monthly or quarterly administrative expenditures required under this Agreement.

2.6 The County agrees that the costs reimbursed by the Agency for services to youth offenders under this Agreement shall not exceed the costs for comparable services that are not covered by this Agreement.

2.7 The County will not impose or demand any fees from any person or agency (other than the Agency) for services provided and paid for under this Agreement, unless these fees have been approved in advance in writing by the Agency.

2.8 If, as a result of County's neglect or misconduct, the Agency terminates a youth offender's referral to the County under this Agreement, then the County shall no longer be entitled to reimbursement under this Agreement with respect to such youth offender after the date of such termination.

2.9 The County shall not use the funds provided hereunder to supplant money otherwise provided to the County Juvenile Department for services to delinquent youth.

3. PAYMENT:

3.1 County shall submit monthly or quarterly invoices along with the completed and approved Individualized Services Referral Form(s) described in subsection 1.6 and the attached synopsis as identified in subsection 1.8 of this Exhibit A, for Work performed for review and approval by the Agency. The invoices shall describe the Work performed and the total amount for that month or quarter. The invoices shall be provided on a form provided by the Agency. Copies of the invoices and receipts shall be retained by County for 24 months after the end date of this Agreement and shall be made available for review by Agency as described in subsection 3.5 of this Exhibit A. The invoices shall be prepared on Agency's form of invoice which County shall submit to: Oregon Youth Authority, Agency Parole / Probation Supervisor outlined in subsection 1.6 of this Exhibit A in accordance with Agency's instructions provided by Agency to County. Payment of any amount under this Agreement shall not constitute approval of the Work. The Agency's obligation to pay an invoice is conditioned upon the County providing the Agency with the synopsis specified in subsection 1.8 of this Exhibit A for the month or quarter for which payment is sought.

3.2 County shall not submit invoices for, and Agency will not pay, any amount in excess of the maximum compensation amount set forth above. If this maximum compensation amount is increased by amendment of this Agreement, the amendment must be fully effective before County performs services subject to the amendment. County shall notify Agency's Agreement Administrator in writing thirty (30) calendar days before this Agreement expires of the upcoming expiration of the Agreement. No payment will be made for any services performed before the beginning date or after the expiration date of this Agreement, as it may be amended from time to time in accordance with its terms.

3.3 If payments to County by the Agency under this Agreement are made in error or are found by the Agency to be excessive under the terms of this Agreement, the Agency, after giving written notification to the County, may withhold payments due to County under this Agreement in such amounts, and over such periods of time, as are deemed necessary by the Agency to recover the amount of the overpayment. This subsection 3.3 shall survive expiration or earlier termination of this Agreement and be fully enforceable thereafter.

3.4 County must submit its final invoice to the Agency no later than sixty (60) days after the expiration date of this Agreement. The Agency shall be under no obligation to pay for services not billed within sixty (60) days after the expiration date of this Agreement.

3.5 The Agency reserves the right to periodically audit and review the actual expenses of the County for the following purposes:

- 1) To document the relation between the established payments under this Agreement and the amounts spent by the County.
- 2) To document that the amounts spent by the County are reasonable and necessary to assure quality service.
- 3) To assure that the County's expenses are allowable in accordance with 2 CFR Part 225 or 2 CFR Part 230 (Federal OMB Circulars A-87 or A-122, respectively) on Allowable Costs. In the event a periodic audit and review by the Agency shows that the County's expenses are not allowable under 2 CFR Part 225 or 2 CFR Part 230 (Federal OMB Circulars A-87 or A-122, respectively) on Allowable Costs in any material respect, Agency may terminate this Agreement.

3.6 In addition to any other rights accorded to the Agency under this Agreement, if the County fails to comply with the provisions of subsections 2.3, 2.4, 2.6, 2.7 and 3.5 above, the Agency may terminate this Agreement pursuant to Section 12 e.(ii)(D) and invoke the remedies available to it, exercise its rights under subsection 3.3 of this Exhibit A, or both. Nothing in this provision shall require County or Agency to act in violation of state or federal constitutions, statutes, regulations or rules. The rights and remedies set forth in this Agreement are not intended to be exhaustive and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies at law or in equity.

3.7 If the Oregon Legislative Assembly, Legislative Emergency Board or Oregon Department of Administrative Services increases or decreases the amount of money appropriated or allotted for implementation of the Services

under this Agreement, OYA may, by written notice to County, unilaterally increase or decrease the amount of the funding in this Agreement. In such circumstances, if requested by either party, the parties shall execute an amendment to this Agreement reflecting an increase or decrease in the funding implemented under this Section. Nothing in this Section shall limit or restrict OYA's rights under this Agreement to suspend payment of funds or to terminate this Agreement as a result of a reduction in appropriations or allotments. Notwithstanding the order of precedence listed in Section 4 of this Agreement, this Subsection 3.7 of this Exhibit A takes precedence over all other provisions of this Agreement including all Exhibits.

4. AMENDMENT:

This Agreement may be amended one or more times by mutual agreement of the Parties for time, money, terms, conditions, services, or any combination of the preceding. Any such amendment is not effective until approved by all parties and all necessary legal approvals have been obtained from the Department of Justice.

5. CONFLICT OF INTEREST

County shall notify Agency in writing when a current employee or newly hired employee is also an employee of the Agency. The notification shall be submitted to the Agreement Administrator and the OYA Procurement Unit and shall include the name of the employee and their job description. The Agency will review the employment situation for actual and potential conflicts of interest as identified under ORS Chapter 244.

6. EMERGENCY SUSPENSION/TERMINATION BY AGENCY

The parties understand and agree that under any of the following circumstances, without limitation, the Agency may remove or suspend a youth offender from services with the County immediately:

- i. An allegation of child abuse/neglect or other conditions causing the Agency to determine that the youth offender's health, safety or welfare may be endangered; and
- ii. An allegation of misconduct of County, County's employee or subcontractor causing the Agency to determine that the youth offender's health, safety or welfare may be endangered.

If as a result of County's alleged child abuse/neglect or misconduct, Agency suspends or terminates a youth offender's services with County in accordance with this Agreement, the County shall not be entitled to any compensation under this Agreement with respect to such youth from and after the date of such suspension or termination.

7. CRIMINAL HISTORY RECORDS CHECK

County shall ensure that, before any person provides services under this Agreement, the person has passed a criminal history check based on Agency's criminal history records check standards as set forth in OAR 416-800-0000 to 416-800-0095.

Any person that has not yet passed a criminal history check must be supervised by a person who has passed such a test and does meet such standards, when having direct contact with Agency youth offenders under this Agreement.

**EXHIBIT B
SUBCONTRACTOR REQUIREMENTS**

1. Indemnification by Subcontractors

County shall take all reasonable steps to cause its contractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents ("Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of County's contractor or any of the officers, agents, employees or subcontractors of the contractor ("Claims"). It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by the contractor from and against any and all Claims.

2. Subcontractor Insurance Requirements

A. GENERAL.

County shall require its first tier contractor(s) (Contractor) that are not units of local government as defined in ORS 190.003, if any, to: i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before the contractors perform under contracts between County and the contractors (the "Subcontracts"), and ii) maintain the insurance in full force throughout the duration of the Subcontracts. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to Agency. County shall not authorize contractors to begin work under the Subcontracts until the insurance is in full force. Thereafter, County shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. County shall incorporate appropriate provisions in the Subcontracts permitting it to enforce contractor compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. Examples of "reasonable steps" include issuing stop work orders (or the equivalent) until the insurance is in full force or terminating the Subcontracts as permitted by the Subcontracts, or pursuing legal action to enforce the insurance requirements. In no event shall County permit a contractor to work under a Subcontract when the County is aware that the contractor is not in compliance with the insurance requirements. As used in this section, a "first tier" contractor is a contractor with which the county directly enters into a contract. It does not include a subcontractor with which the contractor enters into a contract.

B. TYPES AND AMOUNTS.

WORKERS' COMPENSATION & EMPLOYERS' LIABILITY

All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements. If Contractor is a subject employer, as defined in ORS 656.023, Contractor shall also obtain employers' liability insurance coverage with limits not less than \$500,000 each accident. If contractor is an employer subject to any other state's workers' compensation law, Contractor shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than \$500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

COMMERCIAL GENERAL LIABILITY:

Required **Not required**

Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the Agency. This insurance shall include personal and advertising injury liability, products and completed operations, contractual liability coverage for the indemnity provided under this contract, and have no limitation of coverage to designated premises, project, or operation. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000.

AUTOMOBILE LIABILITY INSURANCE:

Required **Not required**

Automobile Liability Insurance covering Contractor’s business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than \$1,000,000 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Use of personal automobile liability insurance coverage may be acceptable if evidence that the policy includes a business use endorsement is provided.

PROFESSIONAL LIABILITY:

Required **Not required**

Professional Liability insurance covering any damages caused by an error, omission or any negligent acts related to the services to be provided under the Subcontract by the Contractor and Contractor’s subcontractors, agents, officers or employees in an amount not less than \$2,000,000 per occurrence. Annual aggregate limit shall not be less than \$4,000,000. If coverage is on a claims made basis, then either an extended reporting period of not less than 24 months shall be included in the Professional Liability insurance coverage, or the Contractor shall provide Tail Coverage as stated below.

PHYSICAL ABUSE AND MOLESTATION INSURANCE COVERAGE:

Required **Not required**

Abuse and Molestation Insurance in a form and with coverage that are satisfactory to the State covering damages arising out of actual or threatened physical abuse, mental injury, sexual molestation, negligent: hiring, employment, supervision, investigation, reporting to proper authorities, and retention of any person for whom the Contractor is responsible including but not limited to Contractor and Contractor’s employees and volunteers. Policy endorsement’s definition of an insured shall include the Contractor, and the Contractor’s employees and volunteers. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Any annual aggregate limit shall not be less than \$3,000,000. Coverage can be provided by a separate policy or as an endorsement to the commercial general liability or professional liability policies. The limits shall be exclusive to this required coverage. Incidents related to or arising out of physical abuse, mental injury, or sexual molestation, whether committed by one or more individuals, and irrespective of the number of incidents or injuries or the time period or area over which the incidents or injuries occur, shall be treated as a separate occurrence for each victim. Coverage shall include the cost of defense and the cost of defense shall be provided outside the coverage limit.

EXCESS/UMBRELLA INSURANCE:

A combination of primary and excess/umbrella insurance may be used to meet the required limits of insurance.

ADDITIONAL COVERAGE REQUIREMENTS:

Contractor’s insurance shall be primary and non-contributory with any other insurance. Contractor shall pay for all deductibles, self-insured retention and self-insurance, if any.

ADDITIONAL INSURED:

The Commercial General Liability insurance and Automobile liability insurance required under the Subcontract must include an additional insured endorsement specifying the State of Oregon, its officers, employees and agents as Additional Insureds, including additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Contractor's activities to be performed under the Subcontract. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of Contractor's ongoing operations must be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations must be on ISO form CG 20 37 04 13 or equivalent.

TAIL COVERAGE:

If any of the required insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, Contractor shall maintain either tail coverage or continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of the Subcontract, for a minimum of 24 months following the later of (i) Contractor's completion and County's acceptance of all Services required under the Subcontract, or, (ii) The expiration of all warranty periods provided under the Subcontract.

CERTIFICATE(S) AND PROOF OF INSURANCE:

County shall obtain from the Contractor a Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate holder and as an endorsed Additional Insured. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance Agency has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Contract.

NOTICE OF CHANGE OR CANCELLATION:

The Contractor or its insurer must provide at least 30 days' written notice to County before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).





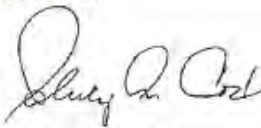
INSURANCE REQUIREMENT REVIEW:

Contractor agrees to periodic review of insurance requirements by Agency under this agreement and to provide updated requirements as mutually agreed upon by Contractor and County.

STATE ACCEPTANCE:

All insurance providers are subject to Agency acceptance. If requested by Agency, Contractor shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to Agency's representatives responsible for verification of the insurance coverages required under this Exhibit B.

EXHIBIT C – SERVICE TRACKING IN JJIS

 	<h2 style="margin:0;">Oregon</h2> <h1 style="margin:0;">Juvenile Justice Information System</h1>	 
<h2>Policy Statement</h2>		
<h3>Service Tracking in JJIS</h3>		
Approved:  Philip Cox, Co-Chair JJIS Steering Committee	Effective Date: JJIS Steering Committee Approval: JJIS Policy & Standards Committee Approval: Supersedes:	1/16/2013 12/19/2012 8/22/2012
REFERENCE:		

<u>PURPOSE:</u>	<ul style="list-style-type: none"> • <i>To provide a standard for consistency in tracking services in JJIS;</i> • <i>To provide a threshold for a view of current juvenile justice practice;</i> • <i>To provide a foundation to compare trends in key service areas over time; and</i> • <i>To establish a foundation to develop capacity to measure results based on evidence</i>
<u>DEFINITIONS:</u>	Services are classified in JJIS according to Program Type as described below. Services are organized activities or programs designed to hold youth accountable for behavior or provide treatment, skills and capacities to change behavior.

Program Type	Definition
Accountability	Services designed to provide a consequence or an accountability experience for a youth. Examples include extended detention, community service, and restitution. Includes services designed to provide alternative service coordination for accountability experiences such as Sanction Court, Peer Court and Youth Court.
Competency Development	
Educational	Elementary and secondary education programs and services designed to assist a youth in obtaining either a high school diploma or a GED.
Independent Living	Services designed to assist a youth transition into independent living.



Program Type	Definition
Skill Development – Non-Residential	Non-residential services that assist youth in changing values, attitudes and beliefs in order to demonstrate pro-social thinking and behavior and in developing life skills and competencies for pro-social thinking and behavior. Interventions in this category include Anger Management, Conflict Resolution, Effective Problem Solving, Cognitive Restructuring.
Skill Development – Residential	Residential services that assist youth in changing values, attitudes and beliefs in order to demonstrate pro-social thinking and behavior and in developing life skills and competencies for pro-social thinking and behavior. Interventions in this category include Anger Management, Conflict Resolution, Effective Problem Solving, Cognitive Restructuring.
Therapeutic Foster Care	Foster care in homes with foster parents who have been trained to provide a structured environment that supports youth's learning social and emotional skills.
Vocational	Services to teach basic vocational skills, career exploration, skills and vocational assessment, vocational training, work experience, work readiness and life skills related to maintaining employment.
Family	
Family Counseling	General family counseling services.
Family Education	Family & Parent Training and Education services. This category excludes family mental health programs and multi-dimensional family services like Family Counseling, Multi-Systemic Therapy & Functional Family Therapy.
Functional Family Therapy	Empirically based family intervention services for youth and their families, including youth with problems such as conduct disorder, violent acting-out, and substance abuse. Service is conducted both in clinic settings as an outpatient therapy and as a home-based model
Multi-Systemic Therapy	Empirically based family intervention service for youth and their families that works on multi-systems within the family and extended family structure.
Fire Setter	
Fire Setter – Non-Residential	Non-residential treatment services for youth with inappropriate or dangerous use of fire.
Fire Setter – Residential	Residential treatment services for youth with inappropriate or dangerous use of fire.



Program Type	Definition
Gang	
Gang – Non-Residential	Non-residential services designed to address juvenile gang related behavior, membership and affiliation.
Gang – Residential	Residential services designed to address juvenile gang related behavior membership and affiliation.
Mental Health	
Mental Health – Non-Residential	Non-residential and aftercare services designed to treat specific DSM-IV Mental Health diagnoses.
Mental Health – Residential	Residential services designed to treat specific DS-MIV Mental Health diagnoses.
Co-Occurring	
Co-Occurring – Non-Residential	Non-residential and aftercare services designed to treat youth with co-occurring specific DS-MIV Mental Health diagnoses and substance abuse issues.
Co-Occurring – Residential	Residential services designed to treat youth with co-occurring specific DS-MIV Mental Health diagnoses and substance abuse issues.
Sex Offender	
Sex Offender – Non-Residential	Non-residential services designed to address juvenile sex offending behavior and prevent subsequent behavior.
Sex Offender – Residential	Residential services designed to address juvenile sex offending behavior and prevent subsequent behavior.
Substance Abuse	
Substance Abuse - Non-Residential	Non-residential services designed to address juvenile substance abuse and assist youth in avoiding substance abuse and/or chemical dependency. Interventions include Drug Courts, DUII Impact Panels, Substance Abuse Education and Support Groups and Outpatient Treatment or after care.
Substance Abuse - Residential	Residential services designed to address juvenile substance abuse and assist youth in avoiding substance abuse and/or chemical dependency.



Other Youth Services	
Drug Court	Specialized courts designed to handle cases involving substance abuse where the judiciary, prosecution, defense, probation, law enforcement, mental health, social service and treatment communities work together to break the cycle of addiction. Offenders agree to take part in treatment, regular drug screenings, and regular reporting to the drug court judge.
Mentoring	Services foster a relationship over a prolonged period of time between a youth and older, caring, more experienced individuals who provide help to the younger person to support healthy development.
Other – Residential	Residential services which are unable to be categorized with any of the existing categories.
Other – Youth Services	Other services which are unable to be categorized with any of the existing categories.
Victim Related	Services other than Restitution or Community Service that assist youth in developing empathy for victims of their crimes and provide opportunities to repair harm. Interventions in this category include Victim Impact Panels, Victim Offender Mediation.
Wrap Around	Planning process designed to create individualized plans to meet the needs of children and their families by utilizing their strengths. The exact services vary and are provided through teams that link children, families and foster parents and their support networks with child welfare, health, mental health, educational and juvenile justice service providers to develop and implement comprehensive service and support plans.
Assessment	Assessments and evaluations performed to help identify the need for specialized services.
Foster Care	Foster care
Medical	Medical services such as medication management, routine physicals and dental exams, tattoo removal services and other medical care.



POLICY:

Tracking and reporting on services provided to youth by Oregon's juvenile justice system provides a view of current juvenile justice practice, creates a preliminary framework to develop means of analyzing results in the future, and moves the juvenile system toward evidence-based practices.

Tracking

Required Tracking

All youth specific competency development, treatment services, and designated youth services funded with state Prevention, Basic, and Diversion funds and all OYA paid services in the following Program Types will be tracked in JJIS:

- Competency Development
 - Educational
 - Independent Living
 - Skill Development – Non-Residential
 - Skill Development – Residential
 - Therapeutic Foster Care
 - Vocational
- Family
 - Family Counseling
 - Family Education
 - Functional Family Therapy
 - Multi-Systemic Therapy
- Fire Setter
 - Fire Setter – Non-Residential
 - Fire Setter – Residential
- Gang
 - Gang – Non-Residential
 - Gang – Residential
- Mental Health
 - Mental Health – Non- Residential
 - Mental Health – Residential
- Co-Occurring
 - Co-Occurring – Non-Residential
 - Co-Occurring – Residential
- Sex Offender



	<ul style="list-style-type: none"> ○ Sex Offender – Non-Residential ○ Sex Offender – Residential ● Substance Abuse <ul style="list-style-type: none"> ○ Substance Abuse - Non-Residential ○ Substance Abuse - Residential ● Other Youth Specific Services <ul style="list-style-type: none"> ○ Drug Court ○ Mentoring ○ Other Residential ○ Other Youth Services ○ Victim Related ○ Wrap Around <p>At a minimum, the Service Start Date, End Date and Completion Status will be tracked consistent with local policy, using at least one of three JJIS features:</p> <ul style="list-style-type: none"> ○ Services ○ Case Plan Interventions ○ Programs attached to Conditions <p>In the event that multiple features have been used to track the same program with overlapping dates, JJIS will create a summary Service Episode record for reporting.</p> <p>Services tracked in other JJIS features, such as Population Groups, will not be recognized in reports designed to analyze service records because the data will not be standardized with appropriate reporting attributes.</p> <p>Unless otherwise approved to provide a comparable data file to include with reports, only those services tracked in one of the three approved features will be recognized in statewide JJIS reports. The annual published report will include only accountability, competency development, and treatment services.</p> <p>Subject to local policy, service dosage, attendance, and participation may be tracked using the Attendance Tracking feature.</p> <p><u>Optional Tracking</u></p> <p>Service tracking is not required for the following basic and infrastructure services, but may be tracked according to local protocol.</p> <ul style="list-style-type: none"> ● Accountability services designed to provide a consequence or an accountability experience for a youth. <ul style="list-style-type: none"> ○ Community Service ○ Work Crews
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	<ul style="list-style-type: none"> ○ Restitution Programs ● Accountability services designed to provide alternative service coordination for accountability experiences <ul style="list-style-type: none"> ○ Sanction Court ○ Peer Court ○ Youth Court ● Basic and Intensive supervision; offense specific caseloads; intensive monitoring ● * Basic pre-adjudicatory detention, detention sanctions, extended detention, and basic shelter care <p>* Detention and shelter based treatment programs may be tracked as service separate from the custody episode.</p> <p><u>Non-trackable Services</u></p> <ul style="list-style-type: none"> ● Other Basic Services <ul style="list-style-type: none"> ○ Assessments and Evaluations. ○ Medical Services ○ Activity Fees ○ Clothing Vouchers ○ Education (including GED Testing and Tutoring) ○ Electronic Monitoring & Tracking ○ Medication ○ **Polygraphs ○ School Liaison Counselor ○ Service Coordination ○ Translation Services ○ Transportation & Gas Voucher ○ **UA's. <p>** Polygraphs and UA's results may be tracked in Conditions.</p> <p><u>Monitoring Data Integrity</u></p> <p>Monitor Administrative - Set Up</p> <p>OYA and county juvenile departments will review the providers and programs set up in JJIS at least annually to assure proper Program Type classification, accurate visibility to users in the drop down lists, and other optional reporting attributes. OYA and counties share provider and programs and it is essential that these attributes be set up correctly in order to assure accurate reporting.</p>
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	<p>Counties programs also have a funding reporting attribute called Report Option – which identifies how a program is funded for a particular county during a specified date range. This is the only attribute that provides the opportunity to report on programs funded with state Diversion, Basic, and Prevention dollars and must be maintained. Counties are responsible to assure their Report Options are accurate.</p> <p>OYA’s Diversion Specialist will facilitate an annual audit of county programs in JJIS to assure consistency with the annual Diversion and Basic plans, and will provide a copy of the annual inventory to the state office responsible for administering state Prevention funds to assure consistency with the Prevention plans.</p> <p>JJIS Report 562 – Active Program Report Options and Visibility can be used to monitor the administrative set up for a specific office.</p> <ul style="list-style-type: none"> • http://www.jjis.state.or.us/reports/details/detail00562.htm <p>Monitor Service Tracking</p> <p>A variety of reports have been developed to monitoring tracking throughout the year. Offices will use these reports to assure that services intended to be tracked are tracked.</p> <p>Data provided via a data file, instead of recorded in JJIS, will be included in these reports only if the data file has been submitted to the OYA Information System Reports team prior to the scheduling of the report in the format and within the timeline established by team.</p> <p>JJIS Report 363 – Program History Summary Extract - can be used to monitor service tracking data entry. This data extract can be scheduled for active during a date range, started during a date range, or ended during a date range for a specific reporting category and for a specific agency.</p> <ul style="list-style-type: none"> • http://www.jjis.state.or.us/reports/details/detail00363.htm <p>Attendance Tracking</p> <p>JJIS maintains a comprehensive Attendance Tracking feature to provide a way to document youth attendance and progress in a number of defined program sessions, and can be used to document group and individual treatment sessions. Offices will implement this feature subject to local policy. Offices that implement this feature are responsible to maintain the Program Course Definitions that are required to manage its use.</p>
<p><u>PROCEDURES:</u></p>	<p>Tracking Services</p> <ol style="list-style-type: none"> 1. Determine which JJIS feature the office will use to track services: <ul style="list-style-type: none"> o Services o Case Plan Interventions



	<ul style="list-style-type: none"> ○ Programs on Conditions <ol style="list-style-type: none"> 2. Determine when service will be tracked in JJIS – when service is opened, when service is closed, when case is closed. Services tracked when the case is closed might be excluded from reports. 3. Determine local protocol for who will enter the services. 4. Train staff on local policy and protocol. <p>Maintaining Provider/Programs in JJIS</p> <ol style="list-style-type: none"> 1. Conduct an annual inventory of Providers and Programs in JJIS. 2. Verify the program is still active for the office and other reporting attributes. 3. Submit changes to the JJIS Help Desk via the appropriate Provider/Program Request Form. Requests for new programs and requests to inactivate or remove visibility from a program must be initiated with the form. <p>Maintaining Attendance Tracking Course Definitions</p> <ol style="list-style-type: none"> 1. Conduct an annual inventory of active Course Definitions in JJIS. 2. Verify the course and course definitions are still active for the office. 3. Submit requests for new program course descriptions or changes to existing descriptions to the JJIS Help Desk the appropriate Provider/Program Request Form. Requests to inactivate an existing course description may be submitted by an authorized representative from your office to the JJIS Help Desk by email.
<p><u>FORMS:</u></p>	<ul style="list-style-type: none"> • OYA Provider Program and Course Definition Request Form (YA 1751) • JJIS Form 10a and 10b Instructions • JJIS Form 10a – County Provider Program Request Form (new program) • JJIS Form 10b – County Program Form (mass entry/annual review)



June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

**Approval of Intergovernmental Agreement with the State of Oregon Acting
by and through its Oregon Youth Authority for Juvenile Crime Prevention
Basic Services and Diversion Services**

Purpose/ Outcomes	This IGA between the State of Oregon, by and through Oregon Youth Authority, and Clackamas County for Juvenile Crime Prevention Basic and Diversion Services
Dollar Amount and Fiscal Impact	The maximum contract value is \$1,885,654.00 (Diversion \$865,680 and Basic \$1,019,974)
Funding Source	State of Oregon
Duration	Effective July 1, 2017 through June 30, 2019
Previous Board Action	IGA for 2015-2017 fiscal year: June 25, 2015 Agenda Item F.1
Strategic Plan Alignment	Ensure safe, healthy, and secure communities: The revenue received from this IGA provides funds to provide Diversion Panel Services for local cities, shelter care beds for youth, and secure juvenile detention beds in Multnomah County for juvenile offenders.
Contact Person	Lisa Krzmarzick, Senior Administrative Analyst, Juvenile Department, ext. 8788

BACKGROUND:

Attached is an Intergovernmental Agreement provided by the State of Oregon, through the Oregon Youth Authority to the County to provide funds for Diversion Panel Services, shelter care beds for youth, and secure detention beds.

