BOARD MEETING AGENDA
May 16, 2018

Board President Richard Burke
Vice President Bernice Bagnall
Treasurer Jim Duggan
Secretary Dick Schmidt
Acting Secretary Jim Doane

To prepare to address the Board, please fill out the Public Comment Form located on the table near the main door to the meeting room. All testimony is electronically recorded. You are not required to give your address when speaking to the Board of Commissioners, only your name. Public participation is encouraged.

Assistive listening devices are available upon request 48 hours prior to the day of the meeting by calling (503) 848-3000. For additional questions or assistance, see the District Recorder seated near the windows.

Meetings are streamed live on www.tvwd.org and are broadcast by Tualatin Valley Community Television (TVCTV) Government Access Programming at a later date. To obtain the monthly programming schedule, contact TVCTV at (503) 629-8534 or visit www.tvctv.org.

For online meeting information, Commissioner bios and more, visit www.tvwd.org.

VISION
Delivering the best water ● service ● value

MISSION STATEMENT
To provide our community quality water and customer service

VALUES
Reliability ● Integrity ● Stewardship ● Excellence ● Safety
EXECUTIVE SESSION – 6:00 PM – MAIN CONFERENCE ROOM
An executive session of the Board is called under ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions and ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

REGULAR SESSION – 7:00 PM

CALL TO ORDER

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

COMMISSIONER COMMUNICATIONS

A. Reports of meetings attended
B. Topics to be raised by the Commissioners

PUBLIC COMMENT
This time is set aside for persons wishing to address the Board on items on the Consent Agenda and matters not on the agenda. Additional public comment will be invited on agenda items as they are presented. Each person is limited to five minutes, unless an extension is granted by the Board. Should three or more people testify on the same topic, each person will be limited to three minutes.

1. CONSENT AGENDA
These items are considered to be routine and may be approved in one motion without separate discussion. Any Board members may request that an item be removed by motion for discussion and separate action. Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Board has approved those items which do not require discussion.

A. Approve the April 18, 2018 regular meeting minutes.
B. Approve the May 1, 2018 work session minutes.

2. BUSINESS AGENDA

A. Consider adopting Resolution No. 18-18, a resolution approving an intergovernmental agreement between Washington County and Tualatin Valley Water District and the City of Hillsboro for the Willamette Water Supply Program joint construction of Roy Rogers Road (Beef Bend to Scholls Ferry) and PLM_5.1 Scholls area pipeline projects.

ADJOURNMENT
REGULAR SESSION – 7:00 PM

CALL TO ORDER

Commissioners Present: Richard Burke; Jim Doane, PE; Jim Duggan, PE; Dick Schmidt
Commissioner Absent: Bernice Bagnall

Staff Present: Paul Matthews, Chief Financial Officer; Clark Balfour, General Counsel; Andrew Carlstrom, Customer Service Manager; Dave Kraska, PE, Water Supply Program Director; Carrie Pak, PE, Chief Engineer; Andrea Watson, Communications and Public Affairs Supervisor; Collin Fleming, Building and Grounds Maintenance Supervisor; Christopher Bowers, Administrative Assistant; Debbie Werner, District Recorder

REPORTS BY THE CHIEF EXECUTIVE OFFICER AND MANAGEMENT STAFF

Ms. Watson presented the Safety Minute on preventing skin cancer.

Mr. Matthews provided an update on a former employee, the Chief Executive Officer, and summer water supply expectations (see attached memo).

Ms. Watson gave the department report on the website update project, including information on project goals, next steps and budget (see attached presentation). In response to questions, staff said Willamette Water Supply Program (WWSP) project construction activities can be found on the www.ourreliablewater.org website. The new website will have more connection points to the WWSP website as well as overall improved navigability.

COMMISSIONER COMMUNICATIONS

A. Reports of meetings attended

Commissioners described and submitted a list of recently attended meetings (see attached forms).

B. Topics to be raised by the Commissioners

There were none.

PUBLIC COMMENT

There was none.
1. **CONSENT AGENDA**

   A. Approve the March 14, 2018 joint work session minutes.

   B. Approve the March 21, 2018 regular meeting minutes.

   C. Approve the April 2, 2018 joint work session minutes.

   D. Approve the April 3, 2018 work session minutes.

   Motion was made by Schmidt, seconded by Doane, to approve the Consent Agenda as presented. The motion passed unanimously with Burke, Doane, Duggan and Schmidt voting in favor.

2. **BUSINESS AGENDA**

   A. Consider adopting Resolution No. 14-18, a resolution accepting conveyance of property on NW Thompson Road from Multnomah County to Tualatin Valley Water District.

   Ms. Pak gave an overview of the staff report and displayed a map of the subject property (see attached presentation).

   Motion was made by Doane, seconded by Schmidt, to adopt Resolution No. 14-18, a resolution accepting conveyance of property on NW Thompson Road from Multnomah County to Tualatin Valley Water District. The motion passed unanimously with Burke, Doane, Duggan and Schmidt voting in favor.

   B. Consider adopting Resolution No. 15-18, a resolution granting and accepting the Intake Facilities Easement Between the Tualatin Valley Water District and the Cities of Wilsonville, Sherwood, Hillsboro, Tigard and Beaverton.

   Mr. Balfour gave an overview of the staff report and displayed a map showing the intake facilities and the pipeline easement locations (see attached presentation).

   Motion was made by Duggan, seconded by Doane, to adopt Resolution No. 15-18, a resolution granting and accepting the Intake Facilities Easement Between the Tualatin Valley Water District and the Cities of Wilsonville, Sherwood, Hillsboro, Tigard and Beaverton. The motion passed unanimously with Burke, Doane, Duggan and Schmidt voting in favor.

   C. Consider adopting Resolution No. 16-18, a resolution granting and accepting the Pipeline Easement Between the Tualatin Valley Water District and the Cities of Wilsonville and Hillsboro for the Willamette Water Supply System.
Motion was made by Doane, seconded by Schmidt, to adopt Resolution No. 16-18, a resolution granting and accepting the Pipeline Easement Between the Tualatin Valley Water District and the Cities of Wilsonville and Hillsboro for the Willamette Water Supply System. The motion passed unanimously with Burke, Doane, Duggan and Schmidt voting in favor.

D. Consider adopting Resolution No. 17-18, a resolution adopting amended policies of the Board of Commissioners.

Mr. Balfour gave an overview of the staff report.

Motion was made by Duggan, seconded by Doane, to adopt Resolution No. 17-18, a resolution adopting amended policies of the Board of Commissioners. The motion passed unanimously with Burke, Doane, Duggan and Schmidt voting in favor.

ADJOURNMENT

There being no further business, President Burke adjourned the meeting at 7:31 p.m.

__________________________________________  _______________________________________
Richard Burke, President                          Dick Schmidt, Secretary
MEMO

Date:   April 18, 2018

To:     TVWD Board of Commissioners

From:   Paul L. Matthews, Chief Financial Officer

Re:     Chief Executive Officer and Management Staff Report

In Mark Knudson’s absence, I will cover the following items during the report by the CEO and management staff:

1. **Safety Minute** – Andrea Watson, TVWD’s Communications and Public Affairs Supervisor, will present the safety minute this evening.

2. **Former Engineering Manager** – We received news that Gary Pippin passed away over the weekend. Gary was TVWD’s Engineering Manager for 30 years and retired in 2007. His service was held earlier today.