Low risk/Low level first-time offenders are sent to Diversion Panels within their city of residence. This allows the youth to be held accountable in his/her community, and to give back. Diversion Panels are an important first step in our continuum of service levels holding youth accountable for their behavior. Shelter care is an integral part of the Juvenile Department's continuum of service model. This resource allows youth to be placed outside their home when behavior is creating a public safety concern or when there are family issues that create a need for temporary out-of-home placement. The secure juvenile detention beds are used as a means to

ensure public safety. These designated services fulfill the Juvenile Crime Prevention Basic and Diversion Plan requirements.

RECOMMENDATION:

Staff recommends the Board of County Commissioners approve the attached Intergovernmental Agreement.

Respectfully submitted,

Christina L. McMahan, Director
Juvenile Department

In compliance with the Americans with Disabilities Act, this document is available in alternate formats such as Braille, large print, audio tape, oral presentation, and computer disk. To request an alternate format call the State of Oregon, Oregon Youth Authority, Procurement Unit at (503) 373-7371.

**STATE OF OREGON
INTERGOVERNMENTAL AGREEMENT
JUVENILE CRIME PREVENTION BASIC
SERVICES AND DIVERSION SERVICES**



Agreement #13767

This Juvenile Crime Prevention Basic Services and Diversion Services Intergovernmental Agreement (the "Agreement") is between the State of Oregon acting by and through its **Oregon Youth Authority** ("OYA" or "Agency") and **Clackamas County**, a political subdivision of the State of Oregon ("County").

WHEREAS, pursuant to ORS 190.110, ORS 420.019 and ORS 420A.010(6), the parties have authority to enter into intergovernmental cooperative agreements, and therefore agree to work together, focusing on the Oregon Benchmark – Preventing and Reducing Juvenile Crime, and to improve collaborative efforts.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

- 1. Effective Date and Duration.** This Agreement shall become effective as of **July 1, 2017**. Unless extended or terminated earlier in accordance with its terms, this Agreement shall terminate on **June 30, 2019**.
- 2. Consideration.** The maximum, not-to-exceed compensation payable to County under this Agreement, which includes any allowable expenses, is **\$1,885,654.00**. Payments shall be in accordance with the requirements in Exhibit E.
- 3. Agreement Documents, Order of Precedence.** This Agreement consists of the following documents, which are listed in descending order of precedence. In the event of a conflict between two or more of these documents, the language in the document with the highest precedence shall control.

This Agreement without Exhibits

Exhibit A	Definitions
Exhibit B	Terms and Conditions
Exhibit C	Program Requirements
Exhibit D	Provider Requirements
Exhibit E	Funding
Exhibit F	Service Tracking in JJIS
Exhibit G	Service Plan

All exhibits by this reference are hereby made part of this Agreement. Exhibits A-F are attached; Exhibit G is not attached but will be on file with County and OYA.

The parties, by signature of their authorized representative, hereby acknowledge that they have read this Agreement, understand it, and agree to be bound by its terms and conditions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the dates set forth below their respective signatures.

COUNTY, BY EXECUTION OF THIS AGREEMENT, HEREBY ACKNOWLEDGES THAT COUNTY HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

YOU WILL NOT BE PAID FOR SERVICES RENDERED PRIOR TO NECESSARY STATE APPROVALS

I hereby certify and affirm I am eligible and authorized to sign this agreement on behalf of the County.

AGENCY: STATE OF OREGON, acting by and through its Oregon Youth Authority

By: _____ Date: _____

By: _____ Date: _____

Amber Forster, Designated Procurement Officer

Title: _____

Mailing Address: 530 Center St. NE, Suite 500
Salem, Oregon 97301-3740

Mailing Address: _____

Facsimile: (503) 373-7921

Facsimile: _____

Approved as to Legal Sufficiency by the **Attorney General's Office:** (Required if total amount owing under the Agreement, including amendments, exceeds or is likely to exceed \$150,000.00)

By: _____

Recording Secretary

Date: _____

By: **Approved via e-mail** Date: 6/9/17

Susan Amesbury, Assistant Attorney General

County Counsel Approval:

By: /s/ Jeffrey Munns

Date: June 15, 2017

Reviewed and Approved by **OYA Agreement Administrator:**

By: Template approved via e-mail Date: 4/4/17

Laura Ward

Reviewed by **OYA Procurement Specialist:**

By: _____ Date: _____

Laura Mulholland

**JUVENILE CRIME PREVENTION BASIC SERVICES AND DIVERSION SERVICES
INTERGOVERNMENTAL AGREEMENT
EXHIBIT A
DEFINITIONS**

As used in this Agreement, the following words and phrases shall have the indicated meanings.

1. **“Administrative Costs”** means Allowable Costs incurred by County or a Provider in administering implementation of the Service Plan, as determined in accordance with 2 CFR Part 225 and 2 CFR Part 230 (Office of Management and Budget Circulars A-87 and A-122, respectively) as revised from time to time.
2. **“Agreement”** means this Intergovernmental Agreement between OYA and County.
3. **“Allowable Costs”** means those costs that are reasonable and necessary for delivery of Services in implementation of the Service Plan as determined in accordance with 2 CFR Part 225 and 2 CFR Part 230 (Office of Management and Budget Circulars A-87 and A-122, respectively) as revised from time to time.
4. **“Claim”** has the meaning set forth in Section 15 of Exhibit B.
5. **“Client”** means any individual who receives a Service.
6. **“Close Custody Facility”** for purposes of this Agreement means OYA Youth Correctional Facilities and OYA Transition Programs.
7. **“Community Programs”** means those services and sanctions operated or administered by OYA and provided to delinquent youth outside the Close Custody Facilities. These include, but are not limited to, residential youth programs, certified family resources, individualized services, and other programs developed in accordance with the Service Plan.
8. **“County”** has the meaning set forth in the first paragraph of this Agreement.
9. **“Diversion Funds”** means funds provided under this Agreement for Diversion Services. Diversion Funds are part of the budget of the Oregon Youth Authority.
10. **“Diversion Services”** means services outlined in the Service Plan as defined under ORS 420.017 and 420.019 and OAR 416-410-0030. Diversion Services are community based and operated to divert commitment of youth from OYA Close Custody Facilities.
11. **“Evaluation Costs”** means Allowable Costs incurred by a County or a Provider and associated with completion of administration of risk screen, interim review, and JJIS data fields.
12. **“JCP Basic Services”** or **“Basic Services”** means services outlined in the Service Plan and provided under this Agreement for detention and other juvenile department services including shelter care, treatment services, graduated sanctions and aftercare for youth offenders.
13. **“JCP Basic Services Funds”** means funds provided under this Agreement for JCP Basic Services. JCP Basic Services Funds are part of the budget of the Oregon Youth Authority.
14. **“JJIS”** is the Juvenile Justice Information System administered by OYA under ORS 420A.223.
15. **“OYA”** means the Oregon Youth Authority.
16. **“Provider”** has the meaning set forth in Section 5 of Exhibit B.

17. **“Service”** means any service or group of related services delivered as part of Service Plan implementation.

18. **“Service Plan”** means the County’s plan for 2017-2019 JCP Basic and Diversion Services approved by OYA and developed in coordination with the Local Coordinated Comprehensive Plan, the provisions of which are incorporated herein by this reference. The Service Plan includes, by funding source, high level outcomes, services to be provided, and a budgeted amount for each service. Until the Service Plan for 2017-2019 has been developed and approved as described above, the term “Service Plan” has the meaning set forth in Exhibit C, Section 4.

19. **“Supplanting”** means replacing funding County would have otherwise provided to the County Juvenile Department to serve the target populations in this Agreement.

20. **“Target Population for Basic Services”** means youths ages 10 to 17 years of age who have been referred to a County Juvenile Department and who can benefit from services of the County Juvenile Department, including but not limited to, detention, shelter care, treatment services, graduated sanctions, and aftercare, and who have more than one of the following risk factors:

- a. Antisocial behavior;
- b. Poor family functioning or poor family support;
- c. Failure in school;
- d. Substance abuse problems; or
- e. Negative peer association.

21. **“Target Population for Diversion Services”** means youth offenders ages 12 to 18 years of age who have been adjudicated for a Class A Misdemeanor or more serious act of delinquency and who have been identified to be at risk of commitment to OYA Close Custody Facilities.

**JUVENILE CRIME PREVENTION BASIC SERVICES AND DIVERSION SERVICES
INTERGOVERNMENTAL AGREEMENT
EXHIBIT B
TERMS AND CONDITIONS**

1. Payment and Recovery of Funds.

a. Payment Generally. Subject to the conditions precedent set forth below, OYA shall pay funds to the County as set forth in Exhibit E for performance of Services under this Agreement on an expense reimbursement basis.

b. Payment Requests and Notices. County shall send all payment requests and notices, unless otherwise specified in this Agreement, to OYA.

c. Conditions Precedent to Payment. OYA's obligation to pay funds to County under this Agreement is subject to satisfaction, with respect to each payment, of each of the following conditions precedent:

(i) OYA has received sufficient funding, appropriations and other expenditure authorizations to allow OYA, in the exercise of its reasonable administrative discretion, to make the payment.

(ii) No default as described in Section 7 of this Exhibit has occurred.

(iii) County's representations and warranties set forth in Section 2 of this Exhibit are true and correct on the date of payment with the same effect as though made on the date of payment.

(iv) OYA has received a timely written quarterly expenditure report/payment request from County on a form designated by OYA. County shall provide copies of expense documentation (such as receipts) with the quarterly expenditure report/payment request, upon the request of OYA.

(v) OYA has received from County and approved the County's Service Plan for the 2017-2019 biennium and OYA has received from County any Service Plan amendments, as applicable, as described in Exhibit C, Section 6 on or prior to the date of the payment request.

(vi) The expenditure report/payment request is received no later than 60 days after the termination or expiration of this Agreement.

d. Recovery of Funds. If payments to County by OYA under this Agreement, are made in error or are found by OYA to be excessive under the terms of this Agreement, OYA, after giving written notification to the County shall enter into nonbinding discussions with County within 15 days of the written notification. If, after discussions, the parties agree that payments were made in error or found to be excessive, OYA may withhold payments due to County under this Agreement in such amounts, and over such periods of time, as are deemed necessary by OYA to recover the amount of the overpayment. If, after discussions, the parties do not agree that the payments were made in error or found to be excessive, the parties may agree to consider further appropriate dispute resolution processes, as provided in Section 29 of this Exhibit B. This Section 1.d. shall survive expiration or earlier termination of this Agreement and be fully enforceable thereafter.

(i) Subject to the debt limitations in Article XI, Section 10 of the Oregon Constitution, OYA's right to recover overpayments from County under this Agreement is not subject to or conditioned on County's recovery of any money from any other entity.

(ii) If the exercise of OYA's right to offset under this provision requires the County to complete a re-budgeting process, nothing in this provision shall be construed to prevent the County from fully complying with its budgeting procedures and obligations, or from implementing decisions resulting from those procedures and obligations.

(iii) Nothing in this provision shall be construed as a requirement or agreement by the County to negotiate and execute any future contract with OYA.

(iv) Nothing in this Section 1.d shall require County or OYA to act in violation of state or federal constitutions, statutes, regulations or rules.

(v) Nothing in this Section 1.d shall be construed as a waiver by either party of any process or remedy that might otherwise be available.

2. Representations and Warranties.

a. County represents and warrants as follows:

(i). **Organization and Authority.** County is a political subdivision of the State of Oregon duly organized and validly existing under the laws of the State of Oregon. County has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder.

(ii). **Due Authorization.** The making and performance by County of this Agreement (1) has been duly authorized by all necessary action by County and (2) does not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency or any provision of County's charter or other organizational document and (3) does not and will not result in the breach of, or constitute a default or require any consent under any other agreement or instrument to which County is a party or by which County may be bound or affected. No authorization, consent, license, approval of, filing or registration with or notification to any other governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by County of this Agreement.

(iii). **Binding Obligation.** This Agreement has been duly executed and delivered by County and constitutes a legal, valid and binding obligation of County, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.

(iv). **Accuracy of Information.** The statements made in and the information provided in connection with any applications, requests or submissions to OYA hereunder or in connection with this Agreement are true and accurate in all materials respects.

(v). **Services.** The delivery of each Service will comply with the terms and conditions of this Agreement and meet the standards for such Service as set forth herein, including but not limited to, any terms, conditions, standards and requirements set forth in the Service Plan.

b. OYA represents and warrants as follows:

(i). **Organization and Authority.** OYA has full power, authority and legal right to make this Agreement and to incur and perform its obligations hereunder.

(ii). **Due Authorization.** The making and performance by OYA of this Agreement (1) has been duly authorized by all necessary action by OYA and (2) does not and will not violate any provision of any applicable law, rule, regulation, or order of any court, regulatory commission, board, or other administrative agency and (3) does not and will not result in the breach

of, or constitute a default or require any consent under any other agreement or instrument to which OYA is a party or by which OYA may be bound or affected. No authorization, consent, license, approval of, filing or registration with or notification to any governmental body or regulatory or supervisory authority is required for the execution, delivery or performance by OYA of this Agreement, other than approval by the Department of Justice if required by law.

(iii). Binding Obligation. This Agreement has been duly executed and delivered by OYA and constitutes a legal, valid and binding obligation of OYA, enforceable in accordance with its terms subject to the laws of bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights generally.

(iv). Accuracy of Information. The statements made in and the information provided in connection with any applications, requests or submissions to County hereunder or in connection with this Agreement are true and accurate in all materials respects.

c. The warranties set forth above are in addition to, and not in lieu of, any other warranties set forth in this Agreement or implied by law.

3. Expenditure of Funds. County may expend the funds provided to County under this Agreement solely on Allowable Costs necessarily incurred in implementation of the Service Plan during the term of this Agreement, subject to the following limitations (in addition to any other restrictions or limitations imposed by this Agreement):

a. No more than 10% of the aggregate funds paid under this Agreement to County may be expended on Administrative Costs and Evaluation Costs. These limits apply in total to all County government organizational units, Providers and subcontractors. This applies to all funds paid pursuant to this Agreement. County shall record Administrative Costs on forms provided by OYA.

b. County may expend Diversion Services funds and Basic Services funds solely on Diversion Services and Basic Services, respectively.

c. County may not expend and shall prohibit all Providers from expending on the delivery of any Service, any funds provided to County under this Agreement in excess of the amount reasonable and necessary to provide quality delivery of that Service.

d. County may not use funds provided to County under this Agreement to reimburse any person or entity for expenditures made, or to pay for goods or services provided, prior to July 1, 2017 or after the termination date of this Agreement.

e. County shall not use the funds provided to County under this Agreement to supplant money otherwise provided to the County Juvenile Department for services to delinquent youth. County reductions to local funding do not constitute supplanting if the County reductions to local funding are taken proportionately across all County departments.

4. Expenditure Reports. County shall submit to OYA, on forms designated by OYA, a quarterly written detail expenditure report on the County's actual expenditures during the prior calendar quarter that are consistent with the Service Plan. County shall provide copies of expense documentation (such as receipts) with the quarterly expenditure report/payment request, upon the request of OYA. County shall retain copies of the expense documentation in accordance with Section 6 of this Exhibit B.

5. Provider Contracts. Except as otherwise expressly provided in the Service Plan, County may contract with a third person or entity (a "Provider") for delivery of a particular Service or portion thereof (a "Provider Contract"). County may permit a Provider to subcontract with a third person or entity for delivery of a particular Service or portion thereof and such subcontractors shall

also be considered Providers for purposes of this Agreement and the subcontracts shall be considered Provider Contracts for purposes of this Agreement. County shall not permit any person or entity to be a Provider unless the person or entity holds all licenses, certificates, authorizations and other approvals required by applicable law to deliver the Service. The Provider Contract must be in writing and contain all provisions of this Agreement necessary for County to comply with its obligations under this Agreement and applicable to the Provider's performance under the Provider Contract, including but not limited to, all provisions of this Agreement that expressly require County to require Provider's compliance with respect thereto. County shall maintain an originally executed copy of each Provider Contract at its office and shall furnish a copy of any Provider Contract to OYA upon request.

6. Records Maintenance, Access and Confidentiality.

a. County shall maintain, and require all Providers to maintain, all fiscal records relating to this Agreement and any Provider Contract, as applicable, in accordance with generally accepted accounting principles. In addition, County shall maintain, and require all Providers to maintain, any other records (including but not limited to statistical records) pertinent to this Agreement in such a manner as to clearly document County's and each Provider's performance. County acknowledges and agrees that OYA and the Oregon Secretary of State's Office and the federal government and their duly authorized representatives shall have access to such fiscal and statistical records and other books, documents, papers, plans and writings of County that are pertinent to this Agreement to perform examinations, audits and program reviews and make excerpts and transcripts. A copy of any audit or report will be made available to County. County shall retain and keep accessible all such fiscal and statistical records, books, documents, papers, plans, and writings for a minimum of six (6) years, or such longer period as may be required by applicable law, following final payment and termination of this Agreement, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.

b. Unless otherwise required by law, the use or disclosure by the County and its employees and agents of any information concerning a recipient of Services, for any purpose not directly connected with the administration of the County's responsibilities with respect to such Services, is prohibited, except on written consent of the person or persons authorized by law to consent to such use or disclosure. The County shall prohibit the use or disclosure by the County's Providers and their employees and agents of any information concerning a recipient of Services provided under the applicable Provider Contracts, for any purpose not directly connected with the administration of the County's or Provider's responsibilities with respect to such Services, except on written consent of the person or persons authorized by law to consent to such use or disclosure. All records and files shall be appropriately secured to prevent access by unauthorized persons. The County shall, and shall require its Providers to, comply with all appropriate federal and state laws, rules and regulations regarding confidentiality of Client records.

c. OYA shall include a provision in its contracts with contractors who utilize information related to the Services provided under this Agreement for research purposes, providing that contractor and its subcontractors under that contract shall not release confidential information on individual youth for purposes unrelated to the administration of the contract or required by applicable law, and a provision that contractor or its subcontractors under that contract shall appropriately secure all records and files to prevent access by unauthorized persons.

d. County shall maintain and require all Providers to maintain a Client record for each youth that receives a Service.

7. County Default. County shall be in default under this Agreement upon the occurrence of any of the following events:

a. County fails to perform, observe or discharge any of its covenants, agreements or obligations set forth herein, including but not limited to, County's failure to comply with the Service Plan;

b. Any representation, warranty or statement made by County herein or in any documents or reports made by County in connection herewith that are reasonably relied upon by OYA to measure the delivery of Services, the expenditure of funds or the performance by County is untrue in any material respect when made;

c. County (i) applies for or consents to the appointment of, or taking of possession by, a receiver, custodian, trustee, or liquidator of itself or all of its property, (ii) admits in writing its inability, or is generally unable, to pay its debts as they become due, (iii) makes a general assignment for the benefit of its creditors, (iv) is adjudicated a bankrupt or insolvent, (v) commences a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (vi) files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vii) fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the Bankruptcy Code, or (viii) takes any action for the purpose of effecting any of the foregoing; or

d. A proceeding or case is commenced, without the application or consent of County, in any court of competent jurisdiction, seeking (i) the liquidation, dissolution or winding-up, or the composition or readjustment of debts, of County, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of County or of all or any substantial part of its assets, or (iii) similar relief in respect to County under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case continues undismissed, or an order, judgment, or decree approving or ordering any of the foregoing is entered and continues unstayed and in effect for a period of sixty consecutive days, or an order for relief against County is entered in an involuntary case under the federal Bankruptcy Code (as now or hereafter in effect).

8. OYA Default. OYA shall be in default under this Agreement upon the occurrence of any of the following events:

a. OYA fails to perform, observe or discharge any of its covenants, agreements, or obligations set forth herein: or

b. Any representation, warranty or statement made by OYA herein or in any documents or reports made by OYA in connection herewith that are reasonably relied upon by County to measure performance by OYA is untrue in any material respect when made.

9. Termination.

a. **County Termination.** County may terminate this Agreement in its entirety or may terminate its obligation to provide services under this Agreement for Diversion Services or Basic Services, individually:

(i) For its convenience, upon 90 days advance written notice to OYA.

(ii) Upon 30 days advance written notice to OYA, if OYA is in default under this Agreement and such default remains uncured at the end of said 30 day period or such longer period, if any, as County may specify in the notice.

(iii) Upon 45 days advance written notice to OYA, if County does not obtain funding, appropriations and other expenditure authorizations from County's governing body, federal, state or other sources sufficient to permit County to satisfy its performance obligations under this Agreement, as determined by County in the reasonable exercise of its administrative discretion.

(iv) Immediately upon written notice to OYA, if Oregon statutes or federal laws, regulations or guidelines are modified, changed or interpreted by the Oregon Legislative Assembly, the federal government or a court in such a way that County no longer has the authority to meet its obligations under this Agreement.

b. OYA Termination. OYA may terminate this Agreement in its entirety or may terminate its obligation to provide funds under this Agreement for Diversion Services or Basic Services, individually:

(i) Upon 90 days advance written notice to County, if OYA determines, in its sole discretion, to end all or any portion of the funds to County under this Agreement.

(ii) Upon 45 days advance written notice to County, if OYA does not obtain funding, appropriations and other expenditure authorizations from federal, state or other sources sufficient, in the exercise of OYA's reasonable administrative discretion, to meet the payment obligations of OYA under this Agreement.

(iii) Immediately upon written notice to County if Oregon or federal laws, regulations or guidelines are modified, changed or interpreted by the Oregon Legislative Assembly, the federal government or a court in such a way that OYA does not have the authority to meet its obligations under this Agreement or no longer has the authority to provide the funds from the funding source it had planned to use.

(iv) Upon 30 days advance written notice to County, if County is in default under this Agreement and such default remains uncured at the end of said 30 day period or such longer period, if any, as OYA may specify in the notice.

(v) Immediately upon written notice to County, if any license or certificate required by law or regulation to be held by County or a Provider to deliver a Service is for any reason denied, revoked, suspended, not renewed or changed in such a way that County or a Provider no longer meets requirements to deliver the Service. This termination right may only be exercised with respect to the particular group of Services (Diversion or Basic) impacted by loss of necessary licensure or certification.

(vi) Immediately upon written notice to County, if OYA determines that County or any of its Providers have or may have endangered, or are or may be endangering the health or safety of a Client or others.