3. **Update on the CEO** – I am sitting in for Mark Knudson as he continues his recovery from his recent surgery on his shoulder. I am happy to report that Mr. Knudson’s recovery is progressing well. In fact, we received an email from him on Monday where he reported that his doctor will allow him to return next week for a limited number of hours per day. As Mr. Knudson continues his recovery we will continue to rotate management duties on his behalf. I will continue to act in the capacity of the CEO for the remainder of this week and Amy Heinlen, the District’s Human Resources Director, will assume those duties on Monday.

4. **Expectations for Summer Water Supply** – As we approach the summer watering season, water demands typically increase as our citizens increase their water use to maintain landscaping and support other summertime activities. The District closely monitors the availability of its water resources to meet these peak-season demands. I am happy to report that the District’s water supplies are in excellent shape again this year. The Barney Reservoir, which supplies the District’s water to the Joint Water Commission (JWC), is completely full. In addition, our JWC partners store water in Hagg Lake which is expected to fill later this spring. In addition to providing water to the JWC and other water users, Hagg Lake also provides a flood-control function which requires delaying filling to later in the year so it can be used to reduce flood hazards in the Tualatin basin due to late season storms. The City of Portland reports that its Bull Run facilities are full and
have adequate supplies to meet the District’s needs including the District’s purchase of additional interruptible water for this summer. And finally, the District’s Aquifer Storage and Recovery well at Grabhorn is fully recharged and ready for service. Although the availability of water resources is excellent, we continue to urge our customers to use water wisely. However, the District expects to have more than adequate supplies to meet our customers’ needs this summer.

5. **Department Report.** In keeping with the District’s mission “to provide our community with quality water and customer service,” Andrea Watson, the Communications and Public Affairs Supervisor, will present the Department Report this evening.
District Website Update Project

Andrea Watson
Communications & Public Affairs Supervisor
April 18, 2018

Summary of Takeaways

- New website will better provide information to customers
- Project part of District Initiatives
- Project in 2017-2019 adopted budget
- Customer Service Department leading project
- Staff will keep Board informed
Goals/Outcomes

• **Address 2017-2019 Initiatives**
  – Assigned to Customer Service Department

• **Modernize and expand TVWD virtual service center**
  – Improve customer digital experience

• **Better serve**
  – Customers, District

• **Better reflect and represent**
  – Mission, vision, values

• **Better communicate value**
  – TVWD provides to community
  – Of water

Goals/Outcomes (continued)

• **Expand capacity to create microsites for partnerships**
  – Examples: Willamette River Water Coalition (WRWC), Willamette Intake Facilities (WIF)

• **Document connections and interfaces**
  – Between products and the TVWD website

• **Accessibility**
  – Meet ADA requirements

• **Respond to feedback**
  – Brand visioning session
  – Management Team feedback
Project Next Steps

• Approval of charter, staff resources
• Establish needs
  – Requirements
  – RFP (request for proposal)
  – Evaluation criteria
• Determine vendor
  – Publish RFP
  – Select vendor
  – Negotiate contract
• Implement
  – Develop and execute, implementation plan

Budget

Website Project Budget
$60,000, 2017-2019 Adopted Budget
Micro-sites, such as Willamette River Water Coalition, may create capacity to generate/recover revenue
QUESTIONS?

NW Thompson Road Property

Carrie Pak, PE
Chief Engineer
Intake Facilities Easement and Pipeline Easement

Clark Balfour
General Counsel
Report of Meetings Attended

**Commissioner Richard Burke**

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<td>INTERGOV'T RELATIONS</td>
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Date 4/18/18

Date 13 APRIL/18

ORS 198.190, "A member of the governing body of a district may receive, not to exceed $50.00 for each day or portion thereof as compensation for services performed as a member of the governing body. Such compensation shall not be deemed lucrative. The governing body may provide for reimbursement of a member for actual and reasonable traveling and other expenses necessarily incurred by a member in performing official duties." Please note that in accordance with ORS 294.331 (3) members of the budget committee shall receive no compensation for their services as members of such committee.

By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District's Customer Emergency Assistance Program.
Report of Meetings Attended

**Commissioner Jim Doane**

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<td>Work Session</td>
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<td>West Slope</td>
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Date 4/18

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Commissioner Jim Duggan

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Date 18 APRIL 18

Date 4/18/18

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### Report of Meetings Attended

**Commissioner Dick Schmidt**

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<td>WTP expansion, budget</td>
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<td>Regular board</td>
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Date 04/18/18

Date 4/13/18

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By Board Resolution 02-14, an amount equal to the unclaimed funds for services will be transferred to the District's Customer Emergency Assistance Program.
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WORK SESSION – 6:00 PM

CALL TO ORDER

Commissioners Present: Bernice Bagnall; Jim Doane, PE; Jim Duggan, PE; Dick Schmidt
Commissioners Absent: Richard Burke

Staff Present: Mark Knudson, PE, Chief Executive Officer; Dave Kraska, PE, Water Supply Program Director; Paul Matthews, Chief Financial Officer; Carrie Pak, PE, Chief Engineer; Andrea Watson, Communications and Public Affairs Supervisor; Debbie Werner, District Recorder

ANNOUNCEMENTS

Mr. Matthews presented the Safety Minute on water safety.

Mr. Knudson described a recent American Water Works Association cybersecurity alert, the annual Spring Cleaning employee event, clarification on the joint meeting with the West Slope Water District Board, the inaugural Willamette Intake Facilities Commission meeting and the activation of a wheeled water arrangement with the City of Hillsboro in the Butternut Creek area (see attached memo).

He asked for feedback on a summer Board retreat. Commissioners were interested in potential retreat topics, which Mr. Knudson said he will send out for Board review.

1. DISCUSSION ITEMS
   A. Branding Project Update

Ms. Watson summarized branding efforts to date, highlighted project goals and outcomes and requested feedback from the Board on several questions (see attached presentation).

Of the four Commissioners presents, three were interested in modifying TVWD’s name, modifying the existing logo and developing an 80th anniversary logo. One was interested in keeping TVWD’s name, creating a new logo and not developing a special 80th anniversary logo.

Mr. Knudson pointed out the importance of Board involvement in branding efforts given the policy implications of the project and the message it sends to the community regarding how the District spends ratepayer money as well as how the District is evolving as an organization.
Ms. Watson closed her presentation with cost options and staff recommendations.

Additional Commissioner feedback included the desire:
- Not to see the Willamette Water Supply Program (WWSP) overshadow the TVWD brand
- To realize a stronger TVWD brand
- To create a logo that fits the media the Communications Team uses
- To move quickly to implement branding changes
- To investigate subtle design changes to the logo

**B. Financial Planning and Revenue Bond Debt Program**

Mr. Matthews reviewed the key concepts from his staff report before highlighting the components of a Revenue Bond Program, financial planning activities schedule, bond issuance timing and potential Water Infrastructure Finance and Innovation Act (WIFIA) funding (see attached presentation). Mr. Knudson pointed out the Month-in-Review reports show the District’s expenditures, revenue and cash position, which allows staff detailed tracking that also provides essential information for bond underwriters.

In response to questions, he said:
- PFM is the District’s Municipal Advisor, Duncan Brown is the managing consultant for PFM and Harvey Rogers and Gulgun Mersereau are the District’s bond counsel.
- Long-term debt will be spread out as much as 30 years beyond WWSP construction completion in 2026.
- Rate increases will enable the District to fulfill its debt obligations.
- Bond feasibility studies typically include rate forecasts.
- The current financial plan sets the debt service ratio coverage at 1.75, which the District’s Municipal Advisor and bond underwriters agree is the right target for TVWD. The debt service coverage shadow is anticipated to provide resources to deal with seismic mitigation, corrosive soils and pipes and more.
- The financial plan will be published annually.

Commissioners said they would like the annual financial plan not to generate very much additional staff work. Mr. Matthews said much of the work is being done already; the additional task would be writing up that work to professionally present the information. Staff has a template in mind to streamline the work.

**ADJOURNMENT**

There being no further business, Vice President Bagnall adjourned the meeting at 7:26 p.m.

__________________________  ____________________________
Richard Burke, President      Dick Schmidt, Secretary
MEMO

Date: May 1, 2018
To: TVWD Board of Commissioners
From: Mark Knudson, CEO
Re: CEO Announcements

I will cover the following items during the CEO’s Announcements at the work session:

1. **Be Sure to Use Microphones** – Just a reminder to please be sure to use your microphone whenever you are speaking during the work session this evening. Also, please be sure to turn off your microphone when you are not speaking.

2. **Safety Minute** – Paul Matthews will present the safety minute this evening.

3. **Cybersecurity Alerts** – Early last week, AWWA (American Water Works Association) issued a cybersecurity alert based on updated recommendations by NIST, the National Institute of Standards and Technology. While we’re not able to discuss specific security protocols, I’m pleased to report that TVWD’s existing information technology infrastructure was compliant with the new NIST recommendations before they were even issued. The District is obviously committed to continuing to protect our customer’s data, but this is no small task. In fact, an additional set of recommendations were issued late last week regarding protection against ransomware. We will continue to be vigilant.

4. **Spring Cleaning** – On Wednesday, April 11, the District was a hive of cleaning activity as staff engaged in our annual Spring Cleaning Day. As in past years, staff made a point of purging outdated records while strictly adhering to public records retention requirements established by the state. The day also includes a thorough stem-to-stern cleaning of work spaces and facilities. This is just one small but important step in continuing to make improvements to the District’s records systems. I’d like to extend a special thanks to our District Recorder, Debbie Werner, who has led the District-wide effort to upgrade our public records and coordinated Spring Cleaning Day.

5. **Joint Meeting with West Slope Water District Board** – In keeping with the theme of public records, we discovered a small factual error was made during the joint meeting with the West Slope Water District Board a few weeks ago. At the time, it was suggested the meeting between TVWD and West Slope boards was historic in that it was the first time we knew of such a meeting. It turns out that as part of Spring Cleaning Day, Debbie Werner discovered a handwritten record indicating that, in fact, members of the Wolf Creek Highway Water Committee met with the West Slope Water Company on Monday, May 10, 1937 to discuss the matter of rates, which were 25 cents per CCF (one hundred cubic feet of water) at the time. The record stands corrected.
6. **Inaugural Meeting of the Willamette Intake Facilities Commission** – A no less significant historic event, last night was the inaugural meeting of the Willamette Intake Facilities Commission. The WIF Commission, which is a partnership of TVWD and the cities of Hillsboro, Tigard, Sherwood, Beaverton and Wilsonville, is yet another big step forward in realizing the District’s vision for a regional water supply from the Willamette River.

7. **South Hillsboro Wheeling from TVWD** – Last May, the Board approved an update to the wheeling agreement between TVWD and the City of Hillsboro. I’m pleased to report that within the next few days, TVWD will begin providing wheeled water to the Butternut Creek development in South Hillsboro. This is truly a win-win arrangement between TVWD and the City of Hillsboro in that it avoids the need for Hillsboro to construct duplicative infrastructure, it allows this development to be served sooner than would have been possible otherwise, and it provides a small revenue to TVWD for use of the District’s available transmission system capacity.

8. **Planning for Annual TVWD Board Retreat** – It is that time of year to begin the planning for a TVWD Board retreat. If the Board is interested in holding a retreat, Debbie Werner will contact the Commissioners to identify possible dates for a Board retreat later this summer. To begin planning the agenda, I will provide an email with possible topics and solicit your input on agenda items. Finally, I’d be interested in the Board’s thoughts on if we should use a facilitator again this year.

9. **Board Communications Log** – There is one update to the Board communications log this month. Attached is a summary of the Board’s Water Supply committee meeting that was held on Monday, April 23.
Meeting Notes

Attendees: Commissioners Jim Doane, PE; Dick Schmidt
Staff Present: Mark Knudson, PE, Chief Executive Officer; Dave Kraska, PE, Water Supply Program Director; Clark Balfour, General Counsel; Debbie Werner, District Recorder

1. Preparation for the April 30 Willamette Intake Facilities Board Meeting

Mr. Kraska described the room setup for the meeting before providing an overview of the draft orientation PowerPoint presentation and meeting agenda (see final versions attached).
Willamette Intake Facilities Commission
Board Meeting Agenda
Monday, April 30, 2018 | 6:00 – 8:00 PM

To prepare to address the Willamette Intake Facilities Board, please fill out the Public Comment Form located on the table near the main door to the meeting room. You are not required to give your address when speaking to the Board, only your name. **Assistive Listening Devices (ALD) are available upon request 48 hours prior to the day of the meeting by calling (503) 941-4580.**

All testimony is electronically recorded.

The Board and other attendees dine at 5:30 p.m.

**CALL TO ORDER**

Introductions.

1. **INITIAL BUSINESS**
   
   A. Election of Officers
   
   B. Acknowledgement of Managing Agency and General Manager

2. **CONSENT AGENDA** (The entire Consent Agenda is normally considered in a single motion. Any Commissioner may request that an item be removed for separate consideration.)
   
   A. None. Inaugural Board meeting.

3. **COMMUNICATIONS AND NON-AGENDA ITEMS**
   
   A. None scheduled.

4. **DISCUSSION ITEMS** (These items may result in action by the Commission.)
   
   A. Willamette Intake Facilities Commission Orientation

5. **NEW BUSINESS**
   
   A. Execution of Joinder of Trust Agreement
   
   B. Approval of Annual Work Plan and Budget
   
   C. Schedule of Fiscal Year 2018-19 Board Meetings
6. **ADVICE/INFORMATION ITEMS**

   A. The next Board meeting is scheduled on July 30, 2018, at Tualatin Valley Water District – Board Room.

**ADJOURNMENT**
Willamette Intake Facilities Commission Orientation

April 30, 2018

Outline

• Willamette Intake Facilities Overview
• IGA and Governance Overview
• Annual Work Plan
• Status of the RWF_1.0 Project
WILLAMETTE INTAKE FACILITIES OVERVIEW
Willamette Intake Facilities

Willamette Intake Facilities Components

LEGEND
- Willamette Intake Facilities (WIF)
- Willamette Water Supply System (WWSS)
- Willamette River Water Treatment Plant (WRWTP)
Raw Water Pump Station Structure
IGA AND GOVERNANCE OVERVIEW
Willamette Intake Facilities Intergovernmental Agreement

• Sets forth the terms for the joint ownership, management, and operation of the Intake Facilities in a prudent, economic, and efficient manner to provide water to the WRWTP and the WWSS

• Six parties:

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Willamette Intake Facilities IGA Summary (1/6)

• Creates the WIF Commission, a Chapter 190 entity, to own, operate, maintain, manage, construct, repair and replace the WIF.