10. Effect of Termination

a. Entire Agreement. Upon termination of this Agreement in its entirety, OYA shall have no further obligation to pay funds to County under this Agreement, whether or not OYA has paid to County all funds described in Exhibit E. Notwithstanding the foregoing, OYA shall make payments to reimburse County for services provided prior to the effective date of termination where such services are authorized pursuant to this Agreement and are not disputed by OYA and where the invoice was submitted within 60 days of the termination of the Agreement.

b. Individual Funding Source. Upon termination of OYA's obligation to provide funding under this Agreement for Services in a particular area (Diversion or Basic), OYA shall have no further obligation to pay or disburse any funds to County under this Agreement for Services in that area. Notwithstanding the foregoing, OYA shall make payments to reimburse County for services provided prior to the effective date of termination where such services are authorized pursuant to this Agreement and are not disputed by OYA and where the invoice was submitted within 60 days of the termination of the Agreement.

c. **Survival.** Notwithstanding subsections (a) through (b) above, exercise of the termination rights in Section 9 of this Exhibit B or expiration of this Agreement in accordance with its terms, shall not affect County's or OYA's obligations under this Agreement or OYA's or County's right to enforce this Agreement against County or OYA in accordance with its terms, with respect to funds actually received by County under this Agreement, or with respect to Services actually delivered. Specifically, but without limiting the generality of the preceding sentence, exercise of a termination right set forth in Section 9 of this Exhibit B or expiration of this Agreement shall not affect either party's representations and warranties, reporting obligations, record-keeping and access obligations, confidentiality obligations, contribution obligations, indemnity obligations, governing law and consent to jurisdiction, assignments and successors in interest, provider contract obligations, provider insurance obligations, ownership of intellectual property obligations, OYA's spending authority, the restrictions and limitations on County's expenditure of funds actually received by County hereunder, or OYA's right to recover from County, in accordance with the terms of this Agreement, any funds paid to County that are identified by OYA as an overpayment. If a termination right set forth in Section 9 of this Exhibit B is exercised, both parties shall make reasonable good faith efforts to minimize unnecessary disruption or other problems associated with the termination.

11. Unilateral Modification. If the Oregon Legislative Assembly, Legislative Emergency Board or Oregon Department of Administrative Services increases or decreases the amount of money appropriated or allotted for implementation of the Services under this Agreement, OYA may, by written notice to County, unilaterally increase or decrease the amount of the funding in this Agreement, in proportion to the increase or decrease in the appropriation or allotment, provided that OYA increases or decreases, in the same proportion, the funds awarded to all other counties under similar agreements. In such a circumstance, if requested by either party, the parties shall execute an amendment to this Agreement reflecting an increase or decrease in the funding implemented under this Section. Nothing in this Section shall limit or restrict OYA's rights under this Agreement to suspend payment of funds or to terminate this Agreement (or portion thereof as provided in Section 9 of this Exhibit B) as a result of a reduction in appropriations or allotments. This Section 11 is not applicable to any funding change that requires a different or new service to be provided. In response to a funding change pursuant to this Section 11 of the Agreement, County shall submit a new Service Plan to OYA for approval in a format and timeline prescribed by OYA. Such Service Plan shall be effective no sooner than the effective date of the funding change.

12. Notice. Except as otherwise expressly provided in this Agreement, any communications between the parties hereto or notices to be given hereunder shall be given in writing by personal delivery, facsimile, electronic mail, or mailing the same, postage prepaid to County or OYA at the address or number set forth below, or to such other addresses or numbers as either party may indicate pursuant to this Section. Any communication or notice so addressed and mailed shall be effective five (5) days after mailing. Any communication or notice delivered by facsimile shall be effective on the day the transmitting machine generates a receipt of the successful transmission, if transmission was during normal business hours of the recipient, or on the next business day, if transmission was outside normal business hours of the recipient. Any communication or notice delivered by electronic mail shall be effective on the day of notification of delivery to the recipient's e-mail system. Any communication or notice given by personal delivery shall be effective when actually delivered.

To OYA: Peter Sprenghelmeyer
Oregon Youth Authority
530 Center St. NE, Suite 500
Salem, Oregon 97301-3765
Voice: (503) 373-7531
Facsimile: (503) 373-7921
E-mail: Peter.Sprenghelmeyer@oya.state.or.us

To County: Christina McMahan
Clackamas County
2121 Kaen Road
Oregon City, Oregon 97045-4037
Voice: 503-650-8342 x3171
Facsimile: 503-655-8448
E-Mail: CMcMahan@co.clackamas.or.us

The supervising representatives of the parties for purposes of this Agreement are indicated above.

Should a change in the Agency's or County's representative become necessary, Agency or County will notify the other party of such change in writing. Such change shall be effective without the necessity of executing a formal amendment to this Agreement.

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

14. Counterparts. This Agreement may be executed in several counterparts, all of which when taken together shall constitute one agreement binding on all parties, notwithstanding that all parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

15. Governing Law, Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") between Agency (and/or any other agency or department of the State of Oregon) and County that arises from or relates to this Agreement shall be brought and conducted solely and exclusively within a Circuit Court in the State of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the eleventh amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. COUNTY, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

16. Compliance with Applicable Law. Both parties shall comply and County shall require all Providers to comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Agreement or to the delivery of Services. Without limiting the generality of the foregoing, the parties expressly agree to comply with the following laws, regulations and executive orders to the extent they are applicable to the Agreement: (i) Titles VI and VII of the Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) the Health Insurance Portability and Accountability Act of 1996; (vi) the Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vii) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (viii) ORS Chapter 659, as amended; (ix) all regulations and administrative rules established pursuant to the foregoing laws; (x) all state laws requiring reporting of Client abuse; and (xi) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. These laws, regulations and executive orders are incorporated by reference herein to the extent that they are applicable to the Agreement and required by law to be so incorporated. All employers, including County and OYA, that employ subject workers who provide Services in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such

employers are exempt under ORS 656.126. County shall require that all Providers comply with these requirements and obtain any insurance required elsewhere in this Agreement.

17. Assignments, Successors in Interest.

a. County shall not assign, delegate, or transfer its interest in this Agreement without prior written approval of OYA. Any such assignment or transfer, if approved, is subject to such conditions and provisions as OYA may deem necessary. No approval by OYA of any assignment or transfer of interest shall be deemed to create any obligation of OYA in addition to those set forth in the Agreement.

b. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

18. No Third Party Beneficiaries. OYA and County are the only parties to this Agreement and are the only parties entitled to enforce its terms. The parties agree that County's performance under this Agreement is solely for the benefit of OYA to assist and enable OYA to accomplish its statutory mission. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons any greater than the rights and benefits enjoyed by the general public unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

19. Integration and Waiver. This Agreement, including all of its Exhibits, constitutes the entire agreement between the parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. The failure of either party to enforce any provision of this Agreement shall not constitute a waiver by that party of that or any other provision. The remedies provided herein are cumulative and not exclusive of any remedies provided by law. No waiver or consent shall be effective unless in writing and signed by the party against whom it is asserted.

20. Amendment. No amendment, modification or change of terms of this Agreement shall bind either party unless in writing and signed by all the parties except as provided in Section 11 of this Exhibit B and Sections 4.a and 6.d of Exhibit C, and in any event no amendment, modification, or change of terms shall be effective until all approvals required by law have been obtained from the Department of Justice. Such amendment, modification or change, if made, shall be effective only in the specific instance and for the specific purpose given.

21. Headings. The headings and captions to sections of this Agreement have been inserted for identification and reference purposes only and shall not be used to construe the meaning or to interpret this Agreement.

22. Construction. The provisions in this Agreement are the product of extensive negotiations between the State of Oregon and representatives of county governments. The provisions of this Agreement are to be interpreted and their legal effects determined as a whole. An arbitrator or court interpreting this Agreement shall give a reasonable, lawful and effective meaning to the Agreement to the extent possible, consistent with the public interest.

23. Contribution

a. 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.

b. 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.

c. 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.

24. Limitation of Liabilities. EXCEPT FOR LIABILITY OF DAMAGES ARISING OUT OF OR RELATED TO SECTION 23 OF THIS EXHIBIT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT. NEITHER PARTY SHALL BE LIABLE FOR ANY DAMAGES OF ANY SORT ARISING SOLELY FROM THE TERMINATION OF THIS AGREEMENT OR ANY PART HEREOF IN ACCORDANCE WITH ITS TERMS.

25. Ownership of Intellectual Property.

a. Except as otherwise expressly provided herein, or as otherwise provided by state or federal law, OYA will not own the right, title and interest in any intellectual property created or delivered by County or a Provider in connection with the Services. With respect to that portion of the intellectual property that the County owns, County grants to OYA a perpetual, worldwide, non-exclusive, royalty-free and irrevocable license, subject to any provisions in the Agreement that restrict or prohibit dissemination or disclosure of information, to (i) use, reproduce, prepare derivative works based upon, distribute copies of, perform and display the intellectual property, (ii) authorize third parties to exercise the rights set forth in Section 25.a(i) on OYA's behalf, and (iii) sublicense to third parties the rights set forth in Section 25a(i).

b. If state or federal law requires that OYA or County grant to the United States a license to any intellectual property or if state or federal law requires that OYA or the United States own the intellectual property, then County shall execute such further documents and instruments as OYA may reasonably request in order to make any such grant or to assign ownership in the intellectual property to the United States or OYA. To the extent that OYA becomes the owner of any intellectual property created or delivered by County in connection with the Services, OYA will grant a

perpetual, worldwide, non-exclusive, royalty-free and irrevocable license, subject to any provisions in the Agreement that restrict or prohibit dissemination or disclosure of information, to County to use, copy, distribute, display, build upon and improve the intellectual property.

c. County shall include in its Provider Contracts terms and conditions necessary to require that Providers execute such further documents and instruments as OYA may reasonably request in order to make any grant of license or assignment of ownership that may be required by federal or state law or otherwise requested by OYA.

26. Force Majeure. Neither OYA nor County shall be held responsible for delay or default caused by fire, civil unrest, labor unrest, natural causes or war which is beyond the reasonable control of OYA or County, respectively. Each party shall, however, make all reasonable efforts to remove or eliminate such cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under this Agreement.

27. HIPAA Compliance. To the extent applicable, County shall deliver Services in compliance with the Health Insurance Portability and Accountability Act and the federal regulations implementing the Act (collectively referred to as HIPAA). County shall comply and require all Providers to comply with the following:

a. **Privacy and Security Of Individually Identifiable Health Information.** Individually Identifiable Health Information about specific individuals is confidential. Individually Identifiable Health Information relating to specific individuals may be exchanged between County and OYA for purposes directly related to the provision of Services. However, County shall not use or disclose any Individually Identifiable Health Information about specific individuals in a manner that would violate any applicable privacy rules.

b. **Consultation and Testing.** If County reasonably believes that County's delivery of Services under this Agreement may result in a violation of HIPAA requirements, County shall promptly consult with OYA.

28. Criminal History Checks. The County shall ensure that any person having direct contact with OYA youth offenders under this Agreement has passed a criminal history check and meets the OYA's criminal history records check standards as set forth in OAR 416-800-0000 to 416-800-0095 before the person provides unsupervised services under this Agreement.

Any person that has not yet passed a criminal history check must be supervised by a person who has passed such a test and does meet such standards when having direct contact with OYA youth offenders under this Agreement.

29. Alternative Dispute Resolution. The parties should attempt in good faith to resolve any dispute arising out of this Agreement. This may be done at any management level, including at a level higher than persons directly responsible for administration of the agreement. In addition, the parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.

**JUVENILE CRIME PREVENTION BASIC SERVICES AND DIVERSION SERVICES
INTERGOVERNMENTAL AGREEMENT
EXHIBIT C
PROGRAM REQUIREMENTS**

1. Outcomes. County shall develop and implement its Service Plan for Juvenile Crime Prevention Basic Services and Diversion Services with the goal of achieving the following high level outcomes:

- a. Reduction of juvenile recidivism.
- b. Reduction or maintenance in the use of beds in OYA's Close Custody Facilities.

2. JCP Basic Services Target Population and Funded Services. County shall target its Basic Services to the Target Population for Basic Services.

a. JCP Basic Services Target Population are youths 10 to 17 years of age who have been referred to a County Juvenile Department and have more than one of the following risk factors:

- (i) Antisocial behavior.
- (ii) Poor family functioning or poor family support.
- (iii) Failure in school.
- (iv) Substance abuse problems.
- (v) Negative peer associations.

b. JCP Basic Services funds provide primary County Juvenile Department services and sanctions that prevent the highest risk local youth offenders from re-offending in the community, including but not limited to, detention, shelter, treatment services, graduated sanctions, and aftercare.

3. Diversion Services Target Population and Funded Services. County shall target its Diversion Services to the Target Population for Diversion Services.

a. Diversion Target Population are youths 12 to 18 years of age who have been adjudicated for a Class A Misdemeanor or more serious act of delinquency and who have been identified to be at risk of commitment to OYA Close Custody Facility.

b. Diversion funds provide specialized services that prevent the highest risk local youth offenders from being committed to OYA Close Custody Facilities. The services may include, but not be limited to, the following:

(i) Detention and shelter services to the extent that they divert the target population from commitment to OYA Close Custody.

(ii) Youth-specific treatment, including substance abuse treatment, sex offender treatment, family-based treatment services, gang intervention services, mental health treatment, and other services.

4. Service Plan

a. **Service Plan Submission.** County shall submit a written JCP Basic Services and Diversion Services Plan in a format and within the timeline prescribed by OYA. County and OYA shall work in good faith to modify the draft Service Plan so that it is acceptable to both parties and approved by OYA. Upon agreement, County shall implement Services according to the agreed-upon Service Plan. The Service Plan on file with OYA on the effective date of this Agreement is the Service Plan for the 2015-2017 biennium. Until the Service Plan for the 2017-2019 biennium has been approved by the OYA and is on file with the OYA, the Service Plan for the 2015-2017 shall remain in effect and County shall continue to provide Services under that Plan; once the Service Plan for the OYA Agreement #13767

2017-2019 biennium has been approved by OYA and is on file with OYA, it shall replace the Service Plan for the 2015-2017 biennium and be incorporated into and be a part of this Agreement in accordance with Section 3 of this Agreement, without any further action on the part of the parties.

(i) The Service Plan shall include a budgeted amount for each service which will be the basis for the quarterly invoicing on OYA's prescribed format for Expenditure Reporting/Request For Payment as described in Exhibit B, Section 4.

(ii) All funded services under the Service Plan must focus on supporting the high level outcomes in Section 1 of this Exhibit C.

b. Service Plan Implementation. County shall implement, or through Providers shall require to be implemented, the JCP Basic Services and Diversion Services portions of the Service Plan as developed in 4.a. of this Section.

c. Evidence-Based Services and Programs. County shall work with OYA to develop a process to ensure that programs and services funded under this Agreement are appropriate and workable and meet the guidelines of evidence-based programs and cost effectiveness. County shall work with OYA to develop a reporting process on County's evidence-based programs and services funded under this Agreement. County shall submit to OYA such reports on County's evidence-based programs and services funded under this Agreement at such frequency as may be requested by OYA.

5. Cultural Competency. County shall deliver all Services and require all Providers to deliver Services in a culturally competent and gender appropriate manner.

6. Amendment to Service Plan

All amendments to the Service Plan shall be in a format prescribed by OYA. County must obtain OYA approval for any amendment that makes any significant change in the Service Plan. A significant change in the Service Plan includes but is not limited to any funding change in the categories of services outlined in the Service Plan. For the purposes of this Section 6, JCP Basic Services and Diversion Services are deemed separate funding sources. County shall follow the following requirements if it desires to change the Service Plan:

a. The Service Plan budget may be amended to change allocations between JCP Basic Services and Diversion Services or categories of services within a funding source while staying within the not-to-exceed Grand Total listed in Exhibit E.

b. County shall submit to OYA for review and approval any change(s) to the Service Plan budget aggregating 10% or greater of the total original budget for either of the funding sources listed in Exhibit E, counting the requested change and all previous changes to the Service Plan budget. Any such change(s) will not be effective without OYA's prior written approval.

c. County shall submit written notification to OYA for any change(s) to the Service Plan budget aggregating less than 10% of the total original budget for either of the funding sources listed in Exhibit E, counting the requested change and all previous changes to the Service Plan budget. This notification shall contain the substance of the change(s) and will be reviewed by OYA.

d. All changes to the Service Plan budget which comply with Sections 6.a and 6.b, or that comply with Sections 6.a and 6.c, shall be on file with OYA and shall become a part of the Service Plan and this Agreement from the effective date of the budget amendment without the necessity of executing a formal amendment to this Agreement. For purposes of this Section, the effective date of a Service Plan budget amendment is the date the Service Plan budget amendment is approved or notification is received by OYA, as applicable.

7. Grievance System. During the term of this Agreement, County shall establish and operate a system through which Clients receiving Services, and the Clients' parents or guardians, may present grievances about the delivery of the Services. At the time arrangements are made for delivery of Services to a particular Client, County shall advise the Client and the parents or guardian of the Client of the existence of this grievance system. County shall notify OYA of all unresolved grievances.

8. Reporting and Documentation

a. During the term of this Agreement, County shall provide OYA with the necessary service information to track treatment and accountability services in JJIS, as defined by JJIS policy, Exhibit F "Service Tracking in JJIS" as it may be from time to time amended, or by service extracts, for progress in achieving the high level outcomes. This information provision requirement also applies to providing information on funded services not tracked in JJIS.

b. In addition to the other reporting requirement of this Agreement, during the term of this Agreement, the County shall ensure that all OYA required data fields are entered into JJIS, unless a different process is approved by OYA.

c. If the County fails to meet any of the reporting requirements, OYA may conduct a performance review of the County's efforts under the Service Plan in order to identify ways in which the Service Plan may be improved. If, upon review, OYA determines that there are reasonable grounds to believe that County is not in substantial compliance with the Service Plan or this Agreement, OYA may notify the County regarding the alleged noncompliance and offer technical assistance, which may include peer review or other assistance, to reach such compliance. Nothing in this Section shall be construed to limit or restrict any OYA right arising out of County's default, as described in Exhibit B.

9. Youth Specific Reporting and Required Documentation

a. For all youth from County committed to OYA for community placement or placement in a Close Custody Facility during the term of this Agreement, the County must provide the following to OYA at the time of commitment:

(i) A reformation plan or case plan that has been approved by OYA. County shall ensure that the reformation plan or case plan accompanies the youth from the County at the time of commitment to OYA for community placement or placement in a Close Custody Facility.

(ii) Risk data derived from either a JCP Risk Screen tool or the OYA Risk/Needs Assessment tool.

(iii) Documentation of any mental health treatment;

(iv) Past and current prescribed psychotropic medication history;

(v) Past and existing suicidal ideation and behaviors;

(vi) All other information known to the County of behaviors that may be a risk of harm to youth offender or others;

(vii) Documentation of any medical information or developmental disability that might affect youth offender's ability to participate in activities or treatment.

b. County shall enter all youth specific service data in JJIS that is required for tracking services under this Agreement.

10. Other Agreement Requirements.

a. At a minimum, the County shall ensure the following processes are available to support the Service Plan:

(i) Disposition of parole violations;

- (ii)** Community Programs;
- (iii)** Plan for providing detention back-up and back up to Community Programs;
- (iv)** A process for making Close Custody Facility placement recommendations in accordance with the Diversion Services portion of the Service Plan;
- (v)** Preliminary Revocation Hearings in the community to determine probable cause for a revocation to an OYA Close Custody Facility. County shall provide the hearing report to the Close Custody Facility in which the youth resides within 72 hours after the youth's arrival at the Close Custody Facility. County shall ensure that the hearings are conducted in accordance with OAR 416-300-0000 et seq. and other applicable state and federal law.

**JUVENILE CRIME PREVENTION BASIC SERVICES AND DIVERSION SERVICES
INTERGOVERNMENTAL AGREEMENT
EXHIBIT D
PROVIDER REQUIREMENTS**

1. Indemnification by Providers

County shall take all reasonable steps to cause its Provider(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon and its officers, employees and agents ("Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including attorneys' fees) arising from a tort (as now or hereafter defined in ORS 30.260) caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of County's Provider or any of the officers, agents, employees or subcontractors of the Provider ("Claims"). It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by the Provider from and against any and all Claims.

2. Provider Insurance Requirements

A. GENERAL.

County shall require its first tier Provider(s) that are not units of local government as defined in ORS 190.003, if any, to: i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before the Providers perform under contracts between County and the Providers (the "Provider Contracts"), and ii) maintain the insurance in full force throughout the duration of the Provider Contracts. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to Agency. County shall not authorize Providers to begin work under the Provider Contracts until the insurance is in full force. Thereafter, County shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. County shall incorporate appropriate provisions in the Provider Contracts permitting it to enforce Provider compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. Examples of "reasonable steps" include issuing stop work orders (or the equivalent) until the insurance is in full force or terminating the Provider Contracts as permitted by the Provider Contracts, or pursuing legal action to enforce the insurance requirements. In no event shall County permit a Provider to work under a Provider Contract when the County is aware that the Provider is not in compliance with the insurance requirements. As used in this section, a "first tier" Provider is a contractor with which the county directly enters into a contract. It does not include a subcontractor with which the Provider enters into a contract.

B. TYPES AND AMOUNTS.

WORKERS' COMPENSATION & EMPLOYERS' LIABILITY

All employers, including Provider, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance

coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Provider shall require and ensure that each of its subcontractors complies with these requirements. If Provider is a subject employer, as defined in ORS 656.023, Provider shall also obtain employers' liability insurance coverage with limits not less than \$500,000 each accident. If Provider is an employer subject to any other state's workers' compensation law, Provider shall provide workers' compensation insurance coverage for its employees as required by applicable workers' compensation laws including employers' liability insurance coverage with limits not less than \$500,000 and shall require and ensure that each of its out-of-state subcontractors complies with these requirements.

COMMERCIAL GENERAL LIABILITY:

Required **Not required**

Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the Agency. This insurance shall include personal and advertising injury liability, products and completed operations, contractual liability coverage for the indemnity provided under this contract, and have no limitation of coverage to designated premises, project, or operation. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000.

AUTOMOBILE LIABILITY INSURANCE:

Required **Not required**

Automobile Liability Insurance covering Provider's business use including coverage for all owned, non-owned, or hired vehicles with a combined single limit of not less than \$1,000,000 for bodily injury and property damage. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability). Use of personal automobile liability insurance coverage may be acceptable if evidence that the policy includes a business use endorsement is provided.

PROFESSIONAL LIABILITY:

Required **Not required**

Professional Liability insurance covering any damages caused by an error, omission or any negligent acts related to the services to be provided under the Provider Contract by the Provider and Provider's subcontractors, agents, officers or employees in an amount not less than \$2,000,000 per occurrence. Annual aggregate limit shall not be less than \$4,000,000. If coverage is on a claims made basis, then either an extended reporting period of not less than 24 months shall be included in the Professional Liability insurance coverage, or the Provider shall provide Tail Coverage as stated below.

PHYSICAL ABUSE AND MOLESTATION INSURANCE COVERAGE:

Required **Not required**

Abuse and Molestation Insurance in a form and with coverage that are satisfactory to the State covering damages arising out of actual or threatened physical abuse, mental injury,

sexual molestation, negligent: hiring, employment, supervision, investigation, reporting to proper authorities, and retention of any person for whom the Provider is responsible including but not limited to Provider and Provider's employees and volunteers. Policy endorsement's definition of an insured shall include the Provider, and the Provider's employees and volunteers. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Any annual aggregate limit shall not be less than \$3,000,000. Coverage can be provided by a separate policy or as an endorsement to the commercial general liability or professional liability policies. The limits shall be exclusive to this required coverage. Incidents related to or arising out of physical abuse, mental injury, or sexual molestation, whether committed by one or more individuals, and irrespective of the number of incidents or injuries or the time period or area over which the incidents or injuries occur, shall be treated as a separate occurrence for each victim. Coverage shall include the cost of defense and the cost of defense shall be provided outside the coverage limit.

EXCESS/UMBRELLA INSURANCE:

A combination of primary and excess/umbrella insurance may be used to meet the required limits of insurance.

ADDITIONAL COVERAGE REQUIREMENTS:

Provider's insurance shall be primary and non-contributory with any other insurance. Provider shall pay for all deductibles, self-insured retention and self-insurance, if any.

ADDITIONAL INSURED:

The Commercial General Liability insurance and Automobile liability insurance required under the Provider Contract must include an additional insured endorsement specifying the State of Oregon, its officers, employees and agents as Additional Insureds, including additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Provider's activities to be performed under the Provider Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of Provider's ongoing operations must be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations must be on ISO form CG 20 37 04 13 or equivalent.

TAIL COVERAGE:

If any of the required insurance is on a claims made basis and does not include an extended reporting period of at least 24 months, Provider shall maintain either tail coverage or continuous claims made liability coverage, provided the effective date of the continuous claims made coverage is on or before the effective date of the Provider Contract, for a minimum of 24 months following the later of (i) Provider's completion and County's acceptance of all Services required under the Provider Contract, or, (ii) The expiration of all warranty periods provided under the Provider Contract.