• WIF Assets:
  – new screens
  – intake pipe
  – caisson
  – pump station building
  – instrumentation and control
  – seismic improvements

• There is a defined WIF – WRWTP & WWSS system separation point.
Willamette Intake Facilities IGA Summary (2/6)

- Six-member Board with one alternate each. Each entity has one vote. Member and alternate appointed by boards or councils.
- Board manages the business affairs of the WIF Commission for the mutual benefit of all (powers and duties listed in Section 4.7).
- Board appoints Managing Agency as staff.
- Approving votes require five of six. Unanimous vote required on:
  - joinder of new members
  - amendment of the agreement
  - dissolution of Commission

Willamette Intake Facilities IGA Summary (3/6)

- TVWD is Managing Agency until 2032:
  - Until 2026, Wilsonville will continue to manage the intake to serve the WRWTP. TVWD will have responsibility for the WIF Commission and all matters related to the expansion project.
  - From 2026 to 2032, TVWD will be the sole Managing Agency responsible for the WIF to deliver water to the WRWTP and the WWSS facilities.
    - Evaluate operating agreements with Veolia prior to 2026
    - Conduct performance evaluation of Managing Agency in 2029
  - Post 2032, the Managing Agency will be appointed to six-year terms with annual review and opportunity for change of Managing Agency through a proposal process.
Willamette Intake Facilities IGA Summary
(4/6)

• Various committees are provided:
  – Management Committee
    • CEOs, City Managers, or designees
    • Members serve as liaisons to each respective governing body
    • Provides input and recommendations to the Managing Agency
  – Finance Committee
    • People knowledgeable in municipal finance laws and practices
    • Provides recommendations to the Management Committee
    • Recommends financial procedures to be implemented by the Managing Agency
  – Operations Committee
    • People technically knowledgeable in water system operations or engineering
    • Managing Agency to advise and consult with the Operations Committee
    • Operations Committee to respond to requests from the Management Committee
  – Other committees as needed

WIF Organization

Notes:
1. Appointed by governing bodies of each Party
2. Provides its and Management Committee’s recommendations to Board
3. Provides support to and consults with all committees
4. Provides recommendations to Managing Agency to be forwarded to the Board
5. Serve as liaisons to Parties’ governing bodies
6. Provides recommendations to Management Committee
Willamette Intake Facilities IGA Summary
(5/6)

• Easement for facilities. There are two easements:
  – Intake Facilities Easement: From Wilsonville and TVWD, as property owners, to the WIF Commission for the intake facility footprint.
  – Pipeline Easement: From Wilsonville and TVWD to the WWSS (TVWD, Hillsboro, Beaverton and Tigard) for the WWSS facilities from the system separation point through the remainder of the Wilsonville and TVWD property.
• Proportionate reductions if less than 150-mgd. Guarantee of design capacity for TVWD (56.5 MGD), Wilsonville (20 MGD) and Sherwood (5 MGD).

Willamette Intake Facilities IGA Summary
(6/6)

• Each party responsible to bring water rights.
  – TVWD, Tigard, Sherwood rely on Willamette River Water Coalition right
  – Perfection of water rights limited to owned WIF capacity unless otherwise approved by the Board
• Provisions for plans:
  – Operations Plan
    • Complete prior to startup of WWSS
  – Curtailment Plan
  – Emergency Response Plan
  – Capital Improvement Plan
ANNUAL WORK PLAN

Annual Work Plan and Budget Preparation

December 2017

TVWD Staff
- Prepare Draft Annual Work Plan and Budget

Finance & Ops Committees
- Review and Consolidate Comments

Management Committee
- Review and Comment

April 2018

Managing Agency (TVWD)
- Deliver to Board for Consideration and Approval
FY 2018 – 19 Annual Work Plan

• Task List:
  – General Administration
  – Capital Projects Management
  – Annual Work Plan and Budget Development
  – Finance Administration
  – Operations Committee Administration
  – Management Committee Administration
  – Administer WIF Board of Commissioners Meetings

FY 2018 – 19 Annual Work Plan

• Task 1 – General Administration
  – Administration of Infrastructure Operations and Maintenance
    • Develop overall scope and timing for preparing the various plans
  – Records Management
  – Responding to Requests
    • Public
    • Media
  – Communications and Public Outreach
    • Website creation and management
  – Legislative Updates
    • Monitor and report on legislative activities in the Willamette basin
  – Willamette River Basin Activities Monitoring (future task)
FY 2018 – 19 Annual Work Plan

• Task 2 – Capital Projects Management
  – Monitor and report on:
    • WWSP RWF_1.0 improvement projects within the WIF scope
    • Planned WRWTP projects within the WIF scope

FY 2018 – 19 Annual Work Plan

• Task 3 – Annual Work Plan and Budget Development
  – Prepare Draft Plan and Budget
  – Review and Edit with Operations and Finance Committees
  – Prepare Management Committee Review Draft
  – Prepare Final for Presentation to WIF Board
FY 2018 – 19 Annual Work Plan

• Task 4 – Finance Administration
  – Develop Financial Procedures
  – Quarterly Invoicing and Financial Reports
  – Insurance
  – Administer Finance Committee Meetings
    • Scheduling
    • Meeting Logistics
    • Draft Agendas
    • Meeting Materials
    • Meeting Facilitation
    • Meeting Notes
  – Annual Audit

FY 2018 – 19 Annual Work Plan

• Task 5 – Operations Committee Administration
  – Administer Operations Committee Meetings
    • Scheduling
    • Meeting Logistics
    • Draft Agendas
    • Meeting Materials
    • Meeting Facilitation
    • Meeting Notes
FY 2018 – 19 Annual Work Plan

• Task 6 – Management Committee Administration
  – Administer Management Committee Meetings
    • Scheduling
    • Meeting Logistics
    • Draft Agendas
    • Meeting Materials
    • Meeting Facilitation
    • Meeting Notes

FY 2018 – 19 Annual Work Plan

• Task 7 – Administer WIF Board of Commissioners Meetings
  – Administer Board Meetings
    • Scheduling
    • Meeting Logistics
    • Draft Agendas
    • Meeting Materials
    • Meeting Facilitation
    • Meeting Notes
# FUTURE MEETINGS AND TOPICS

## WIF Commission Board Meets Quarterly

<table>
<thead>
<tr>
<th>Proposed Meeting Date</th>
<th>Anticipated Topics</th>
</tr>
</thead>
</table>
| April 30, 2018        | • Election of Officers  
                        | • WIF Orientation  
                        | • Insurance Coverage Approval  
                        | • FY 18-19 Annual Work Plan and Budget Approval |
| July 30, 2018         | • Management Committee Reports – Parties Interests in the WIF  
                        | • WWSS Raw Water Facilities Project Update  
                        | • WIF Commission Board Rules |
| October 29, 2018      | • Plans Development Strategy Report  
                        | • Financial Procedures Update  
                        | • Insurance Coverage Renewal |
| January 28, 2019      | • Election of Officers  
                        | • WWSS Raw Water Facilities Project Update |
| April 29, 2019        | • FY 19-20 Annual Work Plan and Budget Approval |
STATUS OF THE RWF_1.0 PROJECT

Overall Raw Water Facilities Improvements

Surge Control and Electrical Building
New Fish Screens
Standby Power & Upper Site Elec. Building
Pump Station Upgrades
Raw Water Pipeline and Duct Banks for Power and SCADA
Seismic Stability Improvements
Seismic Stability Improvements

WWSS: New Electrical Building and Surge Control Stability
WWSS: New 66” Raw Water Pipeline Stabilization
WIF: Existing Caisson Stability