CERTIFICATE(S) AND PROOF OF INSURANCE:

County shall obtain from the Provider a Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) shall list the State of Oregon, its officers, employees and agents as a Certificate

holder and as an endorsed Additional Insured. If excess/umbrella insurance is used to meet the minimum insurance requirement, the Certificate of Insurance must include a list of all policies that fall under the excess/umbrella insurance. As proof of insurance Agency has the right to request copies of insurance policies and endorsements relating to the insurance requirements in this Contract.

NOTICE OF CHANGE OR CANCELLATION:

The Provider or its insurer must provide at least 30 days' written notice to County before cancellation of, material change to, potential exhaustion of aggregate limits of, or non-renewal of the required insurance coverage(s).

INSURANCE REQUIREMENT REVIEW:

Provider agrees to periodic review of insurance requirements by Agency under this agreement and to provide updated requirements as mutually agreed upon by Provider and County.

STATE ACCEPTANCE:

All insurance providers are subject to Agency acceptance. If requested by Agency, Provider shall provide complete copies of insurance policies, endorsements, self-insurance documents and related insurance documents to Agency's representatives responsible for verification of the insurance coverages required under this Exhibit D.

**JUVENILE CRIME PREVENTION BASIC SERVICES AND DIVERSION SERVICES
INTERGOVERNMENTAL AGREEMENT
EXHIBIT E
FUNDING**

SERVICE	TOTAL
DIVERSION	\$865,680.00
JCP BASIC	\$1,019,974.00
GRAND TOTAL	\$1,885,654.00

The amounts indicated as the Grand Total above represents the maximum amount that OYA may pay to County under this Agreement. This amount is not a firm, fixed amount unconditionally guaranteed to be provided to County, but is a not-to-exceed amount expected to be available for allowable payments to County for performing the Services set forth in the Service Plan and other provisions of this Agreement. The specific amounts allocated for Diversion Services and JCP Basic Services above are not firm, fixed amounts, but are subject to change as provided in Sections 11 and 20 of Exhibit B and Section 6 of Exhibit C. Changes to the amounts allocated for Diversion Services and JCP Basic Services made pursuant to Section 6 of Exhibit C shall not alter the not-to-exceed amount of the Grand Total listed above.

**EXHIBIT F - SERVICE TRACKING IN
JJIS**

 	<p>Oregon Juvenile Justice Information System</p> <p>Policy Statement</p>	 
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Service Tracking in JJIS		
Approved:  Philip Cox, Co-Chair JJIS Steering Committee	Effective Date: 1/16/2013 JJIS Steering Committee Approval: 12/19/2012 JJIS Policy & Standards Committee Approval: 8/22/2012 Supersedes:	
REFERENCE:		

<u>PURPOSE:</u>	<ul style="list-style-type: none"> • To provide a standard for consistency in tracking services in JJIS; • To provide a threshold for a view of current juvenile justice practice; • To provide a foundation to compare trends in key service areas over time; and • To establish a foundation to develop capacity to measure results based on evidence
<u>DEFINITIONS:</u>	Services are classified in JJIS according to Program Type as described below. Services are organized activities or programs designed to hold youth accountable for behavior or provide treatment, skills and capacities to change behavior.

Program Type	Definition
Accountability	Services designed to provide a consequence or an accountability experience for a youth. Examples include extended detention, community service, and restitution. Includes services designed to provide alternative service coordination for accountability experiences such as Sanction Court, Peer Court and Youth Court.
Competency Development	
Educational	Elementary and secondary education programs and services designed to assist a youth in obtaining either a high school diploma or a GED.
Independent Living	Services designed to assist a youth transition into independent living.



Program Type	Definition
Skill Development – Non-Residential	Non-residential services that assist youth in changing values, attitudes and beliefs in order to demonstrate pro-social thinking and behavior and in developing life skills and competencies for pro-social thinking and behavior. Interventions in this category include Anger Management, Conflict Resolution, Effective Problem Solving, Cognitive Restructuring.
Skill Development – Residential	Residential services that assist youth in changing values, attitudes and beliefs in order to demonstrate pro-social thinking and behavior and in developing life skills and competencies for pro-social thinking and behavior. Interventions in this category include Anger Management, Conflict Resolution, Effective Problem Solving, Cognitive Restructuring.
Therapeutic Foster Care	Foster care in homes with foster parents who have been trained to provide a structured environment that supports youth's learning social and emotional skills.
Vocational	Services to teach basic vocational skills, career exploration, skills and vocational assessment, vocational training, work experience, work readiness and life skills related to maintaining employment.
Family	
Family Counseling	General family counseling services.
Family Education	Family & Parent Training and Education services. This category excludes family mental health programs and multi-dimensional family services like Family Counseling, Multi-Systemic Therapy & Functional Family Therapy.
Functional Family Therapy	Empirically based family intervention services for youth and their families, including youth with problems such as conduct disorder, violent acting-out, and substance abuse. Service is conducted both in clinic settings as an outpatient therapy and as a home-based model
Multi-Systemic Therapy	Empirically based family intervention service for youth and their families that works on multi-systems within the family and extended family structure.
Fire Setter	
Fire Setter – Non-Residential	Non-residential treatment services for youth with inappropriate or dangerous use of fire.
Fire Setter – Residential	Residential treatment services for youth with inappropriate or dangerous use of fire.



Program Type	Definition
Gang	
Gang – Non-Residential	Non-residential services designed to address juvenile gang related behavior, membership and affiliation.
Gang – Residential	Residential services designed to address juvenile gang related behavior membership and affiliation.
Mental Health	
Mental Health – Non-Residential	Non-residential and aftercare services designed to treat specific DSM-IV Mental Health diagnoses.
Mental Health – Residential	Residential services designed to treat specific DS-MIV Mental Health diagnoses.
Co-Occurring	
Co-Occurring – Non-Residential	Non-residential and aftercare services designed to treat youth with co-occurring specific DS-MIV Mental Health diagnoses and substance abuse issues.
Co-Occurring – Residential	Residential services designed to treat youth with co-occurring specific DS-MIV Mental Health diagnoses and substance abuse issues.
Sex Offender	
Sex Offender – Non-Residential	Non-residential services designed to address juvenile sex offending behavior and prevent subsequent behavior.
Sex Offender – Residential	Residential services designed to address juvenile sex offending behavior and prevent subsequent behavior.
Substance Abuse	
Substance Abuse - Non-Residential	Non-residential services designed to address juvenile substance abuse and assist youth in avoiding substance abuse and/or chemical dependency. Interventions include Drug Courts, DUII Impact Panels, Substance Abuse Education and Support Groups and Outpatient Treatment or after care.
Substance Abuse - Residential	Residential services designed to address juvenile substance abuse and assist youth in avoiding substance abuse and/or chemical dependency.



Other Youth Services	
Drug Court	Specialized courts designed to handle cases involving substance abuse where the judiciary, prosecution, defense, probation, law enforcement, mental health, social service and treatment communities work together to break the cycle of addiction. Offenders agree to take part in treatment, regular drug screenings, and regular reporting to the drug court judge.
Mentoring	Services foster a relationship over a prolonged period of time between a youth and older, caring, more experienced individuals who provide help to the younger person to support healthy development.
Other – Residential	Residential services which are unable to be categorized with any of the existing categories.
Other – Youth Services	Other services which are unable to be categorized with any of the existing categories.
Victim Related	Services other than Restitution or Community Service that assist youth in developing empathy for victims of their crimes and provide opportunities to repair harm. Interventions in this category include Victim Impact Panels, Victim Offender Mediation.
Wrap Around	Planning process designed to create individualized plans to meet the needs of children and their families by utilizing their strengths. The exact services vary and are provided through teams that link children, families and foster parents and their support networks with child welfare, health, mental health, educational and juvenile justice service providers to develop and implement comprehensive service and support plans.
Assessment	Assessments and evaluations performed to help identify the need for specialized services.
Foster Care	Foster care
Medical	Medical services such as medication management, routine physicals and dental exams, tattoo removal services and other medical care.



POLICY:

Tracking and reporting on services provided to youth by Oregon's juvenile justice system provides a view of current juvenile justice practice, creates a preliminary framework to develop means of analyzing results in the future, and moves the juvenile system toward evidence-based practices.

Tracking

Required Tracking

All youth specific competency development, treatment services, and designated youth services funded with state Prevention, Basic, and Diversion funds and all OYA paid services in the following Program Types will be tracked in JJIS:

- Competency Development
 - Educational
 - Independent Living
 - Skill Development – Non-Residential
 - Skill Development – Residential
 - Therapeutic Foster Care
 - Vocational
- Family
 - Family Counseling
 - Family Education
 - Functional Family Therapy
 - Multi-Systemic Therapy
- Fire Setter
 - Fire Setter – Non-Residential
 - Fire Setter – Residential
- Gang
 - Gang – Non-Residential
 - Gang – Residential
- Mental Health
 - Mental Health – Non- Residential
 - Mental Health – Residential
- Co-Occurring
 - Co-Occurring – Non-Residential
 - Co-Occurring – Residential
- Sex Offender



	<ul style="list-style-type: none"> ○ Sex Offender – Non-Residential ○ Sex Offender – Residential ● Substance Abuse <ul style="list-style-type: none"> ○ Substance Abuse - Non-Residential ○ Substance Abuse - Residential ● Other Youth Specific Services <ul style="list-style-type: none"> ○ Drug Court ○ Mentoring ○ Other Residential ○ Other Youth Services ○ Victim Related ○ Wrap Around <p>At a minimum, the Service Start Date, End Date and Completion Status will be tracked consistent with local policy, using at least one of three JJIS features:</p> <ul style="list-style-type: none"> ○ Services ○ Case Plan Interventions ○ Programs attached to Conditions <p>In the event that multiple features have been used to track the same program with overlapping dates, JJIS will create a summary Service Episode record for reporting.</p> <p>Services tracked in other JJIS features, such as Population Groups, will not be recognized in reports designed to analyze service records because the data will not be standardized with appropriate reporting attributes.</p> <p>Unless otherwise approved to provide a comparable data file to include with reports, only those services tracked in one of the three approved features will be recognized in statewide JJIS reports. The annual published report will include only accountability, competency development, and treatment services.</p> <p>Subject to local policy, service dosage, attendance, and participation may be tracked using the Attendance Tracking feature.</p> <p><u>Optional Tracking</u></p> <p>Service tracking is not required for the following basic and infrastructure services, but may be tracked according to local protocol.</p> <ul style="list-style-type: none"> ● Accountability services designed to provide a consequence or an accountability experience for a youth. <ul style="list-style-type: none"> ○ Community Service ○ Work Crews
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	<ul style="list-style-type: none"> ○ Restitution Programs ● Accountability services designed to provide alternative service coordination for accountability experiences <ul style="list-style-type: none"> ○ Sanction Court ○ Peer Court ○ Youth Court ● Basic and Intensive supervision; offense specific caseloads; intensive monitoring ● * Basic pre-adjudicatory detention, detention sanctions, extended detention, and basic shelter care <p>* Detention and shelter based treatment programs may be tracked as service separate from the custody episode.</p> <p><u>Non-trackable Services</u></p> <ul style="list-style-type: none"> ● Other Basic Services <ul style="list-style-type: none"> ○ Assessments and Evaluations. ○ Medical Services ○ Activity Fees ○ Clothing Vouchers ○ Education (including GED Testing and Tutoring) ○ Electronic Monitoring & Tracking ○ Medication ○ **Polygraphs ○ School Liaison Counselor ○ Service Coordination ○ Translation Services ○ Transportation & Gas Voucher ○ **UA's. <p>** Polygraphs and UA's results may be tracked in Conditions.</p> <p><u>Monitoring Data Integrity</u></p> <p>Monitor Administrative - Set Up</p> <p>OYA and county juvenile departments will review the providers and programs set up in JJIS at least annually to assure proper Program Type classification, accurate visibility to users in the drop down lists, and other optional reporting attributes. OYA and counties share provider and programs and it is essential that these attributes be set up correctly in order to assure accurate reporting.</p>
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	<p>Counties programs also have a funding reporting attribute called Report Option – which identifies how a program is funded for a particular county during a specified date range. This is the only attribute that provides the opportunity to report on programs funded with state Diversion, Basic, and Prevention dollars and must be maintained. Counties are responsible to assure their Report Options are accurate.</p> <p>OYA's Diversion Specialist will facilitate an annual audit of county programs in JJIS to assure consistency with the annual Diversion and Basic plans, and will provide a copy of the annual inventory to the state office responsible for administering state Prevention funds to assure consistency with the Prevention plans.</p> <p>JJIS Report 562 – Active Program Report Options and Visibility can be used to monitor the administrative set up for a specific office.</p> <ul style="list-style-type: none"> • http://www.jjis.state.or.us/reports/details/detail00562.htm <p>Monitor Service Tracking</p> <p>A variety of reports have been developed to monitoring tracking throughout the year. Offices will use these reports to assure that services intended to be tracked are tracked.</p> <p>Data provided via a data file, instead of recorded in JJIS, will be included in these reports only if the data file has been submitted to the OYA Information System Reports team prior to the scheduling of the report in the format and within the timeline established by team.</p> <p>JJIS Report 363 – Program History Summary Extract - can be used to monitor service tracking data entry. This data extract can be scheduled for active during a date range, started during a date range, or ended during a date range for a specific reporting category and for a specific agency.</p> <ul style="list-style-type: none"> • http://www.jjis.state.or.us/reports/details/detail00363.htm <p>Attendance Tracking</p> <p>JJIS maintains a comprehensive Attendance Tracking feature to provide a way to document youth attendance and progress in a number of defined program sessions, and can be used to document group and individual treatment sessions. Offices will implement this feature subject to local policy. Offices that implement this feature are responsible to maintain the Program Course Definitions that are required to manage its use.</p>
<p><u>PROCEDURES:</u></p>	<p>Tracking Services</p> <ol style="list-style-type: none"> 1. Determine which JJIS feature the office will use to track services: <ul style="list-style-type: none"> o Services o Case Plan Interventions



	<ul style="list-style-type: none"> ○ Programs on Conditions <ol style="list-style-type: none"> 2. Determine when service will be tracked in JJIS – when service is opened, when service is closed, when case is closed. Services tracked when the case is closed might be excluded from reports. 3. Determine local protocol for who will enter the services. 4. Train staff on local policy and protocol. <p>Maintaining Provider/Programs in JJIS</p> <ol style="list-style-type: none"> 1. Conduct an annual inventory of Providers and Programs in JJIS. 2. Verify the program is still active for the office and other reporting attributes. 3. Submit changes to the JJIS Help Desk via the appropriate Provider/Program Request Form. Requests for new programs and requests to inactivate or remove visibility from a program must be initiated with the form. <p>Maintaining Attendance Tracking Course Definitions</p> <ol style="list-style-type: none"> 1. Conduct an annual inventory of active Course Definitions in JJIS. 2. Verify the course and course definitions are still active for the office. 3. Submit requests for new program course descriptions or changes to existing descriptions to the JJIS Help Desk the appropriate Provider/Program Request Form. Requests to inactivate an existing course description may be submitted by an authorized representative from your office to the JJIS Help Desk by email.
<p><u>FORMS:</u></p>	<ul style="list-style-type: none"> • OYA Provider Program and Course Definition Request Form (YA 1751) • JJIS Form 10a and 10b Instructions • JJIS Form 10a – County Provider Program Request Form (new program) • JJIS Form 10b – County Program Form (mass entry/annual review)



DAN JOHNSON
MANAGER

DEVELOPMENT AGENCY

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of an Amendment to the Intergovernmental Agreement between the Clackamas County Development Agency and North Clackamas School District #12
for Wichita Center for Family and Community Improvements

Purpose/Outcomes	The IGA outlines roles and responsibilities for design, permitting and construction funding of four projects planned by NCSD#12 at the Wichita Center for Family and Community. This Amendment extends the duration of the IGA to accommodate a project completion date of June 30, 2018. The Amendment also increases the maximum contribution provided by the Agency to NCSD#12 projects at Wichita to \$850,000.
Dollar Amount and Fiscal Impact	The Amendment caps the maximum contribution by the Agency at \$850,000. All financing comes from urban renewal funds and has been incorporated in the North Clackamas Revitalization Area budget.
Funding Source	Clackamas County Development Agency: North Clackamas Revitalization Area Urban Renewal District
Safety Impact	The installation of a wheelchair ramp at the main entrance of the Wichita Center, a crosswalk with pedestrian-activated warning signs on SE King Road, and construction of a new parking lot increased public access to the facility, reduced parking problems and enhanced the safety of pedestrians, particularly those with mobility challenges. Connecting the facility to public sewer will eliminate the chance of the large on-site septic system failing and adversely impacting neighboring properties or contaminating ground water.
Duration	The IGA will be in effect until June 30, 2018.
Previous Board Action	In June 2014, the Board of County Commissioners approved the Agency budget for 2014/15, which directed \$500,000 to projects at the Wichita Center. On April 16, 2015 the Board approved a Memorandum of Understanding (MOU) with NCSD#12 for the Wichita Center improvements. On April 30, 2015 the Board approved a construction contract, largely paid by CDBG funds, for installation of ADA ramps at the main entrance and a pedestrian crossing of SE King Road. On July 30, 2015 the Board approved an

	Intergovernmental Agreement with NCSD#12 for Wichita Center improvements. Board Order 2016-84, in August 2016, authorized a construction contract between the Agency and Oregon Underground, Inc. for parking lot expansion and improvements.
Strategic Plan Alignment	Ensure Safe, Healthy and Secure Communities Build a Strong Infrastructure
Contact Person	Ken Itel, Senior Project Planner, Clackamas County Development Agency – 503-742-4324

BACKGROUND:

The Wichita Center is located in the North Clackamas Revitalization Area (NCRA) urban renewal district. It is operated by NCSD#12 and provides much needed social and educational services for low and moderate income families, and is particularly convenient for residents of the NCRA. The facility also provides community-based services to the general public. The projects supporting the Wichita Center meet the goals outlined in the NCRA plan, which include developing a community center.

The Development Agency has been working with NCSD#12 on improvements at the Wichita Center and increasing access to public services. The current IGA outlines the roles and responsibilities of the Agency and NCSD#12 in providing design and construction services for projects at the Wichita Center. The Agency assists with the design process, contracts and pays for construction and reimburses NCSD#12 for design, engineering and construction costs for the projects. The projects include a wheelchair ramp at the facility’s main entrance, a crosswalk with pedestrian-activated warning signals on SE King Road, connection of the facility to public sanitary sewer and decommissioning the on-site septic system and a new 39-space parking lot.

The IGA incorporates all previous elements of a MOU between the Agency and NCSD#12, including requirements for the Agency to reimburse NCSD#12 for Wichita project expenses. This Amendment increases the maximum contribution by the Agency for Wichita projects to \$850,000 and extends the expected completion date to June 30, 2018. This is an increase from the initial estimate of \$500,000. Several factors contributed to the cost increase. Construction was delayed due to timing issues on the CDBG-funded project elements. Rapidly escalating construction costs increased the price over the original engineer’s estimate by approximately \$70,000 and additional project line items added up to \$90,000 to the cost of the project.

Expanded project scopes and unforeseen issues also contributed to the increase. These included installation of parking lot lights for safety and security (\$45,000), removal of an underground storage tank (\$15,000), additional rock due to poor soil conditions (\$60,000) and wet weather conditions requiring the use of sod rather than grass seed (\$10,000). NCSD#12 received a \$120,000 Community Development Block Grant (CDBG) to leverage funding provided by the Agency for the wheelchair ramp and crosswalk. The amount paid by the Agency includes the 20% match for the grant and costs exceeding the grant amount.

Construction of the parking lot improvements was completed in fall 2016. Construction of the wheelchair ramp and the mid-block pedestrian crossing is also largely complete. The remaining project involves decommissioning of the on-site septic system and connecting the facility to public sanitary sewer. Exact timing of the remaining project is dependent on the design and permitting

process, as well as coordination with the operational needs at the Wichita Center. All projects are expected to be completed no later than June 30, 2018.

County Counsel has reviewed and approved the Amendment.

RECOMMENDATION

Staff recommends the Board:

1. Approve the attached Amendment to the IGA between the Clackamas County Development Agency and North Clackamas School District #12 for consultation and funding of design and construction of four improvement projects at the Wichita Center for Family and Community.
2. Authorize the Board Chair to execute the Amendment on behalf of the Agency.

Respectfully submitted,

Dan Johnson
Development Agency Manager

**AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT
BETWEEN CLACKAMAS COUNTY DEVELOPMENT AGENCY AND
NORTH CLACKAMAS SCHOOL DISTRICT NO. 12
FOR
WICHITA CENTER FOR FAMILY AND COMMUNITY IMPROVEMENTS**

THIS AMENDMENT is made and entered into on April ____, 2017 by and between the Clackamas County Development Agency (hereafter called "AGENCY"), the urban renewal agency of Clackamas County and North Clackamas School District No.12 (hereafter called "DISTRICT") to update the completion dates of improvements at the Wichita Center and provide clarification of the rights and duties of the AGENCY and the DISTRICT.

WHEREAS, the parties entered into a certain Intergovernmental Agreement, effective July 30, 2015 (the "IGA");

WHEREAS, the IGA related to certain improvements to the Wichita Center for Family and Community ("Wichita Center"), which includes construction of a wheelchair ramp at the main entrance, expansion of the parking lot and parking lot improvements, installation of a crosswalk on SE King Road and connection of the facility to the public sanitary sewer system (hereafter called "Wichita Center Improvements" or the "Project");

WHEREAS, the parties hoped to have the Project completed by September 30, 2016, but due to mutual decisions of the parties and circumstances beyond the control of the AGENCY, it was not possible to complete the projects within the desired time frame;

WHEREAS, the expansion of the parking lot and parking lot improvements are completed, and construction of the wheelchair ramp at the main entrance, and installation of the crosswalk on SE King Road are under way and the only remaining improvement is connection of the facility to the public sanitary sewer system;

WHEREAS, the parties wish to extend the term of the IGA until June 30, 2018 to allow time to complete the Project;

WHEREAS, AGENCY has elected to contract directly for construction of the parking lot expansion, and as a result, the combined contribution by the AGENCY of both direct payment of construction costs and reimbursement to the DISTRICT has exceeded the \$500,000.00 reimbursement of DISTRICT Project costs originally committed by the AGENCY;

WHEREAS, the parties agree that the combined contribution by the AGENCY of both direct payment of construction costs and reimbursement to the DISTRICT in connection with the Project shall not exceed \$850,000.00.

THEREFORE, the parties agree that the Agreement is amended as follows:

1. Section 1 of the Agreement is hereby amended and replaced in its entirety with:

Term. This Agreement shall be effective upon execution, and shall continue until the Wichita Center Improvements, described in this Agreement, are substantially complete, or June 30, 2018, whichever is sooner.

2. Section 2.B of the Agreement is hereby amended and replaced in its entirety with:

2.B. DISTRICT shall submit invoices to the AGENCY for reimbursement of design and construction costs billed to the PROJECT and paid by the DISTRICT. DISTRICT shall submit invoices to the AGENCY within three (3) months from the date that costs are incurred. At the Agency's discretion, final invoices submitted after the three (3) months may not be eligible for reimbursement. Administrative or staff costs incurred by the DISTRICT are not reimbursable. Notwithstanding any provision herein which may be construed to the contrary, the total compensation provided to the DISTRICT by the AGENCY under this Agreement shall not exceed \$850,000.00 without prior written amendment of this Agreement executed by DISTRICT and AGENCY.

3. Section 3.B of the Agreement is hereby amended and replaced in its entirety with:

3.B. AGENCY shall reimburse DISTRICT for invoices submitted by DISTRICT for design and construction costs billed to the PROJECT and paid by the DISTRICT. AGENCY shall issue payment to the DISTRICT for approved costs within 30 days of receipt of invoices. Administrative or staff costs incurred by the DISTRICT are not reimbursable. Notwithstanding any provision herein which may be construed to the contrary, the total compensation provided to the DISTRICT by the AGENCY under this Agreement shall not exceed \$850,000.00 without prior written amendment of this Agreement executed by DISTRICT and AGENCY. All contracts related to the Wichita Center Improvements are subject to approval by the Development Agency Board.

4. Section 4.A of the Agreement is hereby amended and replaced in its entirety with:

4.A. It was the desire of both parties to complete the four Wichita Center Improvements as soon as practicable, if possible prior to June 30, 2018. The Agency will endeavor to complete the projects as described in the tasks under Section 3, prior to June 30, 2018. DISTRICT acknowledges that it may not be possible to complete all of the Wichita Center Improvements within the desired time frame due to circumstances beyond the control of the Agency.

5. Section 4.B of the Agreement is hereby amended and replaced in its entirety with:

4.B. In the event any or all of the Wichita Center projects are unable to be completed by June 30, 2018, the parties may agree in writing to future amendments to adjust project timelines, or modify or terminate projects as necessary. In the event of project alterations, other terms of this Agreement shall remain in effect except for mutually agreed upon changes. In no event shall the DISTRICT claim any

damages, monetary or otherwise, resulting from the Agency's failure to complete the Wichita Center Improvements by June 30, 2018.

6. Section 6.A of the Agreement is hereby amended and replaced in its entirety with:

6.A. Michael Ralls or his designee will act as liaison for DISTRICT for this project.

Contact Information:

North Clackamas School District #12

Wichita Center for Family and Community

6031 SE King Road

Milwaukie, OR 97222

503-353-1908 or rallsm@nclack.k12.or.us

7. Except as set forth herein, the Agreement is ratified and affirmed in all respects. No other amendment or modification of the IGA is intended or may be implied from the amendments set forth herein.

8. All terms not specifically defined herein shall be defined as set forth in the IGA.

Clackamas County Development Agency

North Clackamas School District No. 12

Jim Bernard, Chair

Ron Stewart, Assistant Superintendent

Date _____

Date _____



DAN JOHNSON
MANAGER

DEVELOPMENT AGENCY

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD | OREGON CITY, OR 97045

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Disposition Agreement and Continuing Control Agreement
with Trammel Crow Portland Development, Inc.

Purpose/Outcomes	Authorization for the Chair to execute a Disposition Agreement and Continuing Control Agreement to convey real property from the Clackamas County Development Agency to Trammel Crow Portland Development, Inc.
Dollar Amount and Fiscal Impact	The agreement stipulates sale of the property for \$3,724,380.
Funding Source	Not Applicable. No funding considered as a part of this property transaction.
Duration	Establishes a minimum due diligence period of 180 days and continuing control provisions for up to one year following occupancy.
Previous Board Action	Executive Session
Strategic Plan Alignment	Build public trust through good government
Contact Person	Dan Johnson, Manager, Clackamas County Development Agency – 503-742-4325 or danjoh@co.clackamas.or.us

BACKGROUND:

The Development Agency owns approximately 16.79 acres situated at the southwestern intersection of SE Capps Road and 120th Avenue. The property is currently zoned General Industrial.

Trammel Crow Portland Development, Inc. presented a proposal to the Agency to acquire the property for redevelopment purposes, which was presented to the Board for consideration in Executive Session. The Board directed staff to proceed with negotiations for disposition of the property to Trammel Crow Portland Development, Inc. subject to terms agreeable by the Board.

The Disposition Agreement, which the Board is being asked to approve today, is the result of preceding negotiations and is contingent on subsequent terms. Terms of the Disposition

Agreement dictate purchase of the property for \$3,724,380 and consistency with the development proposal as presented at the Executive Session.

RECOMMENDATION:

Staff respectfully recommends that the Board, as the governing body of the Clackamas County Development Agency, move by consent to:

- Approve the Disposition Agreement with the Trammel Crow Portland Development, Inc.
- Approve the Continuing Control Agreement with Trammel Crow Portland Development, Inc.
- Delegate authority to the Chair to execute the aforementioned Agreements, inclusive any non-material changes, and any other necessary documents on behalf of the Development Agency Board.
- Delegate staff authority to act on behalf of the Agency at closing.
- Record the Disposition Agreement in the Deed Records of Clackamas County at no cost to the Development Agency.

Respectfully submitted,

Dan Johnson, Manager
Development Agency

For information on this issue or copies of attachments, please contact Dan Johnson @ 503-742-4325
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DISPOSITION AGREEMENT

THIS DISPOSITION AGREEMENT (this “**Agreement**”) is by and between the CLACKAMAS COUNTY DEVELOPMENT AGENCY, the Urban Renewal Agency of Clackamas County, a corporate body politic (the “**Agency**”), and TRAMMELL CROW PORTLAND DEVELOPMENT, INC., a Delaware corporation (the “**Developer**”). The latest date on which this Agreement is signed by Agency and Developer (as indicated below their signatures herein) is referred to in this Agreement as the “**Effective Date**.”

The Agency and the Developer hereby agree as follows:

RECITALS

A. This Agreement is entered into by the Agency in furtherance of its objectives under the Clackamas Industrial Area Renewal Plan (“**Plan**”) by providing for the disposition of certain real property and the development of the "Property" (as hereinafter defined) as provided in this Agreement. The Agency has found that the development of the Property pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the County of Clackamas, Oregon (the “**County**”) and the Plan and the health safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

B. The Plan was originally approved and adopted on July 26, 1984 by Order No. 84-1045 of the Clackamas County Commission and has been subject to various amendments. This Agreement is intended to implement the applicable provisions of the Plan with respect to the Property, as more particularly provided herein. Agency represents and warrants that the Plan, as it presently exists, is in full force and effect and that this Agreement, and the obligations of Agency set forth in this Agreement, are all in accordance with the Plan. A copy of the Plan is on file in the Clackamas County Department of Transportation and Development.

C. Agency desires to sell the Property to Developer, and Developer desires to purchase the Property from Agency, on and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

ARTICLE 1: SUBJECT OF AGREEMENT

Section 1.1: The Property.

The “**Property**” consists of approximately 16.79 acres of land owned by the Agency located west of SE 120th Avenue and south of Capps Road, as more particularly shown on the map attached hereto as **Exhibit “A”** and more particularly described in the legal description attached hereto as **Exhibit “B”**; provided, however, the size and boundaries of the “Property” are subject to change pursuant to the BLA referenced in Section 2.4 below.

Section 1.2: Post-Closing Agreement; Storm Line Easement Agreement, and Road Maintenance Agreement.

At Closing, Agency and Developer will enter into (i) that Post-Closing Escrow Holdback and Development Agreement in the form attached hereto as **Exhibit “C”** (the “**Post-Closing Agreement**”); (ii) that Storm Line Easement Agreement referenced in Section 2.4 below (“the “**Storm Line Easement**”); and (iii) that Road Maintenance Agreement referenced in Section 2.4 below (the “**Road Maintenance Agreement**”). Among other things, the Post-Closing Agreement provides for Developer to meet certain building improvement conditions and economic development goals, as more specifically described therein.

Section 1.3: The Agency.

The Agency is a corporate body politic of the State of Oregon, as the duly designated Urban Renewal Agency of Clackamas County, Oregon, exercising governmental functions and powers and organized and existing under Oregon Revised Statutes, Chapter 457. The term “**Agency**” as used in this Agreement includes the Urban Renewal Agency of Clackamas County, Oregon and any assignee of or successor to its rights, powers, duties and responsibilities. The principal offices and mailing address of the Agency for purposes of this Agreement is:

Clackamas County Development Agency
c/o Development Agency Manager
150 Beavercreek Road
Oregon City, OR 97045
Attn: Dan Johnson
Email: danj@co.clackamas.or.us

Section 1.4: The Developer.

The term “**Developer**” as used in this Agreement is Trammell Crow Portland Development, Inc. or any permitted assignee of Developer, as provided in Section 1.6 below. The principal office and mailing address of the Developer for purposes of this Agreement is:

Trammell Crow Portland Development, Inc.
1300 SW Fifth Avenue, Suite 3050
Portland, Oregon 97201
Attn: Steve Wells, President
Email: swells@trammellcrow.com

With a copy to:
Stoll Berne
209 SW Oak Street, Suite 500
Portland, Oregon 97204
Attn: Andy Davis
Email: adavis@stollberne.com

Section 1.5: Escrow Officer/Title Company.

The principal office and mailing address of the Escrow Officer and Title Company for purposes of this Agreement is:

Chicago Title Insurance Company of Oregon
10151 SE Sunnyside Rd. #300
Clackamas, Oregon 97015
Attn: _____
Email: _____

Section 1.6: Assignment.

The qualifications and identity of Developer and its officers are of particular concern to Agency and were essential to the selection of Developer by Agency for acquisition and development of the Property as provided herein. No voluntary or involuntary successor in interest of Developer hereunder shall acquire any rights or powers under this Agreement prior to Closing (as defined in Section 3.3 below), except as expressly permitted herein. Except as otherwise expressly set forth herein, all assignments of this Agreement shall require the written consent of Agency, which consent shall not be unreasonably withheld, conditioned or delayed, so long as the proposed assignee has demonstrated by objectively reasonable evidence the ability to perform all outstanding obligations under this Agreement, including without limitation the financial resources to do so. The parties acknowledge, without limiting the foregoing, and agree that any proposed assignee who is likely to satisfy the Economic Development Goals (as defined and set forth in the Post-Closing Agreement) with respect to the portion of the Property occupied by it will be favorably regarded by Agency in connection with Developer's request for consent to an assignment by Developer to such assignee. Subject to the notice and opportunity to cure provisions set forth in Section 7.3 below, this Agreement may be terminated by Agency at its option before Closing if there is any change (voluntary or involuntary) in the ownership, management or control of Developer or any successor-in-interest of Developer not consistent with this Agreement. Notwithstanding the foregoing, Developer may assign all or part of its interest in this Agreement without consent of Agency (but with notice to Agency) to one or more affiliates of Developer (an "**affiliate**" is any entity that directly or indirectly controls, is controlled by or under common control with Developer) or any "joint venture" entity formed by Developer and in which Developer has an equity interest. As used above, the term "control" or "controlled by" means the power to direct the management of such entity through voting rights, ownership or contractual obligations. With respect to any assignment to an affiliate, Developer will remain liable for, and the assignee(s) will assume, all obligations of Developer hereunder to be performed on or prior to Closing.

ARTICLE 2: DEVELOPER'S DUE DILIGENCE

Section 2.1: Title Commitment.

Within twenty (20) days after the Effective Date, Agency will cause the Title Company (defined in Section 3.3 below) to furnish to Developer its preliminary title report on the Property

(the “**Preliminary Commitment**”), along with copies of all documents that give rise to exceptions listed in the Preliminary Commitment (the “**Underlying Documents**”). Within thirty (30) days of receiving the last of the Preliminary Commitment, the Underlying Documents and the Initial Survey (defined in Section 2.2 below), Developer will give Agency written notice setting forth the title exceptions that are not acceptable to Developer (the “**Unacceptable Exceptions**”). All exceptions other than those timely objected to will be deemed acceptable to Developer as “**Permitted Exceptions.**” Agency will have twenty (20) days after receiving Developer’s notice within which to notify Developer in writing whether Agency is willing or able to eliminate the Unacceptable Exceptions. Agency shall be deemed to have agreed to eliminate the Unacceptable Exceptions if it fails to give any notice within such 20-day period. If Agency agrees (or is deemed to agree) to eliminate the Unacceptable Exceptions, Agency will be obligated to do so on or before Closing (defined in Section 3.3 below) at its cost. If Agency is unwilling or unable to eliminate the Unacceptable Exceptions, Developer may terminate this Agreement or elect to accept the Unacceptable Exceptions by giving written notice to Agency within ten (10) days of receiving notice from Agency. If Developer does not provide timely written notice of its election to terminate this Agreement, it will be deemed to have waived its objections to the Unacceptable Exceptions and all of the Unacceptable Exceptions shall become Permitted Exceptions. Developer shall have the same rights as set forth above to approve (or disapprove and terminate this Agreement with respect to) any subsequent title matters or exceptions that are disclosed in any subsequent title reports that may be issued after the receipt of the initial Preliminary Commitment. Upon termination of this Agreement by Developer as provided in this Section 2.1, the Earnest Money shall be refunded to Developer and neither party shall have any further obligations or liability hereunder, except for those obligations herein that expressly survive such termination.

Section 2.2: Survey.

Within thirty (30) days after the Effective Date, Agency shall deliver to Developer an ALTA/NSPS survey of the Property sufficient for issuance of extended coverage title insurance and based on the Preliminary Commitment (the “**Initial Survey**”). At its option and expense, Developer may order an update to the Survey (or a new survey) (the Initial Survey, as updated or a new survey, as applicable, is referred to herein as the “**Survey**”). If applicable, Developer shall deliver a copy of any new or updated survey to Agency promptly upon receipt. Within thirty (30) days after receipt of the Survey, Developer may deliver to Agency, in writing, any objections to any matters shown on the Survey (the “**Objections**”). Developer’s failure to timely object to any such matters shall be deemed to constitute Developer’s approval thereof and such shall then become Permitted Exceptions, as defined in Article 2. If Developer timely objects to any matters shown on the Survey, then Agency shall have the right, but not the obligation, to agree in writing to cure before Closing such Objections, or to decline to cure such Objections. Agency will have twenty (20) days after receiving Developer’s Objections within which to notify Developer in writing whether Agency is willing or able to cure the Objections. Agency shall be deemed to have agreed to cure the Objections it fails to give any notice within such 20-day period. If Agency agrees (or is deemed to agree) to cure the Objections, Agency will be obligated to do so by Closing at its cost. If Agency is unwilling or unable to cure the Objections, Developer may terminate this Agreement or elect to accept the Objections by giving written

notice to Agency within ten (10) days of receiving notice from Agency. If Developer does not provide timely written notice of its election to terminate this Agreement, it will be deemed to have waived its Objections and all of the Objections shall become Permitted Exceptions. Notwithstanding anything to the contrary above, although Developer may elect to update the Initial Survey or obtain a new survey, Developer is not obligated to do so. Upon termination of this Agreement by Developer as provided above, the Earnest Money shall be refunded to Developer and neither party shall have any further obligations or liability hereunder, except for those obligations herein that expressly survive such termination.

Section 2.3: Property Documents.

Within twenty (20) days after the Effective Date, Agency shall deliver all documents and materials which Agency has in its possession (or access to) which concern the Property or its development, including but not limited to: existing surveys, environmental assessments; soils or geotechnical reports; wetland reports, analysis and permits; traffic studies; development feasibility studies; plans related to construction of SE 120th Avenue; tax bills for the preceding two years and for the year prior to ownership; copies of use and development permits; plans for improvements (including plans developed by Otak Inc.); plans and approvals relating to the land division; any covenants, conditions, restrictions, maintenance agreements, development standards applicable to the Property and not otherwise set forth herein (except those that appear in zoning codes, comprehensive plans or other readily available government planning documents); and any documents or reports relating to the soils stockpile on the Property.

Section 2.4: Due Diligence Period.

Subject to extension as provided herein, Developer shall have a period of one hundred eighty (180) days after the Effective Date (the “**Initial Due Diligence Period**”, which period, as may be extended as provided herein, is referred to herein as the “**Due Diligence Period**”) to conduct its due diligence investigation of the Property and to satisfy itself concerning all aspects of the Property and the suitability of the Property for Developer’s intended uses, including without limitation the physical condition of the Property, zoning, access, and utilities. During the period from the Effective Date until the earlier of Closing or termination of this Agreement, Developer and its employees, agents, consultants, contractors, prospective tenants or purchasers, and lenders may enter the Property to perform such tests, inspections and studies as Developer may deem necessary, including without limitation environmental assessments. Developer hereby indemnifies and holds the Agency and the County, and their elected officials, officers, agents and employees harmless from any injury or damages arising out of any activity of Developer, its agents, employees and contractors performed and conducted on the Property for the purposes of completing its due diligence. Due diligence may include, without limitations, physical inspections of the Property; soils investigations and coring; Phase I and, as necessary, Phase II environmental assessments; and examination of survey and title exceptions. Developer shall restore the Property to its pre-examination state after conducting such due diligence at its own expense. Developer agrees to provide the Agency with copies of all third party reports concerning the condition of the Property obtained or produced as a result of its due diligence investigation; provided that such reports are provided to Agency without any representation or

warranty whatsoever by Developer regarding the accuracy, completeness or reliability thereof; provided further that Developer has no obligation to deliver to Agency any financial, investment or market analysis, projections or other similar information of a confidential or proprietary nature except as to meet the obligations of the Post-Closing Agreement. On or before expiration of the Due Diligence Period, Developer at its option and in its sole and absolute discretion may provide Agency with a notice approving its due diligence investigation of the Property and electing to proceed with acquisition of the Property as provided herein (the “**Approval Notice**”). Alternatively, Developer at its option may provide notice to Agency of its election to terminate this Agreement prior to the expiration of the Due Diligence Period. If Developer fails to provide either the Approval Notice or a termination notice prior to expiration of the Due Diligence Period, Developer shall be deemed to have elected to terminate this Agreement as if a termination notice were given to Agency prior to expiration of the Due Diligence Period. Upon such termination (or deemed termination), except as otherwise expressly provided herein, neither party shall have any further rights, duties or obligations hereunder and the Earnest Money shall be fully and immediately refunded to Developer.

During the Initial Due Diligence Period, Developer and Agency will negotiate in good faith and seek to reach mutual agreement on the terms and conditions of the following written agreements to be signed and recorded at Closing: (i) Storm Line Easement in favor of Agency with respect to certain existing underground storm water lines located on a portion of the Property, and (ii) Road Maintenance Agreement with respect to the maintenance (and sharing of associated costs) of that portion of SE 120th Avenue located south of Capps Road serving the Property and the adjacent parcel owned by Agency identified as “Parcel 2” on that ALTA/NSPS survey dated June 21, 2016 (the “**Existing Survey**”) by All County Surveyors & Planners, Inc. Developer will prepare and deliver to Agency for its review the initial drafts of the Storm Line Easement and Road Maintenance Agreement within thirty (30) days after the Effective Date. Within ten (10) days after receiving the initial or revised draft of either such agreement, the receiving party will respond with proposed revisions to, or confirm its acceptance of, the last proposed form of agreement. If the parties do not reach mutual agreement on the Storm Line Easement and Road Maintenance Agreement on or before the date that is sixty (60) days prior to the expiration of the Due Diligence Period, either party may thereafter terminate this Agreement by notice to the other whereupon neither party shall have any further liability hereunder and the Earnest Money will be immediately refunded to Developer.

Within ninety (90) days after the Effective Date, Developer at its option may elect to pursue a boundary line adjustment to relocate the east boundary of the Property to the center of SE 120th Avenue (“BLA”). On or before thirty (30) days after the date Developer gives notice to Agency of such election, Agency will provide Developer with a notice approving or disapproving the proposed BLA. If Agency disapproves the proposed BLA, it will specify in its initial notice the reasons for its disapproval and the parties will negotiate in good faith in an effort to reach mutual approval on the BLA as soon as possible thereafter. Upon mutual approval, Developer shall at its expense use commercially reasonable efforts to obtain approval for and record a BLA to relocate the current eastern boundary of the Property from its current location to the center of SE 120th Avenue, as so approved. Subject to the foregoing, Agency authorizes such BLA and agrees to reasonably cooperate with Developer’s efforts to complete

the BLA by such date, including without limitation signing all applications and documents in connection therewith. If Developer fails to exercise such option regarding the BLA within the foregoing 90-day period, Developer's right to pursue the BLA hereunder shall be null and void.

Notwithstanding the foregoing, Developer shall have the right to extend the Initial Due Diligence Period for up to two (2) separate periods of thirty (30) days each by giving notice thereof to Agency prior to the then-current expiration date and depositing with the Title Company \$37,500 for each extension; all such amounts shall be non-refundable to Developer in the event Developer does not close this transaction (except in the case of default hereunder by Agency), but will be credited to the Purchase Price payable by Developer at Closing. In addition, if Agency fails to deliver (or cause to be delivered) to Developer the Initial Survey, Preliminary Commitment, or any of the property documents required under this Article 2 by the applicable deadline, or to deliver the Wetlands Permit as required under Article 5, or to approve the proposed BLA within the above 30-day period, then in each case the Initial Due Diligence Period will be automatically extended by the number of days occurring from such deadline to the date such obligation is performed by Agency.

Section 2.5: Governmental Approvals.

Prior to the Closing Date, Agency agrees to join in executing any applications reasonably required by Developer in connection with its attempts to obtain governmental permits and approvals for its intended development or use of the Property. Developer shall reimburse Agency for its actual, reasonable out-of-pocket expenses (if any) incurred in cooperating with Developer's attempts to obtain governmental permits or approvals; provided Agency gives Developer notice of the amount and purpose of all such expenses prior to their being incurred by Agency. Agency's agreement to cooperate with Developer in connection with Developer's governmental approvals and any other provision of this Agreement shall not be construed as making either party an agent or partner of the other party.

Section 2.6: No Liens.

Prior to Closing, the Developer shall not place or allow to be placed on the Property or any part thereof any mortgage, trust deed, encumbrance or lien, unless specifically pre-approved in writing by the Agency. The Developer shall remove or have removed any levy, lien or attachment made on the Property, or any part thereof, or provide assurance of the satisfaction therein within a reasonable time, but in any case no later than thirty (30) days of such levy, lien or attachment coming into existence without permission prior to Closing. Developer may contest or challenge the validity or amount of any such lien or encumbrance provided such challenge or contest is taken in accordance with applicable law and within a reasonable time, so long as Developer provides security satisfactory to Agency protecting the Agency's interests, or (in the case of construction liens) bonds against the liens as permitted by statute.

ARTICLE 3: DISPOSITION OF PROPERTY

Section 3.1: Purchase and Sale of the Property; Total Purchase Price.

In accordance with, and subject to all the terms, covenants, and conditions of this Agreement, the Agency agrees to sell to Developer, or Developer's permitted assignee of this Agreement, and Developer agrees to purchase from Agency, the Property, for the amount of Three Million Seven Hundred Twenty Four Thousand Three Hundred Eighty and no/100 Dollars (\$3,724,380) (the "**Purchase Price**"). Should mutual agreement be reached on the Boundary Line Adjustment contemplated under Section 2.4, the Purchase Price will be reduced in an amount equal to \$6.25 per square foot multiplied by the total gross square feet of the area omitted from the property, excluding the roadway and associated rights-of-way, as a result of the BLA.

Section 3.2: Earnest Money Deposit.

Developer shall, within eight (8) days after the Effective Date, deliver to the Title Company (defined below) the sum of One Hundred Twenty-Five Thousand and no/100 Dollars (\$125,000.00) as earnest money by wire transfer of immediately available funds (the "**Earnest Money**") to be held and applied in accordance with the terms of this Agreement. If Developer fails to timely deposit the Earnest Money as provided above, this Agreement shall terminate and neither Developer nor Agency shall have any further obligations to one another. The Earnest Money will be held in an interest bearing account approved by Developer, and all interest earned thereon shall be added to and become part of the Earnest Money. The Earnest Money will be applied to the Purchase Price due by Developer at Closing. If this Agreement terminates prior to expiration of the Due Diligence Period as provided in Section 2.4 of this Agreement, the Earnest Money and any accrued interest shall be fully and immediately refunded to Developer. Upon Developer providing the Approval Notice, the Earnest Money, and any accrued interest, shall become nonrefundable (except in the case of default hereunder by Agency, nonsatisfaction of a closing condition for Developer's benefit, or as otherwise expressly provided herein), but shall be credited toward payment of the Purchase Price at Closing.

Section 3.3: Closing.

This transaction shall close (the "**Closing**") on a date to be selected by Developer and reasonably acceptable to Agency that is on or before sixty (60) days after the expiration of the Due Diligence Period (such date, as may be extended as provided herein, the "Closing Date"). Closing shall occur in escrow on or before the Closing Date by and through a mutually acceptable escrow officer (the "**Escrow Officer**") of Chicago Title Insurance Company of Oregon, 10151 SE Sunnyside Rd. #300, Clackamas, OR 97015 (the "**Title Company**"), in accordance with the terms and conditions of this Agreement. Developer agrees, subject to the terms and conditions hereunder for its benefit, to accept conveyance of the Property and pay to Agency at Closing the Purchase Price for the Property by wire transfer of immediately available funds, subject to the credits, debits, prorations and adjustments provided for in this Agreement,

including a credit for the Earnest Money. The Agency and the Developer agree to perform all acts necessary to close this transaction in accordance with the terms of this Agreement. Each party may submit escrow instructions to the Escrow Officer consistent with this Agreement.

Notwithstanding the foregoing, if Agency fails to complete any of Agency's pre-closing obligations set forth in Article 5 below by the initial Closing Date, at Developer's option, the Closing Date shall be extended for a period of up to ninety (90) days to the extent necessary to allow for the completion of such obligations, which Agency will continue to diligently and continuously pursue to completion.

Section 3.4: Deed Form.

At Closing, the Agency shall convey to Developer fee simple title to the Property by Bargain and Sale Deed, duly executed, acknowledged and delivered in the form of **Exhibit "D"** attached hereto (the "**Deed**"), free and clear of all liens, claims and encumbrances other than the Permitted Exceptions. Conveyance of title to the Property to Developer shall conclusively establish satisfaction or waiver of all closing conditions set forth in Article 4 herein.