WIF Structure Capacity Evaluation

• Original facilities: 120-mgd capacity
• Identified demands: 150-mgd combined
• New intake: $50 M or more
• CFD modeling suggested that 140-mgd capacity is possible
• Performed physical modeling to confirm capacity limits, and identified design deficiencies and possible improvements
Physical Model: 1/5 Scale of Facility

Excellent Results: Vane Grating Baskets Will Provide the Desired Benefits

- Inexpensive improvement will provide reliable operation at low cost
- Allows WIF to achieve 150-mgd without structural modifications
## RWF_1.0 Schedule Summary

<table>
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<tr>
<th>Task</th>
<th>Schedule</th>
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<tbody>
<tr>
<td>Design Notice to Proceed</td>
<td>September 21, 2017</td>
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<tr>
<td>Draft Basis of Design TM</td>
<td>June 14, 2018</td>
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<tr>
<td>CM/GC Notice to Proceed</td>
<td>June 19, 2018</td>
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<tr>
<td>NTP Phase 1 Construction</td>
<td>June 2020</td>
</tr>
<tr>
<td>NTP Phase 2 Construction</td>
<td>January 2023</td>
</tr>
</tbody>
</table>

### Sonar of Screen Protection Piles Shows More Room for New Screens

- **Actual Location of Protection Piles +/- 1 ft.**
Screen Evaluation (In-Progress)

- Investigate weight difference between 60” and 78” or 82” Screens
- Evaluate 12” Air Burst Pipe
- Anticipated Movement from Seismic loading

Intake Pipeline Overview
Current Status of Intake Pipeline Analysis

- Segmented Steel Pipe will require retrofit
- Permalok Pipe will (potentially) require modification – assess via 3D finite element analysis model
- Air Pipe evaluation in progress
- Evaluation of the Screen and Segmented Pipe retrofit to be modeled together, forthcoming
- Update all seismic hazard preliminary inputs (GRI data) to SSI analysis once ground mitigation features are determined.

Alternatives Being Considered for Seismic Wall – Jet Grout and Tied Back Drilled Shafts

- Jet Grout
- Tied Back Drilled Shafts
- Raw Water Pump Station
Pump Station Structural Vulnerabilities

- Weak piers between large openings on concrete shear walls
District Branding Project Update

Andrea Watson
Communications & Public Affairs Supervisor
May 1, 2018

Summary of Branding Efforts

- Stanton Communications conducted brand visioning
- Brand concepts developed
- Design and implementation proposal received
- Program paused for Communications Supervisor recruitment
Goals/Outcomes

- **Address 2017 – 2019 initiatives**
  - Website Redesign
  - Ratepayer Communications Strategy
- **Communicate value of water**
- **Reflect and represent TVWD’s**
  - Mission, vision, values
- **Celebrate TVWD’s historic shift from water distribution to water supplier with Willamette Water Supply System**
- **Expand capacity to create human side of water service**

Goals/Outcomes (continued)

- **Respond to feedback**
  - Brand visioning session
  - Management Team feedback
  - Customer needs and balancing customers rate sensitivity with the organization’s need
- **Determine pathway forward with budget sensitivity**
Process

Four Step Communication Process
- Research
- Plan
- Implement
- Evaluate

Management Team has provided feedback.
Branding Committee will also be convened and asked to provide similar input.

Feedback

Board will have opportunity to provide input electronically.

Decision making will occur in a future regular meeting of the Board.
Suggestion to change TVWD?

1. Keep TVWD
2. Modify name
3. Change name

Suggestion to Change TVWD Logo

A. Keep logo
B. Modify logo
C. Create new logo
When considering logo change, do you support the concept of developing a logo/mark for the 80th anniversary?

1. Yes
2. No

Options for Logo

**Estimated Logo Costs**

- **Stanton Communications**: $5,900 Study + $4,850 Design
- **99 Designs**: $299-$1,500
- **Design Crowd**: $150-$1,100

**Staff Recommendations:**
- Try crowdsourcing to maximize options
- Use 80th anniversary as opportunity to try mark
- Create variation of TVWD logo to address shape issues
Discussion

Financial Planning and Revenue Bond Program

Board Work Session

May 1, 2018
Key Concepts

- The District maintains a 30-year financial plan that balances long-term capital and operating expenditures with future adjustments in water rates and issuance of long-term debt.
- The most recent 30-year financial plan anticipates the need to issue long-term debt by 2021 to finance the capital expenditures for the Willamette Water Supply Program and in-District Capital Improvement Plan.
- The District has established a Revenue Bond Debt Program to prepare for the issuance of long-term debt.

Overview

- Key components of a Revenue Bond Program
- Schedule for financial planning activities
- Timing of future bond issues
- Water Infrastructure Finance and Innovation Act (WIFIA)
Revenue Bond Program

• Mission
  – Undertake a systematic set of coordinated activities to provide the District access to the long-term debt market at affordable cost

• Tasks
  – Developing the team
  – Creating the narrative
  – Monitoring external factors
  – Scheduling decisions

Revenue Bond Program Team Members

Board of Commissioners
• Set policies
• Authorize issuance

Staff
• Implement Board policies
• Coordinate team
• Schedule decisions

External Resources
• Municipal Advisor
• Bond Counsel/Disclosure Counsel
• Underwriters
• Feasibility consultants

External Parties
• Rating Agencies
• Underwriters
• Investors
  ○ Institutions
  ○ Individuals
Creating the Narrative

Making the Case for the District’s Debt

• Creating capacity for debt
• Rating agency criteria
• History of past practices
• Legal environment
• Explaining the capital program

Financial Plan

Overview of Financial Plan

Focus is Long-Term
• District maintains a 30-year Financial Plan

Cash-Flow Perspective
• How much cash do we need?
• When do we need it?
• Where will it come from?

Forecasting Financial Performance
• Key performance indicators
Financial Forecast at Planning Level

Broadly Defined Goals

- Planned capital expenditures
- Reserve fund balances and use of reserves
- Capital structure
- Debt service coverage

Does Not Include

- Daily cash balance
- Reconciliation with monthly financial reporting
- Cost-of-service rates
- Rate structuring

TVWD’s 30-Year Financial Plan

Rate Adjustments & Typical Bill Impacts

Reserve Funds Projection

CIP and Financing

Debt Service and Coverage
TVWD’s 30-Year Financial Plan

Elements of Financial Performance

Expenditures
- Operating expenditures
- Capital expenditures
- Debt service

Revenue
- Water rates and other operating revenue
- SDCs (System Development Charges)

Cash Position
- Working capital
- Capital reserves
Elements of Financial Performance

Expenditures
- Operating expenditures
- Capital expenditures
- Debt service

Revenue
- Water rates and other operating revenue
- SDCs

Cash Position
- Working capital
- Capital reserves

Debt
- Debt Service Coverage
- Reserves (days of O&M – Operations and Maintenance)
- Affordability

Key Metric: Debt Service Coverage

<table>
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<tr>
<th>Line</th>
<th>Description</th>
<th>Value</th>
<th>Note</th>
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<tr>
<td>1</td>
<td>Gross Revenues</td>
<td>$ 35,326,842</td>
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<tr>
<td></td>
<td>Less:</td>
<td></td>
<td></td>
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<tr>
<td>2</td>
<td>O&amp;M (Excluding Depreciation)</td>
<td>21,896,393</td>
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<tr>
<td>3</td>
<td>Net Revenues</td>
<td>$ 13,430,449</td>
<td>1 minus 2</td>
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<tr>
<td>4</td>
<td>Debt Service</td>
<td>$ 1,936,363</td>
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<tr>
<td>5</td>
<td>Debt Service Coverage</td>
<td>6.94</td>
<td>3 divided by 4</td>
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</table>
Other Important Topics for the Narrative