Section 3.5: Title Insurance; Prorations; Adjustments; Commissions.

3.5.1 Developer shall be responsible for obtaining any and all title insurance for the Property, including additional premiums for extended coverage and additional title endorsements. At Developer's request, Agency will execute and deliver at Closing an affidavit certifying that there are no unrecorded leases or agreements affecting the Property, there are no parties in possession of the Property, that there are no mechanic's or statutory liens against the Property, and as to such other matters as may be reasonably requested by the Title Company or Developer for issuance of extended coverage title insurance in favor of Developer.

3.5.2 The Agency shall be responsible for state, county and municipal transfer taxes related to the transfer of the Property to Developer. Real property taxes and assessments and other Property expenses for the current year (if any) shall be prorated and adjusted between the parties as of the Closing Date. Agency shall be responsible for any and all real property taxes for the period of time prior to the recording of the Deed and the Developer shall be responsible for such taxes for the period of time on and subsequent thereto. Escrow fees shall be shared equally by Developer and the Agency. Developer shall be responsible for all professional fees incurred by Developer in connection with its investigation of the Property, all recording fees and payment of its respective legal fees and expenses. Agency shall pay the costs of its own attorneys, consultants and advisors with respect to this transaction.

3.5.3 Agency and Developer each represent and warrant to the other that it has had no dealings with any broker or real estate agent in connection with this Agreement or the transaction contemplated herein that would subject the other party to a commission or fee in connection with this transaction. Each party shall defend, indemnify, and hold the other party harmless from any claim, loss, or liability made or imposed by any other party claiming a commission or fee in connection with this transaction and arising out of its own conduct, provided that Agency's

obligations are subject, where applicable, to the limitations and conditions of the Oregon Tort Claims Act, ORS 30.260 through 30.300, and the Oregon Constitution, Article XI, Section 7. The foregoing obligation shall survive Closing.

Section 3.6: Events of Closing.

Provided the Escrow Officer has received sums equal to the Purchase Price as well as any costs, prorations and adjustments as provided herein, and is in a position to cause the title insurance policy to be issued as described herein, this transaction shall be closed on the Closing Date as follows:

3.6.1 The Escrow Officer shall perform the prorations and adjustments described in Section 3.5, and the parties shall be charged and credited accordingly.

3.6.2 Developer shall pay the entire Purchase Price to Agency by wire transfer of immediately available funds, adjusted for the charges, prorations, adjustments and credits set forth in this Agreement, including a credit for the Earnest Money and Site Work Credit.

3.6.3 Developer shall receive a credit against the Purchase Price at Closing in the amount of One Hundred Ninety Thousand and No/100 Dollars (\$190,000.00) in consideration of certain mass grading and fire access work to be performed on the Property (the “**Site Work Credit**”).

3.6.4 Any liens required to be paid by Agency at closing shall be paid and satisfied of record at Agency’s expense.

3.6.5 Agency shall convey the real property to Developer by execution and delivery of the Deed, subject only to the Permitted Exceptions.

3.6.6 The Title Company shall be irrevocably committed to issue the policy described in Section 4.2.5, upon recordation of the Deed.

3.6.7 Agency shall deliver Agency’s Certification of Nonforeign Status as provided in Section 8.14 herein.

3.6.8 The parties shall execute and deliver the Post-Closing Escrow Holdback and Development Agreement in the form attached hereto as **Exhibit “C.”**

3.6.9 The parties shall execute and deliver, with notary acknowledgment, a Memorandum of Post-Closing Agreement in the form attached hereto as **Exhibit “E”** (the “**Memorandum**”).

3.6.10 The parties shall execute and deliver, with notary acknowledgment, the Storm Line Easement.

3.6.11 The parties shall execute and deliver the Road Maintenance Agreement, with notary acknowledgement.

3.6.12 The Escrow Officer shall record the following documents in the following order: (i) Deed, (ii) Memorandum, (iii) Storm Line Easement, and (iv) Road Maintenance Agreement.

3.6.13 The Escrow Officer shall withhold from Agency's net sale proceeds the escrow holdback funds in accordance with the terms of the Post-Closing Agreement.

3.6.14 The parties will take such further actions and execute and deliver such other instruments as may be reasonably necessary or desirable to consummate the transactions contemplated by this Agreement.

Section 3.7: Possession.

Agency shall deliver exclusive possession of the Property to Developer on the Closing Date.

Section 3.8: Conditions of the Property.

The Developer acknowledges that it is purchasing the Property "As Is," except as provided otherwise herein.

ARTICLE 4: CLOSING CONDITIONS

Section 4.1: Agency's Closing Conditions.

Agency's obligations to convey the Property under this Agreement are expressly conditioned upon the satisfaction of the following conditions:

4.1.1 The fulfillment by Developer of all its obligations and covenants under this Agreement to be performed on or before the Closing Date, including but not limited to the deposit of the Purchase Price required for conveyance of the Property with the Title Company at or before Closing and the attachment of all exhibits to the Post-Closing Agreement as of that time.

4.1.2 That all of Developer's representations and covenants set forth in this Agreement are true and correct in all material respects on the Closing Date.

The foregoing conditions may be waived only by Agency. If any one or more of such conditions are not satisfied as of the Closing Date, Agency at its option may terminate this Agreement, in which event the Earnest Money shall be refunded to Developer and neither party shall have any further obligation or liability hereunder (except for such obligations that expressly survive such termination), except to the extent such condition is not satisfied solely as a result of a breach of this Agreement by Developer, in which case the provisions of Section 7.1 below shall apply.

Section 4.2: Developer's Closing Conditions.

Developer's obligations to close the purchase of the Property under this Agreement are expressly conditioned upon the satisfaction of the following conditions:

4.2.1 Developer giving the Approval Notice.

4.2.2 The fulfillment by Agency of all its obligations and covenants under this Agreement to be performed on or before the Closing Date.

4.2.3 That all of Agency's representations and covenants set forth in this Agreement are true and correct in all material respects on the Closing Date.

4.2.4 There being no change in the condition or legal requirements of the Property, whether directly or indirectly, including any dumping of refuse or environmental contamination, after Effective Date, and that no legal action or proceeding (including condemnation) affecting the Property or Developer's intended use thereof shall have been threatened or commenced.

4.2.5 That the Title Company shall be irrevocably committed to issue an extended owner's title insurance policy insuring that fee simple title is vested in Developer as of the Closing Date, in the amount of the Purchase Price, subject only to the Permitted Exceptions.

The foregoing conditions may be waived only by Developer. If any one or more of such conditions are not satisfied as of the Closing Date, Developer at its option may terminate this Agreement, in which event the Earnest Money shall be refunded to Developer and neither party shall have any further obligation or liability hereunder (except for such obligations that expressly survive such termination), except to the extent such condition is not satisfied solely as a result of a breach of this Agreement by Agency, in which case the provisions of Section 7.2 below shall apply.

ARTICLE 5: WETLANDS MITIGATION

On or before the end of the Initial Due Diligence Period, Agency shall obtain (and deliver copies to Developer of) all governmental approvals and permits (collectively, the "**Wetlands Permit**") necessary to allow Developer to fill as of the Closing Date approximately 1.02 acres of "Wetland A" as described in that US Army Corps of Engineers permit application NWP-2012-181-1 (the "**Property Wetlands**"). Agency at its expense will be solely responsible to complete all work and plantings to construct the associated off-site wetlands mitigation and satisfy all other initial requirements and conditions relating thereto in accordance with all applicable laws and the Wetlands Permit as necessary to allow Developer to fill the Property Wetlands immediately after Closing and to otherwise develop and use the Property. The Wetlands Permit shall not be assigned to Developer. Developer or its contractor shall perform the work to fill the Property Wetlands after Closing as necessary for the Building Improvements (defined in the Post-Closing Agreement); provided that if Agency is required by the terms of the Wetlands Permit or applicable law to perform such fill work, then Developer shall be appointed as the

Agency's construction agent for purposes of authorizing Developer to perform such work on behalf of Agency at Developer's expense. In addition, if Developer impacts wetland buffer on the Property, Agency consents to allow Developer, at Developer's expense, to incorporate any wetland buffer mitigation area allowed under Clackamas County Water Environment Services buffer variance file WES#161-11 in the areas labeled "1" as shown on the attached Exhibit "F" which are not on the Property, plus other areas on properties proximate to the Property and controlled by Agency as solely determined by Agency. Agency and Developer shall each defend, indemnify, and hold harmless the other party and its officers, employees, directors, shareholders, agents, successors and assigns, for, from and against any lien, claim, action, suit, loss, liability, damage, cost and expense (including reasonable attorneys' fees) arising from or related to its failure to perform its obligations under this Article 5. The obligations under this Article 5 shall survive Closing.

ARTICLE 6: REPRESENTATIONS AND WARRANTIES

Section 6.1: Developer's Representations and Covenants.

Developer represents, warrants and covenants as follows:

6.1.1: Developer is a Delaware corporation, duly organized and validly existing, and is qualified to do business in the state in which the Property is located. Developer has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate the transactions contemplated hereby;

6.1.2: There is no agreement to which Developer is a party or which, to Developer's knowledge, is binding on Developer which is in conflict with this Agreement. There is no action or proceeding pending or, to Developer's knowledge, threatened against Developer which challenges or impairs Developer's ability to execute or perform its obligations under this Agreement;

6.1.3: Developer will, as of the Closing Date, have the financial capacity to cause those improvements set forth in the Post-Closing Agreement to be constructed and, to the best of Developer's knowledge, Developer has the financial, technical and other expertise necessary to complete all such improvements and work described therein;

6.1.4: Steve Wells, in his capacity as the President of Developer is individually authorized to act on behalf of, and bind, the Developer;

6.1.5: To the best of Developer's knowledge (without any requirement of further investigation), all information, documents and instruments delivered to Agency by Developer in connection with this Agreement are complete and true copies of such documents or original counterparts thereof;

6.1.6: Developer has not obligated itself in any manner to convey, transfer, or otherwise encumber the Property after the Closing to any party that may reasonably be expected to impair performance under the Post-Closing Agreement in any material respect, and further Developer promises not to enter into an agreement with any other party that could reasonably be expected to

negatively impact or impair Developer's performance under the Post-Closing Agreement in any material respect;

6.1.7: Developer is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code; and

6.1.8 To the best of Developer's knowledge, Developer, for a period of no fewer than six calendar years preceding the effective date of this Agreement, has faithfully complied with (i) all applicable tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318; (ii) any tax provisions imposed by a political subdivision of this state that applied to Developer, to Developer's property, operations, receipts, or income, or to Developer's performance of or compensation for any work performed by Developer; (iii) any tax provisions imposed by a political subdivision of this state that applied to Developer, or to goods, services, or property, whether tangible or intangible, provided by Developer; and (iv) any applicable rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.

Section 6.2: Agency's Representations and Covenants.

Agency represents, warrants and covenants as follows:

6.2.1 Agency has been duly organized and is validly existing as a corporate body politic, in good standing in the State of Oregon. Agency has the full right and authority and has obtained any and all consents required to enter into this Agreement and to consummate the transactions contemplated hereby;

6.2.2 To the best of Agency's knowledge (without any requirement of further investigation), there are no actions, suits, claims, legal proceedings, condemnation or eminent domain proceedings, or any other proceedings affecting the Property, or any portion thereof, at law or in equity, before any court or governmental agency, domestic or foreign, nor is there any basis for any such proceeding which, if adversely determined, might affect the use or operation of the Property for Developer's intended purpose, the value of the Property, or adversely affect the ability of Agency to perform its obligations under this Agreement; provided, however, that Agency makes no representation or warranty regarding the use of the Property under current or future land use codes, building codes, or other generally applicable laws and regulations, and Developer acknowledges their obligation to investigate the same as part of their due diligence process;

6.2.3 To the best of Agency's knowledge (without any requirement of further investigation), there are no liens, bonds, encumbrances, covenants, conditions, reservations, restrictions, easements or other matters affecting the Property except as disclosed in the Preliminary Commitment, and Agency has not received notice and has no knowledge of any pending liens or special assessments to be made against the Property;

6.2.4 From the Effective Date until the Closing Date, Agency shall use commercially reasonable efforts to properly maintain the Property in its current condition as of the Effective Date less reasonable impact of natural conditions, Developer's due diligence efforts, and any improvements to the Property discussed herein;

6.2.5 To the best of Agency's knowledge (without any requirement of further investigation), all Property information, documents and instruments delivered to Developer by Agency are complete and true copies of such documents or original counterparts thereof;

6.2.6 To the best of Agency's knowledge (without any requirement of further investigation), other than this Agreement, the documents to be executed and delivered hereunder at Closing and the Permitted Exceptions, there are no contracts or agreements of any kind relating to the Property to which Agency or its agents is a party and which would be binding on Developer after Closing;

6.2.7 Agency has not obligated itself in any manner to sell the Property to any party other than Developer and promises not to enter into an agreement with any other party for the sale or lease of any portion of the Property while this Agreement is in effect;

6.2.8 Agency is not a "foreign person" for purposes of Section 1445 of the Internal Revenue Code;

6.2.9 To the best of Agency's knowledge (without any requirement of further investigation), Agency is not (and is not engaged in this transaction on behalf of) a person or entity with which Developer is prohibited from doing business pursuant to any law, regulation or executive order pertaining to national security including, but not limited to, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001; Executive Order 13224; the Bank Secrecy Act; the Trading with the Enemy Act; the International Emergency Economic Powers Act; sanctions and regulations promulgated pursuant thereto by the Office of Foreign Assets Control, as well as laws related to the prevention and detection of money laundering in 18 U.S.C Sections 1956 and 1957;

6.2.10 To the best of Agency's knowledge (without any requirement of further investigation), Agency's sale of the Property is not subject to any federal, state or local withholding obligation of Developer under the tax laws applicable to Agency or the Property;

6.2.11 Agency has received no written notice of and has no knowledge of any material violations or investigations of violations of any applicable laws or ordinances affecting the Property that have not been corrected or resolved;

6.2.12 On the Closing Date, the Property will be a single, independent legal lot of record and a separate tax lot, and the Property has lawful vehicular and pedestrian access to and from public rights-of-way;

6.2.13 To the best of Agency's knowledge (without any requirement of further investigation), during the time Agency has owned the Property, Agency has not released to the soil or groundwater on the Property any hazardous substances in any material concentration or quantity;

6.2.14 To the best of Agency's knowledge (without any requirement of further investigation), the Property is in compliance with all applicable environmental laws, there are no material concentrations of hazardous wastes or hazardous substances on, in or under the Property, and there are no underground storage tanks within the Property. As used in this Agreement, the term "environmental laws" includes any and all state, federal and local statutes, regulations, and

ordinances to which the Property is subject and relating to the protection of human health and the environment, as well as any judgments, orders, injunctions, awards, decrees, covenants, conditions, or other restrictions or standards relating to same; and the term “hazardous substances” includes all hazardous and toxic substances, wastes, or materials, including without limitation all substances, wastes, and materials containing either petroleum, including crude oil or any fraction thereof, or any of the substances referenced in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601(14), and similar or comparable state or local laws.

For the purposes of this Agreement, “Agency’s knowledge” is defined as the knowledge of Mr. Dan Johnson and Mr. Ken Itel.

Section 6.3: Survival.

All representations and warranties contained in this Agreement shall survive Closing and not be merged into any documents delivered at Closing.

ARTICLE 7: DEFAULTS AND REMEDIES

Section 7.1: Agency’s Remedies.

If this transaction fails to close solely on account of a default by Developer under this Agreement, this Agreement shall terminate and the Earnest Money, any accrued interest, and any extension fees paid by Developer pursuant to Section 2.4 shall be forfeited by Developer and retained by Agency as liquidated damages as Agency’s sole remedy for such default. Such amount has been agreed by the parties to be reasonable compensation and the exclusive remedy for Developer’s default, since the precise amount of such compensation would be difficult to determine.

Section 7.2: Developer’s Remedies.

If this transaction fails to close because of Agency’s default hereunder, the Earnest Money, and any accrued interest, shall be returned to Developer. Developer shall be entitled to such remedies for breach of contract as may be available under applicable law, including (without limitation) the remedy of specific performance, injunctive relief and/or the right to recover its damages.

Section 7.3: Default.

Except for the parties’ wrongful failure to close by the Closing Date, or to satisfy any of the closing conditions as set forth in Article 4 on the Closing Date, neither party shall be deemed in default under this Agreement unless such party is given written notice of its failure to comply with this Agreement and such failure continues for a period of fifteen (15) days following the date such notice is given.

ARTICLE 8: GENERAL PROVISIONS

Section 8.1: Applicable Law.

The law of the State of Oregon shall govern the interpretation and enforcement of this Agreement without giving effect to the conflicts of law provision thereof.

Section 8.2: Attorney Fees.

The parties shall bear their own costs and attorney fees in the event an action is brought to enforce, modify or interpret the provisions of this Agreement.

Section 8.3: Acceptance of Service of Process.

In the event that any legal or equitable action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service on the Manager of the Agency, or in such other manner as may be provided by law. In the event that any legal or equitable action is commenced by the Agency against the Developer, service of process on the Developer shall be made in such manner as may be provided by law.

Section 8.4: Notice, Demands and Communications Between the Parties.

All notices given pursuant to this Agreement shall be in writing sent to the addresses shown in Section 1.3 and Section 1.4 of this Agreement and to the attention of the person indicated, and shall be either: (i) mailed by first class mail, postage prepaid, certified or registered with return receipt requested, or (ii) delivered in person or by local or national courier.

Any notice (i) sent by mail in the manner specified in this section shall be deemed served or given three (3) business days after deposit in the United States Postal Service, and (ii) delivered in person or by local or national courier shall be deemed served or given upon receipt or refusal of delivery. Notice given to a party in any manner not specified above shall be effective only if and when received by the addressee as demonstrated by objective evidence in the possession of the sender. Each party may change its address for notice by giving not less than ten (10) days' prior notice of such change to the other party in the manner set forth above.

Section 8.5: Nonliability of Officials and Employees.

No member, shareholder, director, officer, elected official, employee, affiliate, agent or representative of any of the parties shall be personally liable to the other party or any successor-in-interest thereto, in the event of any default or breach by either party or for any amount that may become due to either party or its successor, or any obligations under the terms of this Agreement.

Section 8.6: Merger.

None of the provisions of this Agreement are intended to or shall be merged by reason of any deed referred to herein and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement, but shall be deemed made pursuant to this Agreement.

Section 8.7: Headings.

Any title of the several parts and sections of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 8.8: Time of Essence.

Time is of the essence of this Agreement. All obligations of the Agency and the Developer to each other shall be due at the time specified by the Agreement, or as the same may be extended by mutual agreement of the parties in writing.

Section 8.9: Severability.

If any clause, sentence or any other portion of the terms and conditions of this Agreement become illegal, null or void for any reason, or held by any court of competent jurisdiction to be so, the remaining portion will remain in full force and effect.

Section 8.10: No Partnership.

Neither anything in this Agreement or the documents delivered in connection herewith nor any acts of the parties hereto shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the parties to this Agreement.

Section 8.11: Nonwaiver of Government Rights.

Subject to the terms and conditions of this Agreement, by making this Agreement, the Agency is specifically not obligating itself, the County, or any other agency with respect to any discretionary governmental action relating to the acquisition of the Property or development, operation and use of the improvements to be constructed on the Property, including, but not limited to, condemnation, comprehensive planning, rezoning, variances, environmental clearances or any other governmental agency approvals that are or may be required.

Section 8.12: Entire Agreement; Waivers.

This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all prior negotiations or previous agreements between the parties or the predecessors in interest with respect to all or any part of the subject matter hereof. All waivers

of the provisions of this Agreement must be in writing signed by the appropriate authorities of the Agency and the Developer, and all amendments thereto must be in a writing signed by the appropriate authorities by the Agency and the Developer.

Section 8.13: Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

Section 8.14: Non-Foreign Persons.

The parties agree to comply with the terms of Internal Revenue Code Section 1445 and at Closing, Agency shall execute and deliver to Developer and Title Company a non-foreign person affidavit in a form mutually acceptable to the parties. Agency represents and warrants that it is not a “foreign person” as that term is used in Internal Revenue Code Section 1445 and Agency agrees to furnish Developer with any necessary documentation to that effect.

Section 8.15: Waiver.

Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party’s right to enforce the provision. Waiver of any breach of any provision shall not be a waiver of any succeeding breach of the provision or a waiver of the provision itself or any other provision.

Section 8.16: Weekends and Holidays.

If the time for performance of any of the terms, conditions and provisions of this Agreement shall fall on a Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day thereafter.

Section 8.17: Neutral Construction.

This Agreement has been negotiated with each party having the opportunity to consult with legal counsel and shall not be construed against either party by virtue of which party drafted all or any part of this Agreement.

Section 8.18: Exhibits.

All exhibits listed on the signature page below and attached hereto are incorporated into and constitute a part of this Agreement.

ARTICLE 9: SUCCESSOR INTEREST

This Agreement shall be binding upon and inure to the benefit of the parties, and their permitted successors and assigns.

ARTICLE 10: STATUTORY DISCLAIMER

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the Effective Date.

“AGENCY”

CLACKAMAS COUNTY DEVELOPMENT
AGENCY, a corporate body politic

By: _____
Chair

Date: _____, 2017

“DEVELOPER”

TRAMMELL CROW PORTLAND
DEVELOPMENT, INC., an Oregon corporation

By: _____
Steve Wells, President

Date: _____, 2017

LIST OF EXHIBITS

EXHIBIT A	Property Map
EXHIBIT B	Legal Description - Property
EXHIBIT C	Post-Closing Agreement
EXHIBIT D	Form of Bargain and Sale Deed
EXHIBIT E	Memorandum of Post-Closing Agreement
EXHIBIT F	Wetland Buffer Mitigation Areas

EXHIBIT B

Legal Description - Property

Tract 1 (Tax Lot 1900 adjusted)

That tract of land described as Tract 1, Property Line Adjustment Deed Document number 2015-079459 together and with a portion of that tract of land being described as Tract 2, Property Line Adjustment Deed Document Number 2015-082415, Clackamas County Deed Records. Said tract of land being situated in the northeast one quarter and the southeast one quarter of Section 15 Township 2 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon, and more particularly described as follows:

Commencing at the north one sixteenth section corner between sections 15 and 14 of said Township and Range, said point being marked by a 1-1/4" inside diameter iron pipe;

Thence, South 42°13'50" West, 104.67 feet to a point of tangency, said point being on the east line of said Parcel 2 tract, said point also being on the west right of way line of Wilde Road, County Road No. 3093;

Thence, along the east line of said tract and along said west right of way line, South 0°21'32" West, 1284.77 feet to the intersection of said west right of way line and the north right of way line of Vernon Avenue, Local Access Road No. P2089, said point also being the southeast corner of said tract;

Thence, along said north right of way line, North 89°40'18" West, 250.34 feet to a point on the west line of that tract of land described in Deed Document Number 2007-085791, Clackamas County Deed Records;

Thence, along the east line of said Document Number 2007-085791 tract, North 0°23'38" East, 118.25 feet to the northeast corner thereof;

Thence, along the north line of said tract, South 89°58'06" West, 189.55 feet;

Thence, North 0°21'32" East, 315.80 feet to the northeast corner of that tract of land described as Tract 1, Property Line Adjustment Deed Document Number 2015-082415, Clackamas County Deed Records, said point also being the true point of beginning of the herein described tract;

Thence, along the north line of said tract, South 89°58'06" West, 374.12 feet to an angle point therein;

Thence, North 57°17'18" West, 537.00 feet to an angle point said line;

Thence, continuing along said line, North 89°33'48" West, 79.95 feet to the southwest corner of that tract of land described as Tract 1 in Deed Document Number 2015-079459, Clackamas County Deed Records;

Thence, along the west line of said tract, North 0°27'22" East, 615.55 feet to the northwest corner of said tract, said point also being on the south right of way line of Capps Road, County Road No. 3393;

Thence, along said south right of way line, North 89°57'49" East, 847.57 feet;

Thence, South 0°07'16" West, 30.00 feet;

Thence, continuing along the south right of way line of Capps Road, County Road No. 88, South 89°08'27" East, 58.98 feet;

Thence, leaving said line, South 0°21'32" West, 875.81 feet to true point of beginning.

Said tract of land contains 16.7933 acres more or less.

Basis of bearings and boundary determination for this description is held from the Oregon Coordinate Reference System, Portland Zone (OCRS) and Record of Survey Number SN 2016-038, Clackamas County Surveyor's Office.



EXHIBIT C

Post-Closing Agreement

POST-CLOSING ESCROW HOLDBACK AND DEVELOPMENT AGREEMENT

THIS POST-CLOSING ESCROW HOLDBACK AND DEVELOPMENT AGREEMENT (this “**Agreement**”) is entered into by and among **CLACKAMAS COUNTY DEVELOPMENT AGENCY**, the Urban Renewal Agency of Clackamas County, a corporate body politic (the “**Agency**”) and _____ LLC, (a)n _____ (“**Developer**”), and Chicago Title Insurance Company of Oregon (“**Escrow Holder**”). The latest date on which this Agreement is signed by Agency and Developer (as indicated below their signatures herein) is referred to in this Agreement as the “**Effective Date**.”

RECITALS

A. Pursuant to that Disposition Agreement dated _____, 2017 (the “**DA**”), Developer acquired from Agency that certain real property comprised of approximately _____ acres of land located west of SE 120th Avenue and south of Capps Road in Clackamas County, Oregon, as more particularly described in the Deed (the “**Property**”). All capitalized terms used in this Agreement and not otherwise defined herein shall have their meaning as set forth in the DA.

B. In connection with the DA and in furtherance of the Plan, Agency desires that Developer construct the Building Improvements (defined below), and Developer wishes to do so on, and subject to the terms and conditions of this Agreement. As used herein, the “**Building Improvements**” means one or more industrial building(s) with a total building floor area in compliance with the minimum floor area ratio specified in Section 1.1 below, together with associated improvements on the Property.

C. In addition, the parties desire to establish at Closing an escrow account (the “**Account**”) in the total amount of One Hundred Twenty Five Thousand and No/100 Dollars (\$125,000.00) (such sum, together with all interest earned thereon, are collectively referred to herein as the “**Funds**”) from a portion of Agency’s net sales proceeds withheld at Closing by Escrow Holder, as security for satisfaction of the Economic Development Goals (defined below) as provided herein.

D. Escrow Holder has agreed to serve as the escrow agent for the Account and to disburse the amounts deposited with it in accordance with the terms of this Agreement.

AGREEMENT

1. **ECONOMIC DEVELOPMENT GOALS**. Subject to the terms and conditions of this Agreement, Developer will pursue satisfaction of the following economic development goals relating to the Property (collectively, the “**Economic Development Goals**”) within the specified time periods:

1.1 **Building Improvements; Floor Area Ratio Goal.** Developer will pursue Substantial Completion (as defined below) of the Building Improvements in a good and workmanlike manner and in accordance with applicable laws and building codes. The Building Improvements shall provide a floor area ratio (as defined in Clackamas County Code Section 11.03.020(V)) of not less than 0.35. Developer will deliver to Agency for its information and review copies of the plans and specifications for the Building Improvements as the same are prepared by Developer or its design professionals; provided that Agency acknowledges and agrees that Agency has no approval or veto rights with respect to such plans and specifications and they are subject to change at Developer's discretion, subject at all times to the foregoing minimum floor area ratio. The Building Improvements shall be substantially completed on or before twenty-four (24) months after the Effective Date, subject to delays due to force majeure and other causes beyond the reasonable control of Developer. The goal under this Section 1.1 shall be deemed met upon Substantial Completion of the Building Improvements in accordance with the foregoing. As used in this Agreement, "**Substantial Completion**" of the Building Improvements shall occur upon issuance of the certificate of substantial completion for the Building Improvements by the project architect. Such certificate of substantial completion for the Building Improvements shall not be unreasonably withheld, conditioned or delayed.

1.2 **Job Quantity Goal.** Within twelve (12) months after the Building Improvements are fully occupied by tenant(s) or owners, the ratio of total number of workers employed at the building to the total square feet of floor area in such building shall be equal to or greater than 1 worker per 1200 square feet of building floor area. For example, if the building is a total of 250,000 square feet of floor area, the minimum number of workers to satisfy this goal is 208. The foregoing ratio shall be deemed satisfied for the Building Improvements upon the first instance of such ratio being met at any time during the 12-month period after the Building Improvements are fully occupied by tenant(s) or owners. The goal under this Section 1.2 shall be deemed satisfied when all of Building Improvements have so satisfied the ratio within the applicable 12-month period.

1.3 **Wage Goal.** Within twelve (12) months after the Building Improvements are fully occupied by tenant(s) and/or owners, the average annual wages of all employees in such building, excluding senior executive positions (e.g., CEO, COO, CFO, etc.), shall be equal to or greater than the National Annual Mean Wage, as determined by the official publication of the Bureau of Labor Statistics available as of the Effective Date, as provided below. The goal under this Section 1.3 shall be deemed satisfied upon the first instance of the foregoing minimum average annual wages of the tenant(s) or owners being met at any time during the 12-month period. The applicable National Annual Mean Wage shall be based on the major occupational group used by the Bureau of Labor Statistics (Occupational Employment Statistics) for the business as a whole. For purposes of this goal, "employer" shall refer to the initial tenant(s) and/or owner(s) of each building; and "employees" shall mean workers who are paid through the normal payroll system of the employer, for whom Federal Insurance Contribution Act ("FICA"), and federal and state income taxes are deducted from his or her gross wages and then forwarded to the appropriate agencies by employer on behalf of the worker, as to whom the employer pays federal and state unemployment insurance, and as to whom the employer contributes to FICA, and shall not include workers hired through an agency to provide temporary services to employer or workers acting as independent contractors. For purposes of audit, the Agency intends to seek relevant employee information from the Oregon Employment Department. If the Agency is not

able to obtain information from the Oregon Employment Department to determine the relevant wages, the Agency may request that Developer seek such information from each employer as provided in Section 1.4 below.

1.4 **Supporting Information**. Developer will use commercially reasonable efforts to include the following provision (or substantially similar provision) in its lease or sale agreement with each occupant of the Building Improvements:

“Upon request of [Developer] or [Agency] from time to time during the first fifteen (15) months of full occupancy, [Tenant/Owner] agrees to certify in writing the total number of employees and average annual wages of employees working at the [Premises/Property] as of the date(s) requested, provided that the average annual wages shall exclude the wages of senior executive positions (e.g., CEO, COO, CFO, etc.).”

If any occupant is unwilling to agree to such provision, Developer will use commercially reasonable efforts to obtain such information from the occupant as it is willing to provide with respect to the above Economic Development Goals. The parties may rely upon such information provided by the occupants of the Building Improvements, together with all other reasonably reliable data and estimates, for purposes of evidencing satisfaction with the Economic Development Goals under Section 1.2 and Section 1.3 above. Notwithstanding the foregoing, Developer is not required to forego or jeopardize a potential transaction if a tenant or buyer is unwilling to agree to such provision and Developer’s failure to obtain the same or any information from occupant shall not constitute a breach by Developer under this Agreement, subject to disbursement of the Funds as provided in Section 3.4 below.

2. **TERM**. The term of this Agreement shall commence on the Effective Date and, except as otherwise provided herein, end on the date that all Funds in the Account have been disbursed in accordance with the terms of this Agreement.

3. **ACCOUNT**.

3.1 **Appointment**. Agency and Developer appoint Escrow Holder to receive and hold the Funds in the Account for the benefit of Agency and Developer and to disburse the Funds in the Account in accordance with the terms of this Agreement. Escrow Holder accepts that appointment.

3.2 **Account Deposit**. On the date hereof, Agency shall deposit the Funds in the Account, which Funds shall be withheld from Agency’s net sale proceeds at the time of the closing of Developer’s acquisition of the Property. Until disbursed as provided herein, all Funds in the Account shall be held by the Escrow Holder in accordance with the terms of this Agreement.

3.3 **Investment of Funds**. Escrow Holder shall invest the Funds in an interest-bearing account fully insured by the Federal Deposit Insurance Corporation. All interest earned on Funds shall automatically be added to and become part of the Funds.

3.4 **Disbursement of Funds**. Except as otherwise expressly provided in this paragraph, upon Substantial Completion of the Building Improvements and satisfaction of all of

the other Economic Development Goals, all Funds shall be disbursed to Developer following written request by Developer that is approved in writing by Agency, which approval will not be unreasonably withheld, conditioned or delayed. For purposes of this provision, the Agency's approval is not unreasonably withheld where a tenant or owner of property fails to confirm in writing the total number of employees and average annual wages of employees working at the Property and the Agency cannot otherwise obtain such employee information from the Oregon Employment Department or other reasonably reliable source, for purposes of determining if the Economic Development Goals have been satisfied. The sole condition for disbursement of the Funds to Developer is satisfaction of the Economic Development Goals. Notwithstanding the foregoing, if all of the Economic Development Goals are not substantially completed and satisfied by the later of (i) the last of the dates set forth in Section 1 above, subject to delays due to force majeure or other causes beyond the reasonable control of Developer, or (ii) forty-eight (48) months after the Effective Date, all Funds shall be disbursed to Agency, subject to the written approval of Developer, which approval will not be unreasonably withheld, conditioned or delayed. The sole condition for disbursement of the Funds to Agency is the failure to substantially complete the Building Improvements and failure to satisfy the Economic Development Goals by the foregoing deadline. The Funds shall be disbursed by a single payment, and shall not be paid on a pro rata basis or otherwise disbursed in installments.

3.5 **Disbursement.** Escrow Holder shall disburse to the payee within three (3) business days after receipt of a written request of a party, approved in writing by the other party. With respect to any disbursement request of a party that is subject to the approval of the other party, such approval shall be deemed given if the other party fails to give notice of disapproval to the requesting party within twenty (20) days of receipt of the request.

3.6 **Termination of Account.** The Account shall be terminated upon disbursement of all funds in the Account as provided in this Agreement.

4. **LIMITATION OF LIABILITY.** Notwithstanding any other provision herein, the liability of either party under this Agreement shall be strictly limited solely to a sum equal to the original total amount of the Funds as provided by this Agreement. In no event shall (i) Developer have any obligations or liability whatsoever with respect to this Agreement in excess of the Funds in the Account, and (ii) Agency have any obligations or liability whatsoever with respect to this Agreement in excess of an amount equal to the original total amount of the Funds in the Account. Except as provided by the foregoing, both parties hereby waive, release, covenant not to sue and forever discharge the other party and its elected officials, officers, directors, shareholders, employees, affiliates, agents, successors and assigns of, for, from and against any and all Claims (defined below) arising from or related to this Agreement, whether such Claims relate to the period before, on or after the Closing Date. As used herein, "**Claims**" shall mean any and all actual or threatened claims, detriments, rights, remediation, counterclaims, liens, controversies, obligations, agreements, executions, debts, covenants, promises, suits, causes of action, actions, demands, liabilities, losses, damages, assessments, judgments, fines, penalties, threats, sums of money, accounts, costs, expenses, known or unknown, direct or indirect, at law or in equity (including, without limitation, reasonable attorneys' fees and other professional fees of attorneys and professionals selected by Developer), whether incurred in connection with any investigation, non-judicial, quasi-judicial, judicial, mediative, arbitative, or administrative actions or proceedings or otherwise (including pretrial,

trial, appellate, administrative, bankruptcy or insolvency proceedings) or in settlement or in any other proceeding and whether or not suit was filed thereon. The provisions of this Section 4 shall survive the expiration or termination of this Agreement.

5. **ESCROW HOLDER.**

5.1 **Duties of Escrow Holder.** Escrow Holder shall act with reasonable diligence in performing its duties hereunder. Agency or Developer may at any time, from time to time, require an accounting of all monies deposited into and remitted from the Account. Within ten (10) days after the end of each calendar quarter, Escrow Holder shall send to Agency and Developer a statement showing all deposits, withdrawals, and interest credits of the Account for the previous calendar quarter, as well as the current balance in the Account.

5.2 **Claims of Escrow Holder.** Escrow Holder shall have no claim against the Account or Funds and relinquishes any right or claim it may have against the Account and such Funds.

5.3 **Resignation of Escrow Holder.**

(a) Escrow Holder may resign as escrow agent hereunder at any time by giving sixty (60) days prior written notice to Agency and Developer. In such event Agency shall select new escrow agent doing business in Portland, Oregon, whose selection shall be subject to the reasonable approval of Developer. Promptly after selection of the new escrow agent, Escrow Holder shall transfer over to the new escrow agent all of the Funds in the Account and shall be relieved of any duties hereunder arising thereafter except for the obligation to give the reports required hereunder with respect to any prior or current periods. Contemporaneously with such transfer, Escrow Holder shall deliver to Agency and Developer a report showing the amount transferred. The new escrow agent shall execute and deliver an instrument accepting its appointment and the new escrow agent shall be vested with all of the estates, properties, rights, powers and duties of the predecessor escrow agent as if originally named as Escrow Holder.

(b) If Escrow Holder resigns upon written notice as provided for hereinabove and successor escrow agent is not appointed within thirty (30) days after such notice, then Escrow Holder may petition to an Oregon court of competent jurisdiction to name a successor and agrees to perform its duties hereunder until its successor is named.

5.4 **Instructions to Escrow Holder.** All instructions to Escrow Holder shall be submitted in writing, signed by an authorized representative of the submitting party, with a simultaneous copy to the other party.

5.5 **Escrow Fees.** Escrow fees shall be shared equally by Developer and the Agency.

6. **DEVELOPER OBLIGATIONS UNDER THE PLAN.** Pursuant to Section 715 and 745 of the Plan, Developer agrees as follows:

6.1 Developer shall obtain necessary approvals for the Building Improvements from all federal, state and/or local agencies that may have jurisdiction on the Property and the Building Improvements to be developed thereon.

6.2 The development of the Property shall be in accord with the regulations prescribed in the County's Comprehensive Plan, Zoning and Development Ordinance, and any other applicable local, state or federal laws regulating the development of property.

6.3 Agency acknowledges receipt of a copy of the plans and specifications prepared to date for construction of the Building Improvements referenced on Exhibit A attached, subject to Section 1.1 above.

6.4 Developer shall commence and complete the Building Improvements within the period of time as provided in this Agreement.

6.5 Developer covenants that it will not discriminate against any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property.

6.6 Developer shall maintain the Property in a clean, neat and safe condition.

The foregoing covenants shall be binding upon and run for the benefit of the parties hereto and their respective assigns and successors in interest, subject to Section 10.2.

7. **DEVELOPER CONSTRUCTION AND STORMWATER MANAGEMENT OBLIGATIONS.** Developer's construction activities on the Property will conform to the applicable requirements set forth in the Oregon Department of Environmental Quality's 401 Water Quality Certification Permit (#2012-00181-1) (the "WQC Permit"). **Developer acknowledges that post construction stormwater facilities must be maintained for the life of the facility in accordance with the terms of the WQC Permit.** Developer will permit reasonable access on the Property to the Agency, the Oregon Department of Environmental Quality, and the United States Army Corps of Engineers for purposes of monitoring compliance with the 401 Water Quality Certification Permit (#2012-00181-1) and the U.S. Army Corps of Engineers Permit (#NWP-2012-181-1). Access by the Agency will be deemed reasonable where Developer is given at least 48 hours' prior notice of such intended entry, such access is accomplished in a manner so as to minimize interference with the use and operations of Developer or tenants or occupants thereon, and Agency shall indemnify and defend Developer and its successors and assigns for, from and against any and all damages, losses, liens, claims, liabilities, costs and expenses (including reasonable attorneys' fees) to the extent arising from or related to such entry. Access by the Oregon Department of Environmental Quality and the United States Army Corps of Engineers will be deemed reasonable where access is sought pursuant to the terms of the 401 Water Quality Certification Permit (#2012-00181-1), the U.S. Army Corps of Engineers Permit (#NWP-2012-181-1), or any applicable code, statute, rule or regulation.

8. **WETLANDS MITIGATION.** Notwithstanding any wetlands fill work on the Property performed by Developer, Agency at its expense shall at all times remain solely responsible for complying with all continuing obligations and requirements relating to the off-site mitigation, including maintenance, monitoring and performance requirements, in accordance with the Wetlands Permit (as defined in the DA) and applicable law. Agency warrants that it will take all necessary actions to ensure that Developer has the right at all times to fill the Property Wetlands

consistent with the Wetlands Permit. Agency will indemnify and defend Developer and its officers, employees, directors, shareholders, agents, successors and assigns for, from and against any lien, claim, action, suit, loss, liability, damage, cost and expense (including reasonable attorneys' fees) arising from or related to Agency's failure to perform its obligations under this Section 8. The obligations under this Section 8 shall survive termination of this Agreement.

9. **FIRE ACCESS COVENANT**. Developer agrees to grant an access easement to Parcel 2 (defined below) for emergency fire access purposes only over and across a portion of the Property if, when and to the extent such easement is required to be located on the Property in connection with the development of Parcel 2, subject to the following conditions: (i) the location of the easement area shall conform to applicable rules and regulations related to the siting and construction of an emergency fire access and be mutually acceptable to the parties and shall be designed in a manner so as to minimize interference with the development and use of the Property and Building Improvements, (ii) the owner of Parcel 2 will be responsible to pay all costs of alterations, additions or improvements within the easement area in connection with such easement above and beyond what is required for the emergency fire access service Parcel 1, and (iii) the owner of Parcel 2 will indemnify and defend the owner and occupants of the Property for, from and against any and all actions, suits, liens, claims, losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees) arising from or related to the use of or improvements on the easement area by or for the benefit of the owner or occupants of Parcel 2. Notwithstanding the foregoing, Developer shall not have the obligation to grant the foregoing easement if the owner of Parcel 2 has an alternative means of providing such emergency fire access on property other than the Property. As used herein, "**Parcel 2**" shall mean that parcel identified as "Parcel 2" on the survey attached as Exhibit A to the DA.

10. **GENERAL PROVISIONS**.

10.1 **Time of Essence**. Time is of the essence of each and every provision of this Agreement.

10.2 **Binding Effect**. Except as otherwise provided herein, no party hereunder shall assign its rights and/or obligations under this Agreement without the consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed, so long as the proposed assignee has demonstrated by objectively reasonable evidence the ability to perform all outstanding obligations under this Agreement, including without limitation the financial resources to do so. The parties acknowledge and agree that any proposed assignee who is likely to satisfy the Economic Development Goals with respect to the portion of the Property occupied by it will be favorably regarded by Agency in connection with Developer's request for consent to an assignment by Developer to such assignee. Upon Agency's consent to an assignment, Developer shall be released from all obligations and liability under this Agreement. This Agreement is made for the sole benefit of the parties hereto and their permitted successors and assigns, and no other person or party shall have any right of action under this Agreement or any right to the Funds in the Account. Subject to the terms of this Section 10.2, this Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, personal representatives, successors and assigns.

Notwithstanding the foregoing, Developer may assign all or part of its interest in this Agreement without consent of Agency (but with notice to Agency) to one or more affiliates of Developer (an “**affiliate**” is any entity that directly or indirectly control, is controlled by or under common control with Developer) or any “joint venture” entity formed by Developer and in which Developer has an equity interest. As used above, the term “control” or “controlled by” means the power to direct the management of such entity through voting rights, ownership or contractual obligations. In the absence of a written agreement to the contrary by all parties, all rights to receive Funds under this Agreement in favor of Developer shall automatically vest in a permitted assignee of Developer.

10.3 **Non-Liability of Officials and Employees**. Notwithstanding any other provision herein, no member, elected official, employee, shareholder, director, officer, agent or representative of any of the parties (or their respective successors and assigns) shall be personally liable to the other party (or its successors and assigns) in the event of any default or breach of any provision of this Agreement by any party (or its successors and assigns).

10.4 **Non-Waiver of Governmental Rights**. Subject to the terms and conditions of this Agreement, Agency is specifically not obligating itself, the County, or any other agency with respect to any discretionary action relating to the acquisition of the Property or development, operation and use of the improvements to be constructed on the Property, including but not limited to, condemnation, comprehensive planning, rezoning, variances, environmental clearances or any other governmental approvals that are or may be required.

10.5 **Notices**.

(a) All notices given pursuant to this Agreement shall be in writing and shall either be (i) mailed by first class mail, postage prepaid, certified or registered with return receipt requested, or (ii) delivered in person or by nationally recognized overnight courier, or (iii) sent by email.

(b) Any notice (i) sent by mail in the manner specified in subsection (a) of this section shall be deemed served or given three (3) business days after deposit in the United States Postal Service, (ii) delivered by nationally recognized overnight courier shall be deemed served or given on the date delivered or refused (or the next business day if not delivered on a business day), and (iii) given by email shall be deemed given on the date sent if sent during business hours of a business day in Portland, Oregon (or the next business day if not so sent). Notice given to party in any manner not specified above shall be effective only if and when received by the addressee as demonstrated by objective evidence in the possession of the sender.

(c) The address of each party to this Agreement for purposes of notice shall be as follows:

AGENCY:

Clackamas County Development Agency
c/o Development Agency Manager
150 Beaver Creek Road
Oregon City, Oregon 97045
Attn: Dan Johnson
Email: danj@co.clackamas.or.us

DEVELOPER:

Trammell Crow Portland Development, Inc.
1300 SW Fifth Avenue, Suite 3050
Portland, Oregon 97201
Attn: Kirk Olsen
Email: kolsen@trammellcrow.com

With a copy to:

Stoll Berne
209 SW Oak Street, Suite 500
Portland, Oregon 97204
Attn: Andy Davis
Email: adavis@stollberne.com

ESCROW HOLDER:

Chicago Title Insurance Company of Oregon
10151 SE Sunnyside Road, Suite 300
Clackamas, Oregon 97015
Attn: _____
Email: _____

Each party may change its address for notice by giving not less than fifteen (15) days' prior notice of such change to the other party in the manner set forth above.

10.6 **Relationship**. Nothing contained in this Agreement will create joint venture or partnership, establish relationship of principal and agent, establish relationship of employer and employee, or any other relationship of a similar nature between the Developer and Agency.

10.7 **Waiver**. Failure of either party at any time to require performance of any provision of this Agreement shall not limit the party's right to enforce the provision. Waiver of any breach of any provision shall not be waiver of any succeeding breach of the provision or waiver of the provision itself or any other provision.

10.8 **Non-Integration**. This Agreement supplements the obligations of the parties under the DA, all of which shall be construed to be consistent with one another to the maximum extent possible. The terms and provisions of this Agreement do not modify or otherwise affect the terms and provisions of any other agreement between some or all of the parties hereto.

10.9 **Further Assurances**. The parties to this Agreement agree to execute and deliver such additional documents and to perform such additional acts as may be reasonably necessary to give effect to the terms and provisions contemplated herein.

10.10 **Force Majeure**. Notwithstanding any other provision herein, no party will be liable for breach or default of this Agreement due to delay in performing its obligations under this Agreement to the extent that delay is caused by insurrection, war, riot, explosion, nuclear incident, strikes, labor disputes, volcanoes, fire, flood, earthquake, weather, acts of God,

epidemic, acts of any federal, state or local government or agency, or any other event beyond the reasonable control of the affected party.

10.11 **Applicable Law**. This Agreement shall be construed, applied and enforced in accordance with the laws of the State of Oregon.

10.12 **Mediation Option**. The parties acknowledge that mediation may help the parties to settle their dispute. Therefore, in case of dispute under this Agreement, either party may propose mediation whenever appropriate by any mediation process or mediator as the parties may mutually agree upon (each in their sole discretion).

10.13 **Changes in Writing**. This Agreement and any of its terms may only be changed, waived, discharged or terminated by written instrument signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

10.14 **Email Signatures**. Facsimile or email transmission of any signed original document, and retransmission of any signed facsimile or email transmission, shall be the same as delivery of an original. At the request of either party, or an escrow officer, the parties shall confirm facsimile or email transmitted signatures by signing an original document.

10.15 **Counterparts**. This Agreement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

10.16 **Invalidity of Provisions**. In the event any provision of this Agreement, or any instrument to be delivered by Developer at closing pursuant to this Agreement, is declared invalid or is unenforceable for any reason, such provision shall be deleted from such document and shall not invalidate any other provision contained in the document.

10.17 **Saturday Sunday and Legal Holidays**. If the time for performance of any of the terms, conditions and provisions of this Agreement shall fall on Saturday, Sunday or legal holiday, then the time of such performance shall be extended to the next business day thereafter.

10.18 **Neutral Construction**. This Agreement has been negotiated with each party having the opportunity to consult with legal counsel and shall not be construed against either party.

10.19 **Captions**. The captions of the section and subsections are used solely for convenience and are not intended to alter or confine the provisions of this Agreement.

10.20 **Memorandum of Agreement**. On or about the Effective Date, the parties will execute and deliver a memorandum of this Agreement in mutually acceptable form, which shall be recorded in the official records of Clackamas County, Oregon. This Agreement shall not be recorded. Subject to the terms of Section 10.2, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective assigns and successors in interest. Upon termination of this Agreement, the parties shall execute and record at Developer's expense an instrument in mutually acceptable form evidencing such termination.