- Demographics of the District
- Strength of management
- Technical feasibility of the capital program
  - Engineering
  - Controls
  - Permits
  - Financial capacity of partners
- Legal environment
  - Bond indenture
  - Beaverton intergovernmental agreement (IGA)
  - Willamette Intake Facilities and Willamette Water Supply System IGAs
  - Water rights
  - Oregon legal environment

Objective of Narrative: Reduce and Explain Unknowns

Donald Rumsfeld on knowledge:

- Things you know
- Things you know you don’t know
- Things you don’t know you don’t know
Rating Agencies Need to Understand the Narrative

**Summary:**
Tualatin Valley Water District, Oregon; Water/Sewer

<table>
<thead>
<tr>
<th>Credit Profile</th>
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</thead>
<tbody>
<tr>
<td>Tualatin Vly Wtr Dist wtr</td>
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<tr>
<td>Many issues are enhanced by bond insurance.</td>
</tr>
</tbody>
</table>

**Rationale**
Standard & Poor’s Ratings Services affirmed its ‘AA+’ long-term rating and underlying rating (SPUR) on the Tualatin Valley Water District, Ore.’s water revenue bonds. The outlook is stable.

The ratings reflect our view of the district’s:
- Very strong debt service coverage (DSC) of 7.11x in fiscal 2011, as calculated by Standard & Poor’s;
- Strong cash position, with unrestricted cash and investments representing 782 days of operating expenses at fiscal-year-end 2011 (June 30, 2011); and
- History of raising rates annually.

---

Monitoring External Factors

**Financial and Economic Conditions**

- Demographics of the District
- Bidding environment for capital projects
- Revenue bond market
- Other financing opportunities
  - WIFIA
  - Public-private partnerships
### Disclosure Rules

<table>
<thead>
<tr>
<th>Disclosing at time of issuance</th>
<th>Ongoing disclosure requirements</th>
<th>New concerns</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Preliminary Official Statements</td>
<td>• Comprehensive Annual Financial Report</td>
<td>• Third-party claims that inaccurate disclosure (or lack of disclosure) harmed them</td>
</tr>
<tr>
<td>• Official Statements</td>
<td>• Other agreed-to items</td>
<td></td>
</tr>
</tbody>
</table>

### Publications on Financial Matters

|----------------|---------------------------------------------|---------------------------------|
| • Biennial budget focused on strategies and appropriations | • Comprehensive and technical (e.g., OPEB, PERS)  
  • Largely backward looking  
  • Consistently presented | • Future focused  
  • Document assumptions  
  • Confirm policy direction from Board  
  • Builds the narrative |
Proposal: Publish Financial Plan

Based on 30-year Financial Plan
- Cashflow oriented
- Project key financial metrics
- Balances O&M expenditures, capital expenditures, reserves, long-term debt and rate increases

Financial Performance
- History compared to plan
- Future forecast

Appendices as Necessary
- Capital expenditure forecast and assumptions
- Important financial assumptions

Schedule for Financial Plan

- Late winter early spring present financial planning scenarios to the Board
- During budget years, develop District’s budget
- Spring to late spring present draft Financial Plan to Board
- Late spring publish Financial Plan
Timing of Future Bond Issues

Drivers for Future Bond Issues

- Governance issues
- Rate of capital expenditure
- Revenue (rates and SDCs)
- Interest rates
- WIFIA

Current Assumptions on Timing

- Fiscal Year 2020-21

Water Infrastructure Finance and Innovation Act (WIFIA)

Key Program Elements

- Lock in interest rates at time of closing – draw money as spent
  - Avoids negative arbitrage issues
- Maximum term up to 35 years after substantial completion
- Subordinate unless event of default (not only bankruptcy)
- Interest rates based on US Treasury
  - Credit subsidy provided by congressional appropriation
Key WIFIA Facts

- Environmental Protection Agency (EPA) Rules
  - Implementation: December 2016
  - Fee: June 2017

- January 2017 Notice of Funding Availability
  - 43 letters of interest requesting $6 billion in loans
  - 12 projects selected to apply for $2.3 billion in loans (range from $22 million to $625 million)
  - First loan issued April 20, 2018 to King County, WA

- Appropriations for Credit Subsidy
  - FY2018 $55 Million

Questions and Answers

Financial Planning and Revenue Bond Program

Board Work Session
May 1, 2018
This page intentionally left blank
To: Board of Commissioners  
From: David Kraska, P.E., Willamette Water Supply Program Director  
Date: May 16, 2018  
Subject: PLM_5.1 Intergovernmental Agreement with Washington County

Requested Board Action:  
Consider adopting a resolution approving an intergovernmental agreement (IGA) between Washington County and Tualatin Valley Water District and the City of Hillsboro for the Willamette Water Supply Program (WWSP) joint construction of Roy Rogers Road (Beef Bend to Scholls Ferry) and PLM_5.1 Scholls area pipeline projects.

Key Concepts:  
- This IGA follows a Memorandum of Understanding (MOU) between Washington County, Tualatin Valley Water District (TVWD), and the City of Hillsboro pertaining to partnering on projects in SW Tualatin-Sherwood Road and SW Roy Rogers Road.  
- The MOU explained how the entities will share costs and that WWSP will provide funding to the County in lieu of performing road restoration work. This funding enables the County to expand its work to include more of the WWSP’s projects.  
- PLM_5.1 is the first WWSP project to be constructed under the MOU, and this IGA will serve as the model for the remaining projects under the MOU.

Background:  
Consistent with the adopted Guiding Principles of providing Value and being Participatory and Opportunistic, the WWSP has actively sought local and regional partnerships while implementing the WWSP’s Goals and Objectives.

The WWSP’s PLM_5.1 project occurs in the same location as Washington County’s SW Roy Rogers Road widening project. In fall 2016, the WWSP conducted a business case analysis (BCA) evaluating whether combining the PLM_5.1 project with Washington County’s Roy Rogers Road project was in the best interest of the WWSP partners. The BCA found significant benefits from combining these projects including reduced public impacts, shorter overall schedule and lower costs. The results of the BCA were presented to and endorsed by the WWSP Executive Committee.

Like PLM_5.1, Washington County and the WWSP have other projects along SW Tualatin-Sherwood Road that are occurring on similar schedules. On November 8, 2016, TVWD, the City of Hillsboro and Washington County entered into a memorandum of understanding (Partnering MOU) to memorialize the agencies’ intentions to partner on road and waterline projects along SW Tualatin-Sherwood Road.
and SW Roy Rogers Road. The attached intergovernmental agreement (IGA) is for the first project to be constructed as part of the Partnering MOU.

The PLM_5.1 project involves installing a 66-inch welded steel pipeline through, under and along SW Roy Rogers Road from the Urban Growth Boundary (approximately 2,500 feet south of SW Beef Bend Road) to SW Scholls Ferry Road. The term of this IGA is four years, and it is anticipated that the project will be completed within that timeframe.