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the day and year first above written.

DEVELOPER:

_____,
a(n) _____

By: _____

Name: _____

Date of Execution: _____

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the day and year first above written.

AGENCY:

By: _____

Name: _____

Title: _____

Date of Execution: _____

IN WITNESS WHEREOF the parties have executed this Agreement to be effective as of the day and year first above written.

ESCROW HOLDER:

By: _____

Name: _____

Title: _____

Date of Execution: _____

Attachments

Exhibit A Description of Building Improvements to Date

EXHIBIT A

Description of Building Improvements

[List plans and specifications for Buildings Improvements prepared to date]

EXHIBIT D

Form of Bargain and Sale Deed

AFTER RECORDING SEND TO:

**UNTIL A CHANGE IS REQUESTED
ALL TAX STATEMENTS SHALL
BE SENT TO:**

STATUTORY BARGAIN AND SALE DEED

CLACKAMAS COUNTY DEVELOPMENT AGENCY, the Urban Renewal Agency of Clackamas County, a corporate body politic, Grantor, conveys to _____, a[n] _____, Grantee, all of Grantor’s interest in that certain real property located in Clackamas County, Oregon, as more particularly described on Exhibit A attached hereto.

The true consideration for this conveyance \$ _____.

Grantee and its successors and assigns covenant not to discriminate against any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry or disability in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the real property subject to this conveyance.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON’S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES

OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

DATED as of _____, 201__.

CLACKAMAS COUNTY DEVELOPMENT AGENCY, a corporate body politic

By: _____
Name:
Its:

STATE OF OREGON)
) ss.
County of _____)

The foregoing instrument was acknowledged before me on _____, 201__, by _____, as _____ of Clackamas County Development Agency, a corporate body politic.

Notary Public for Oregon
My commission expires:

EXHIBIT A to Bargain and Sale Deed

Legal Description

Tract 1 (Tax Lot 1900 adjusted)

That tract of land described as Tract 1, Property Line Adjustment Deed Document number 2015-079459 together and with a portion of that tract of land being described as Tract 2, Property Line Adjustment Deed Document Number 2015-082415, Clackamas County Deed Records. Said tract of land being situated in the northeast one quarter and the southeast one quarter of Section 15 Township 2 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon, and more particularly described as follows:

Commencing at the north one sixteenth section corner between sections 15 and 14 of said Township and Range, said point being marked by a 1-1/4" inside diameter iron pipe;

Thence, South 42°13'50" West, 104.67 feet to a point of tangency, said point being on the east line of said Parcel 2 tract, said point also being on the west right of way line of Wilde Road, County Road No. 3093;

Thence, along the east line of said tract and along said west right of way line, South 0°21'32" West, 1284.77 feet to the intersection of said west right of way line and the north right of way line of Vernon Avenue, Local Access Road No. P2089, said point also being the southeast corner of said tract;

Thence, along said north right of way line, North 89°40'18" West, 250.34 feet to a point on the west line of that tract of land described in Deed Document Number 2007-085791, Clackamas County Deed Records;

Thence, along the east line of said Document Number 2007-085791 tract, North 0°23'38" East, 118.25 feet to the northeast corner thereof;

Thence, along the north line of said tract, South 89°58'06" West, 189.55 feet;

Thence, North 0°21'32" East, 315.80 feet to the northeast corner of that tract of land described as Tract 1, Property Line Adjustment Deed Document Number 2015-082415, Clackamas County Deed Records, said point also being the true point of beginning of the herein described tract;

Thence, along the north line of said tract, South 89°58'06" West, 374.12 feet to an angle point therein;

Thence, North 57°17'18" West, 537.00 feet to an angle point said line;

Thence, continuing along said line, North 89°33'48" West, 79.95 feet to the southwest corner of that tract of land described as Tract 1 in Deed Document Number 2015-079459, Clackamas County Deed Records;

Thence, along the west line of said tract, North 0°27'22" East, 615.55 feet to the northwest corner of said tract, said point also being on the south right of way line of Capps Road, County Road No. 3393;

Thence, along said south right of way line, North 89°57'49" East, 847.57 feet;

Thence, South 0°07'16" West, 30.00 feet;

Thence, continuing along the south right of way line of Capps Road, County Road No. 88, South 89°08'27" East, 58.98 feet;

Thence, leaving said line, South 0°21'32" West, 875.81 feet to true point of beginning.

Said tract of land contains 16.7933 acres more or less.

Basis of bearings and boundary determination for this description is held from the Oregon Coordinate Reference System, Portland Zone (OCRS) and Record of Survey Number SN 2016-038, Clackamas County Surveyor's Office.



EXHIBIT E

Memorandum of Post-Closing Agreement

When Recorded Return To:

MEMORANDUM OF POST-CLOSING AGREEMENT

This Memorandum of Post-Closing Agreement (this “**Memorandum**”) is made and dated as of _____, 201__ (the “**Effective Date**”), by **CLACKAMAS COUNTY DEVELOPMENT AGENCY**, the Urban Renewal Agency of Clackamas County, a corporate body politic (the “**Agency**”), and , _____, a _____, (the “**Developer**”).

The Developer acquired that certain real property described on attached Exhibit A (the “**Property**”) from the Agency.

In connection with the acquisition of the Property, the Agency and the Developer entered into that certain Post-Closing Escrow Holdback and Development Agreement dated as of _____, 201__ (the “**Post-Closing Agreement**”). Capitalized terms used in this Memorandum without definition will have the meanings given in the Post-Closing Agreement.

The Post-Closing Agreement, among other things, provides for Developer to make certain improvements to or for the Property, including construction of one or more industrial building(s) for sale or lease.

This Memorandum is solely for recording purposes and shall not be construed to in any way alter, modify, amend, or supplement the Post-Closing Agreement or any term or condition thereof.

This Memorandum may be executed in one or more counterparts, all of which shall be considered one and the same Memorandum and shall be effective when one or more counterparts have been signed and delivered by the Owners.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the Effective Date.

“AGENCY”

**CLACKAMAS COUNTY DEVELOPMENT
AGENCY**, a corporate body politic

By: _____
Name:
Its:

STATE OF OREGON)
) ss.
COUNTY OF _____)

On _____, 2017 before me personally appeared _____ as the
_____ of Clackamas County Development Agency, a corporate body politic, who
executed the within and foregoing instrument, and acknowledged said instrument to be the
voluntary act and deed of said agency.

WITNESS my hand and official seal.

Notary Public for the State of Oregon
My commission expires: _____

“DEVELOPER”

a _____

By: _____
Name:
Title:

STATE OF OREGON)
) ss.
COUNTY OF _____)

On _____, 2017 before me personally appeared _____ as
the _____ of _____, a _____, who
executed the within and foregoing instrument, and acknowledged said instrument to be the
voluntary act and deed of said company.

WITNESS my hand and official seal.

Notary Public for the State of Oregon
My commission expires: _____

**EXHIBIT A to Memorandum of
Post-Closing Agreement**

Property Description

Tract 1 (Tax Lot 1900 adjusted)

That tract of land described as Tract 1, Property Line Adjustment Deed Document number 2015-079459 together and with a portion of that tract of land being described as Tract 2, Property Line Adjustment Deed Document Number 2015-082415, Clackamas County Deed Records. Said tract of land being situated in the northeast one quarter and the southeast one quarter of Section 15 Township 2 South, Range 2 East, of the Willamette Meridian, Clackamas County, Oregon, and more particularly described as follows:

Commencing at the north one sixteenth section corner between sections 15 and 14 of said Township and Range, said point being marked by a 1-1/4" inside diameter iron pipe;

Thence, South 42°13'50" West, 104.67 feet to a point of tangency, said point being on the east line of said Parcel 2 tract, said point also being on the west right of way line of Wilde Road, County Road No. 3093;

Thence, along the east line of said tract and along said west right of way line, South 0°21'32" West, 1284.77 feet to the intersection of said west right of way line and the north right of way line of Vernon Avenue, Local Access Road No. P2089, said point also being the southeast corner of said tract;

Thence, along said north right of way line, North 89°40'18" West, 250.34 feet to a point on the west line of that tract of land described in Deed Document Number 2007-085791, Clackamas County Deed Records;

Thence, along the east line of said Document Number 2007-085791 tract, North 0°23'38" East, 118.25 feet to the northeast corner thereof;

Thence, along the north line of said tract, South 89°58'06" West, 189.55 feet;

Thence, North 0°21'32" East, 315.80 feet to the northeast corner of that tract of land described as Tract 1, Property Line Adjustment Deed Document Number 2015-082415, Clackamas County Deed Records, said point also being the true point of beginning of the herein described tract;

Thence, along the north line of said tract, South 89°58'06" West, 374.12 feet to an angle point therein;

Thence, North 57°17'18" West, 537.00 feet to an angle point said line;

Thence, continuing along said line, North 89°33'48" West, 79.95 feet to the southwest corner of that tract of land described as Tract 1 in Deed Document Number 2015-079459, Clackamas County Deed Records;

Thence, along the west line of said tract, North 0°27'22" East, 615.55 feet to the northwest corner of said tract, said point also being on the south right of way line of Capps Road, County Road No. 3393;

Thence, along said south right of way line, North 89°57'49" East, 847.57 feet;

Thence, South 0°07'16" West, 30.00 feet;

Thence, continuing along the south right of way line of Capps Road, County Road No. 88, South 89°08'27" East, 58.98 feet;

Thence, leaving said line, South 0°21'32" West, 875.81 feet to true point of beginning.

Said tract of land contains 16.7933 acres more or less.

Basis of bearings and boundary determination for this description is held from the Oregon Coordinate Reference System, Portland Zone (O CRS) and Record of Survey Number SN 2016-038, Clackamas County Surveyor's Office.





Gregory L. Geist
Director

June 29, 2017

Board of Directors
Clackamas County

Members of the Board:

Approval of Amendment to Easement 43139-EA
between Oregon Department of State Lands and Clackamas County

Purpose/Outcomes	To amend an easement with the State of Oregon, Department of State Lands, for the Kellogg Creek Water Resource Recovery Facility
Dollar Amount and Fiscal Impact	No impact.
Funding Source	Not applicable.
Duration	Perpetual until terminated.
Previous Board Action	None.
Strategic Plan Alignment	1. WES customers will continue to benefit from a well-managed utility 2. Build public trust through good government
Contact Person	Randy Rosane, Civil Engineering Supervisor, WES, 503-742-4573

BACKGROUND:

On June 19th, 1973, the State of Oregon, through the State Land Board, granted an easement to construct and maintain a sanitary sewer outfall on state-owned submersible and submerged lands in the Willamette River ("outfall easement"). This easement provides for the current sewer outfall from the Kellogg Creek Water Resource Recovery Facility ("WRRF"). A recent project modifying Kellogg Creek WRRF's outfall required a modification of the outfall easement description, which requires approval by both parties to the original easement agreement.

This amendment is necessary to allow continued operation of the Kellogg Creek WRRF. If accepted, the State of Oregon Department of State Lands will amend the easement to Clackamas County for a period of 99 years.

The amendment was reviewed by County Counsel.

RECOMMENDATION:

Staff respectfully recommends that the Board of Commissioners approve and execute the Amendment to Easement 43139-EA on behalf of Clackamas County.

Respectfully submitted,

Greg Geist, Director

**STATE OF OREGON
DEPARTMENT OF STATE LANDS**

Amendment to Easement 43139-EA

Effective 6/1/2017, the following terms and conditions are modified in that certain easement between the STATE OF OREGON, acting by and through the Department of State Lands (STATE) and Clackamas County, (GRANTEE), which is dated and signed on June 19, 1973. All terms of the easement not specifically changed by this modification remain unchanged and in full force.

CURRENT EASEMENT

LEGAL DESCRIPTION

All of the state-owned submersible and submerged land lying 20 feet on each side of the following described centerline:

Using bearings based on the Oregon, State System of Pl Coordinates, North Zone (Lamber Grid) and beginning at a 2-inch iron pipe, said pipe being located S 81° 21' 37" W deed distance 209.8 feet from the 1/4 section corner between Sections 35 and 36, Township 1 South, Range 1 East, W.M., as recorded in Book 71, Page 2034, Deed Records; thence S 81° 21' 37" W, 377.54 feet; thence N 8° 38' 23" W, 96.00 feet to the True Point of Beginning; thence S 81° 21' 37" W, 32.0 feet; thence N 71° 38' 23" W, 185.0 feet to the terminus of the outfall line.

TO HAVE AND TO HOLD the same unto CLACKAMAS COUNTY for a period of 99 years from the date of this instrument, subject to the following conditions:

1. All the new construction within the area described above must be completed by July 1, 1974.

SUCH CONDITIONS ARE HEREBY DELETED AND IN THEIR PLACE ARE SUBSTITUTED THE FOLLOWING CONDITIONS:

LEGAL DESCRIPTION

All state-owned submerged and submersible lands in the Willamette River in Section 35, Township 1 South, Range 1 East of the Willamette Meridian, Clackamas County, Oregon, included in a strip of land 100.00 feet wide, lying 50.00 feet on each side of the following described centerline:

Commencing at a point at the intersection of the North line of Tax Lot 1600 (Clackamas County Assessor's Map Number 1 1 E 35 AD, as of February 24th, 2015) and the line of Ordinary High Water on the East bank of the Willamette River;

thence Southwesterly along said line of Ordinary High Water a distance of 30 feet, more or less, to the center of the Outfall Pipe of the Kellogg Creek Water Pollution Control Plant and the TRUE POINT OF BEGINNING of said Centerline;

thence Northwesterly along the center of said Pipe, and extension thereof, 300.00 feet to the TERMINUS of said Centerline.

Containing an area of approximately 30,000 square feet, or 0.68 acres, more or less, as shown on the attached Exhibit A.

TO HAVE AND TO HOLD the same unto CLACKAMAS COUNTY, for a period of 99 years from the date of this instrument, subject to the following conditions:

- 1. All new construction within the area described above must be completed by November 1, 2016.

IN WITNESS WHEREOF the parties have executed this easement AMENDMENT.

STATE:

The State of Oregon, acting by and through the Oregon State Land Board and the Department of State Lands
775 Summer ST NE, STE 100
Salem, OR 97301-1279

GRANTEE:

CLACKAMAS COUNTY
150 S BEAVERCREEK RD
OREGON CITY, OR 97045
503-742-4573

Authorized Signature/Printed Name

Signature/Title

Date

Date

STATE OF _____)
County of _____)ss
_____)

The foregoing instrument was acknowledged before me this _____ day of

_____, _____, by _____
(name of officer or agent of
the _____ political entity)
(title of officer or agent) of _____,
(name of political entity)

Signature
My commission expires _____



June 8, 2017

Board of Directors
Clackamas County Service District No. 1

Members of the Board:

Approval of a Service Connection Mortgage in the North Clackamas Service Area for
Clackamas County Service District No.1

Purpose/Outcomes	To place a Connection Mortgage on tax lot 22E02CB04000 in order for the property to connect to the public sewerage system.
Dollar Amount and Fiscal Impact	Contract maximum value is \$ 79,928.00.
Funding Source	Not applicable
Duration	Effective June 8, 2017 and terminates when paid in full--estimate date of January 7, 2028.
Previous Board Action	None
Strategic Plan Alignment	1. WES customers will continue to benefit from a well-managed utility 2. Build public trust through good government
Contact Person	Carla Atwood, WES Financial Analyst – 503-742-4588

BACKGROUND:

The property owner listed on the attached service connection mortgage has qualified under the requirements of Clackamas County Service District No. 1's Rules and Regulations, which allow for payment of systems development charges by semi-annual installment payments secured by a mortgage on the property owned by Western Properties, LLC: Map and Tax Lot: 22E02CB04000. The mortgage is in the amount of \$79,925.00 with a final payment January 7, 2028.

Approved as to form by District Counsel.

RECOMMENDATION:

We respectfully recommend that the Board of Commissioners approve and accept the attached service connection mortgage as allowed by CCSD No.1 Rules and Regulations.

Respectfully submitted,

Greg Geist, Director

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

CLACKAMAS COUNTY SERVICE DISTRICT NO. 1

SERVICE CONNECTION MORTGAGE

THIS MORTGAGE is made this 8 day of June, 2017 by and between Western Properties LLC (herein called "Mortgagors") and Clackamas County Service District No. 1, Clackamas County, Oregon (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 \$79,925⁰⁰ for the privilege of connecting the property described on Exhibit A for tax lot 00422563, attached hereto and incorporated by reference, to the District's sewerage system. (TL# 2LE02CB04000, DEED # 2017-038490)

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, 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 \$ 79,925⁰⁰ the final payment of which, if not sooner paid is due January 1, 2028 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.

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 \$ 71,925⁰⁰ in not less than twenty equal installments of \$ 3,996.25 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 alternations 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 agents, legal representatives, heirs, successors and assigns harmless against any and all claims, demands, losses, liabilities, costs and expenses (including, without limitation, attorney fees at trial and on any appeal or petition for review) 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 (including counsel fees and other costs) 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 personal liability because of District's action or inaction under this paragraph.

6.2 Attorney Fees and Costs. In the event action is instituted to enforce or interpret any of the terms of this Mortgage, the prevailing party shall be entitled to recover from the losing party reasonable attorney fees incurred in the action, as set by court, at trial, on appeal or review.

6.3 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.

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

6.5 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.

6.6 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.

6.7 Modification. This Mortgage may not be changed, waived, discharged or terminated orally, but only 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.

[Signature]
WESTERN PROPERTIS LLC

 (Legal owner) (Legal owner)

SILVIO BUMB - MENAGER, MEMBER
62155 HAZEL, PORTLAND OR 97206.

 Mailing Address Mailing Address

STATE OF OREGON)
) ss.
County of Clackamas)

This instrument was acknowledged before me on this 19 day of June, 2017 by Silvio Bumb.

Jill Elizabeth Smiley
Notary Public for Oregon
My Commission Expires: 11/28/20

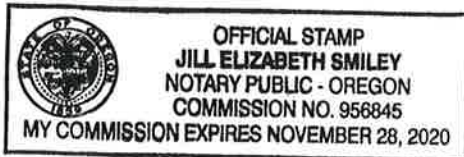


EXHIBIT "A"

Clackamas County Official Record

All of that portion described in deed reference 2017-038490

(Tax Lot 00422563 ; TL# 22E02CB04000)



Gregory L. Geist
Director

June 29, 2017

Board of County Commissioners
Clackamas County

Members of the Board:

APPROVAL OF A BOARD ORDER TO CREATE NEW ACCOUNTING FUNDS FOR
WATER ENVIRONMENT SERVICES

Purpose/Outcome	Creation of accounting funds for Water Environment Services (“WES”).
Dollar Amount and Fiscal Impact	None.
Funding Source	Not Applicable.
Duration	Permanent.
Previous Board Action/Review	Formation of Water Environment Services in November 2016. Amendment of Intergovernmental Partnership Agreement to add the Surface Water Management Agency of Clackamas County in May 2017.
Strategic Plan Alignment	1. Build public trust through good government.
Contact Person	Doug Waugh, Finance Manager dougwau@clackamas.us

BACKGROUND:

Local budget law (ORS 294.333) requires local governments to maintain accounting records by fund. The funds being requested are needed for the recording of revenues and expenditures for Water Environment Services (“WES”). WES’ fund structure will be similar to the fund structure of WES’ member districts while consolidating funds of identical type and function to achieve operational efficiency.

Initial sources of revenue in WES’ funds will be in the form of contributions from the Tri-City Service District (“TCSD”) and Surface Water Management Agency of Clackamas County (“SWMACC”) resulting from the integration of the districts’ operations and resources into WES during FY 2016-17. Beginning July 1, 2017 the new funds will be used to account for all revenues and expenditures formerly accounted for in TCSD’s and SWMACC’s separate funds.

RECOMMENDATION:

Staff respectfully recommends approval of the attached Board Order to create new funds for WES.

Respectfully submitted,

Greg Geist, Director
Water Environment Services

An Order of the Clackamas County Board
of Commissioners Establishing New Funds to
Account for the Operations of Water
Environment Services Effective July 1, 2017

ORDER NO.

WHEREAS, in November of 2016, the Board of County Commissioners (“BCC”) unanimously adopted an ORS 190 agreement creating Water Environment Services (“WES”), a separate legal entity, on behalf of and including Clackamas County Service District No. 1 (“CCSD No. 1”) and Tri-City Service District (“TCSD”);

WHEREAS, on May 18, 2017, the ORS 190 agreement was amended to include the Surface Water Management Agency of Clackamas County (“SWMACC”); and

WHEREAS, as a part of initiating the operation of WES, the Board is required to establish specific funds to account for the operations of the WES entity;

FINDINGS

The Board as the governing body of WES finds that it is necessary to establish accounting funds in order to account for WES’ operations, capital outlay, and debt service activities.

In order to account for WES’ sanitary sewer and surface water operations activities, the Board finds it is necessary to establish a sanitary sewer operating fund and a surface water operating fund.

In order to account for WES’ capital outlay activities, the Board finds it is necessary to establish a Sanitary Sewer System Development Charge Fund and Sanitary Sewer Construction Fund.

In order to account for WES’ debt service activities, the Board finds it is necessary to establish a State Loan Fund and a Revenue Bond Fund.

NOW, THEREFORE, THE BOARD OF COUNTY COMMISSIONERS, ACTING AS THE GOVERNING BODY OF WATER ENVIRONMENT SERVICES, HEREBY ORDERS AS FOLLOWS:

1. To open the following new Funds beginning July 1, 2017:
 - Sanitary Sewer Operating Fund (Fund #631);
 - Sanitary Sewer System Development Charge Fund (Fund #632);
 - Sanitary Sewer Construction Fund (Fund #639);
 - Surface Water Operating Fund (Fund #641);
 - State Loan Fund (Fund #635); and
 - Revenue Bond Fund (Fund #636).

2. The Sanitary Sewer Operating Fund, the Sanitary Sewer System Development Charge Fund, and the Sanitary Sewer Construction Fund will exist for the specific purpose of accounting for the operating and capital costs related to the sanitary sewer functions of the WES entity. The Surface Water Operating Fund will exist for the specific purpose of accounting for the operating costs related to the surface water functions of the WES entity. The State Loan Fund and Revenue Bond Fund will exist for the specific purpose of accounting for state loan and revenue bond debt service costs related to the WES entity.

The legal level of control for expenditures will be established in the adoption of the annual budget, in accordance with ORS 294.

3. The Sanitary Sewer Operating Fund will be initially funded by a contribution from the TCSD Sanitary Sewer Operating Fund and replenished by annual sanitary sewer service charge revenue and other miscellaneous revenues. The Sanitary Sewer System Development Charge Fund will be initially funded by a contribution from the TCSD Sanitary Sewer System Development Charge Fund and replenished by annual sanitary sewer system development charges and other miscellaneous revenues. The Sanitary Sewer Construction Fund will be initially funded by a contribution from the TCSD Sanitary Sewer Construction Fund and replenished by annual transfers from the WES Sanitary Sewer Operating Fund and other miscellaneous revenues. The Surface Water Operating Fund will be initially funded by a contribution from the SWMACC Surface Water Operating Fund and replenished by annual surface water service charge revenue and other miscellaneous revenues. The State Loan Fund will be initially funded by a contribution from the TCSD State Loan Fund and replenished by annual transfers from the WES Sanitary Sewer Operating Fund and other miscellaneous revenues. The Revenue Bond Fund will be initially funded by a transfer from the WES Sanitary Sewer Operating Fund and replenished by annual transfers from the WES Sanitary Sewer Operating Fund and other miscellaneous revenues.
4. For budgetary and accounting purposes, WES' activities will be accounted for in the funds described above. For external financial reporting purposes, as such sources of revenue are user fees, the activities of the WES entity are hereby classified as a single enterprise fund, as defined by Governmental Accounting Standards Board ("GASB") Statement Number 34, until such time that either WES' sources of revenues or main objectives have changed significantly or GASB Statement No. 34 has been amended or replaced.
5. In accordance with ORS 294.353, WES hereby documents the provision for the ending fund balance in the event of the dissolution of any of WES' funds. Upon decision of the governing body, WES' funds will be closed and any unspent proceeds or remaining fund balance will be transferred to other funds of the constituent members of WES as may be designated by the governing body.

ADOPTED this _____ day of _____, 2017.

CLACKAMAS COUNTY BOARD OF COUNTY
COMMISSIONERS Acting as Governing Body
of Water Environment Services:

Chair

Recording Secretary