This IGA is intended to serve as a model for future IGAs under the Partnering MOU. Future IGAs will be different from this IGA in two ways: 1) they will specify how the remaining restoration payments will be made to Washington County, and 2) since later projects will become more critical in terms of schedule performance, they will include specific deadlines and the ability for the WWSP to construct the waterline work independent of the road work to enable on-time completion of the Willamette Water Supply System.

Summary
The attached IGA for Joint Construction of Roy Rogers Road and PLM_5.1 Scholls Area Pipeline Projects outlines areas of cooperation and responsibility, cost share details and schedule milestones for the construction phase of the project. The IGA outlines the shared costs as well as the costs for mobilization and reimbursement to Washington County for its administration costs.

The IGA defines the first restoration payment toward the County’s design of an opportunity project in the City of Sherwood. Exhibit 4 clarifies the existing Partnering MOU and sets the stage to generate a new IGA defining the remaining restoration payment schedule along with what WWSP gets in return and its associated schedule.

The remaining terms of this agreement define the County-specific, WWSP-specific and joint construction obligations, the term of the agreement, the cost split, indemnity requirements and other general provisions.

Budget Impact:
The cost components of the IGA are: the County construction administration costs of $300,000; shared costs, including mobilization, of $2,213,256; and initial payment of $1.25 million for future joint projects. Shared costs and mobilization costs will be updated after the construction contract is awarded by the County. Also, changes during construction may modify the total cost of the work.

Staff Contact Information:
David Kraska, P.E.; WWSP Director; 503-941-4561; david.kraska@tvwd.org

Attachments:
Proposed resolution
Exhibit A: Intergovernmental agreement
**Management Staff Initials:**

<table>
<thead>
<tr>
<th>Role</th>
<th>Initials</th>
<th>Initials</th>
<th>Initials</th>
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<tr>
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<td>IT Services Director</td>
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<td>Chief Financial Officer</td>
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<td>N/A</td>
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<tr>
<td>General Counsel</td>
<td></td>
<td>Water Supply Program Director</td>
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RESOLUTION NO. 18-18

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN WASHINGTON COUNTY AND TUALATIN VALLEY WATER DISTRICT AND THE CITY OF HILLSBORO FOR THE WILLAMETTE WATER SUPPLY PROGRAM JOINT CONSTRUCTION OF ROY ROGERS ROAD (BEEF BEND TO SCHOLLS FERRY) AND PLM_5.1 SCHOLLS AREA PIPELINE PROJECTS.

WHEREAS, Washington County has approved and funded the Roy Rogers Road (Beef Bend to Scholls Ferry) Project to construct road improvements ("Road Project"); and

WHEREAS, the Road Project consists of roadway improvements commencing near SW Beef Bend Road and continuing northerly along SW Roy Rogers Road to SW Scholls Ferry Road; and

WHEREAS, TVWD and the City of Hillsboro (City) along with other municipal water supply agencies, are participating in the Willamette Water Supply Program and have entered or plan to enter into intergovernmental agreements to establish responsibilities and obligations for the planning and design of the proposed water system improvements; and

WHEREAS, TVWD and City desire to construct a large diameter water supply transmission line and related improvements in association with the Road Project, and said TVWD/City improvements have been referred to in previous intergovernmental agreements or memorandums of understanding as the PLM_5.1 Scholls Area Pipeline Project hereinafter referred to as "Waterline Work"; and

WHEREAS, TVWD and City have requested that the design and construction of the Waterline Work be added to the Road Project and that TVWD and City agree to pay for such requested improvement work and a proportionate share of other Project costs as provided; and

WHEREAS, under the authority of ORS 190.010, et seq., it is the mutual desire of the County, TVWD and City to enter into such an Agreement to cooperate in the design and construction of the Waterline Work as part of the Road Project with the allocation of responsibilities and obligations as detailed on the intergovernmental agreement attached hereto as Exhibit 1 and incorporated by reference, and being fully advised.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE TUALATIN VALLEY WATER DISTRICT THAT:

Section 1: The Intergovernmental Agreement between Washington County and Tualatin Valley Water District and the City of Hillsboro for the Willamette Water Supply Program Joint Construction of Roy Rogers Road (Beef Bend to Scholls Ferry) and PLM_5.1 Scholls Area Pipeline Projects, attached hereto as Exhibit 1 and expressly incorporated by reference, is hereby approved.

Section 2: The Chief Executive Officer is authorized to execute the intergovernmental agreement on behalf of the District following approval by Washington County and the City of Hillsboro.
Section 3: The Chief Executive Officer is authorized to execute the intergovernmental agreement with amendments so long as the final intergovernmental agreement is in substantially the same form as attached Exhibit 1.

Approved and adopted at a regular meeting held on the 16\textsuperscript{th} day of May 2018.

_______________________________  ______________________________
Richard Burke, President                Dick Schmidt, Secretary
INTERGOVERNMENTAL AGREEMENT

BETWEEN

WASHINGTON COUNTY AND
TUALATIN VALLEY WATER DISTRICT AND THE CITY OF HILLSBORO
FOR THE WILLAMETTE WATER SUPPLY PROGRAM

JOINT CONSTRUCTION OF

ROY ROGERS ROAD (BEEF BEND TO SCHOLLS FERRY) AND
PLM_5.1 SCHOLLS AREA
PIPELINE PROJECTS

THIS INTERGOVERNMENTAL Agreement ("Agreement") is made and entered into between Washington County, a political subdivision of the State of Oregon, acting by and through its Board of County Commissioners, hereinafter referred to as “COUNTY”; the Tualatin Valley Water District, a domestic water supply district organized under ORS Chapter 264, acting by and through its Board of Commissioners, hereinafter referred to as “TVWD”; and the City of Hillsboro, a municipal corporation, acting by and through its City Council, hereinafter referred to as “CITY”; TVWD and CITY joined together in the Willamette Water Supply Program, hereinafter referred to as “WWSP”; COUNTY and WWSP are jointly referred to hereinafter as “Parties.”

RECITALS

A. WHEREAS, ORS 190.003 - 190.010 authorizes agencies to enter into intergovernmental agreements for the performance of any or all activities and functions that a Party to the agreement has the authority to perform; and

B. WHEREAS, COUNTY, by and through its Department of Land Use and Transportation, referred to as “WCLUT,” manages and maintains a network of major roads serving countywide travel needs; and

C. WHEREAS, COUNTY Board of County Commissioners have approved and funded a project to construct road improvements on SW Roy Rogers Road from two thousand five hundred (2,500) feet South of SW Bull Mountain Road to SW Scholls Ferry Rd, hereafter referred to as “Road Work”, and as shown generally on the attached Project Map in Exhibit 1, attached hereto and incorporated by reference; and

D. WHEREAS, TVWD as Lead Agency and CITY as a Partner, along with other municipal water supply agencies, are participating in the WWSP and have entered into intergovernmental agreements to establish responsibilities and obligations for the planning and design of proposed water system improvements; and

E. WHEREAS, WWSP desires to construct a large diameter water supply transmission line and related improvements in association with the Road Work, and said WWSP improvements are hereinafter referred to as "Waterline Work" which is generally coincident with the Road Work alignment; and

F. WHEREAS, COUNTY, and WWSP have entered into separate agreements outlining the
goals and objectives to complete the construction of the Waterline Work and have provided the final design for construction of the Waterline Work; and

G. WHEREAS, COUNTY, TVWD, and CITY have entered into an intergovernmental agreement for joint design of the Road Work and Waterline Work, dated March 24, 2017; and

H. WHEREAS, COUNTY, TVWD, and CITY have entered into a Memorandum of Understanding for Funding and Construction of Transportation Improvements in Conjunction with Water Infrastructure Improvements on Tualatin-Sherwood Road and Roy Rogers Road on November 8, 2016 (Partnering MOU); and

I. WHEREAS, WWSP has requested that the construction of the Waterline Work be incorporated into the Road Work and WWSP agrees to pay for such requested improvement work and a proportionate share of other Road Work costs as provided herein; and

J. WHEREAS, under such understanding and authority, it is the mutual desire of Parties to enter into this Agreement to cooperate in the construction of the Waterline Work in conjunction with the Road Work with the allocation of responsibilities as detailed below.

AGREEMENT

NOW, THEREFORE, the premise being in general as stated in the foregoing recitals, and in consideration of the terms, conditions, and covenants set forth below, the Parties hereto agree as follows:

ARTICLE I - PROJECT GOALS

1.1. Parties are undertaking Road Work and Waterline Work in collaboration to maximize the benefits to their constituents and the community at large. Road Work and Waterline Work shall hereinafter be referred to jointly as the “Project.” COUNTY and WWSP desire to work in collaboration and as integrated work groups where possible to achieve Project goals.

1.2. The Project is intended to achieve the following goals:

1.2.1. COUNTY: To construct Road Work to increase the safety and capacity of the roadway as part of COUNTY’s ongoing capital program for improving roads of countywide significance.

1.2.2. WWSP: To have portions of the water transmission pipeline constructed to further the objectives of WWSP in increasing water supply, reliability, redundancy, and resiliency to its member service areas. The construction work under this Agreement is part of that effort.

1.3. The Parties understand that the Willamette Water Supply System (WWSS) must be installed and operational prior to July 1, 2026 and will work collaboratively to achieve that. In order to meet the WWSS operational target date, the Parties will work to complete the Waterline Work by the second quarter of 2025. Further, the Parties understand that if COUNTY is unable to construct the Projects in the aforementioned timeframe, the COUNTY acknowledges that the WWSP retains the right to
independently move forward with the construction of the Waterline Work and associated restoration such that it can be completed by the second quarter of 2025.

ARTICLE II - PROJECT DESCRIPTION

2.1. COUNTY Road Work shall include all aspects of road construction, curbs, sidewalks, bike facilities, street lighting, drainage, landscaping, and traffic control for Road Work on that section of the roadway as depicted in Exhibit 1.

2.2. The WWSP Waterline Work consists of design and construction of a large diameter water transmission line and appurtenances according to design, plans, and technical specifications within the Road Work limits as depicted in Exhibit 1.

ARTICLE III - COUNTY OBLIGATIONS FOR CONSTRUCTION

3.1. COUNTY hereby designates Charles Stearns, PE as COUNTY Project Manager and Construction Manager for the Road Work and COUNTY representative responsible for coordination of the Waterline Work with WWSP pursuant to this Agreement. Russ Knoebel, PE, is COUNTY’s Principal Engineer for this Project to handle dispute resolution.

3.2. COUNTY shall be responsible for the management and administration of the Project. COUNTY shall perform or cause to be performed all tasks needed for the construction of the Project. COUNTY is responsible for right of way (ROW) and easement acquisition; regulatory and land use permits and approvals; permit compliance, mitigation measures, and permit enforcement; public information; and contract administration for the Project. COUNTY shall obtain or cause to be obtained, if applicable, joint land use permits from applicable jurisdictions, joint environmental permits from the United States Army Corps of Engineers and the Department of State Lands, and other permits from applicable jurisdictions. COUNTY is responsible for engineering, inspection, construction management, and administration for the Road Work.

3.3. COUNTY, its consultants, and its contractors shall coordinate with WWSP and its consultants, including jointly attending regular construction coordination meetings, regular permitting and environmental team meetings, public information and outreach meetings, and other meetings as required for successful coordination and completion of the Project. COUNTY and WWSP Project Managers shall mutually determine the anticipated frequency and timing of meetings depending on the needs of the Project.

3.4. COUNTY, its consultants, and its contractors shall coordinate and work collaboratively with WWSP and its consultants in developing Project milestones, constraints, work sequences, construction administration requirements, quality control and assurance requirements, and other activities as required for successful coordination and completion of the Work.

3.5. COUNTY is solely responsible for managing the Project schedule, including established milestones. COUNTY shall provide contractors’ baseline schedule and monthly schedule updates for WWSP review and comments. COUNTY shall consider and incorporate WWSP review comments that do not significantly impact Road Work costs or Project schedule.

3.6. COUNTY shall provide WWSP the opportunity to evaluate the bid results for the Waterline Work prior to issuing notice of intent to award for the Project during
COUNTY’s evaluation period.

3.7. COUNTY shall receive, catalog, and route to WWSP requests for information (RFIs), requests for substitutions, submittals, and any other documents pertaining to the Waterline Work for review and comment using the mutually agreed upon Program Management Information System (PMIS), as provided in Section 5.4. COUNTY shall defer to WWSP for the disposition and/or response for all RFIs, substitutions, and submittals related to the Waterline Work. COUNTY shall also provide WWSP the opportunity to review and comment on Road Work submittals and RFIs that impact the Waterline Work. COUNTY shall provide access to all Project documents, including but not limited to Road Work submittals, RFIs, contract correspondence, QA/QC, daily reports, and photos.

3.8. COUNTY shall make all Road Work information available to WWSP and its consultants for use in furthering the Waterline Work and coordinating with the Road Work. Such information shall include: design files; permitting plans, applications, and permit documents; and stakeholder input and other information as required for successful coordination and collaboration.

3.9. COUNTY shall cause the contractor to name and endorse TVWD, CITY, their elected or appointed officials, staff, employees, and agents as additional insureds on all policies provided by the contractor under the contract. The endorsements to policies shall provide for not less than thirty (30) days written notice of cancellation. COUNTY shall provide WWSP a copy of the certificates for its records. COUNTY shall cause the contractor to extend indemnity and hold harmless provisions to TVWD, its members, officers, boards, agents, employees, and consultants and to CITY, its members, officers, boards, agents, employees, and consultants.

3.10. COUNTY shall have overall responsibility for Project administration and inspection of Road Work and at all times be responsible to monitor and manage the contractor's work as provided in the construction contract documents. With respect to the Waterline Work, COUNTY shall defer to the Waterline Construction Manager all decisions, recommendations, and interpretations regarding the construction of the Waterline Work to meet the quality and performance of the water system design. COUNTY shall communicate and direct the contractor in the Waterline Work performance in accordance with the decisions of the Waterline Construction Manager. COUNTY shall have sole and total decision-making authority on Road Work.

3.11. COUNTY acknowledges that the Waterline Construction Manager or designated onsite inspectors may stop the contractor's work if they observe, in their sole judgment, a situation involving safety issues that threaten life or bodily harm. Further, the Waterline Construction Manager may stop the Waterline Work based on observations that the Waterline Work is not being performed according to the contract documents. The Waterline Construction Manager or designated inspectors shall use reasonable efforts to notify COUNTY Project Manager of the need to stop work but may act as he/she deems appropriate under the circumstances to stop work.

3.12. COUNTY shall review the monthly estimate of Waterline Work performed by the contractor prepared by the Waterline Construction Manager and onsite inspectors based on their inspection of the work performed to date, the method of payment and schedule of values specified in the contract, materials delivered to the site but not incorporated into the work, and other matters deemed appropriate for payment. The monthly estimate shall be provided to COUNTY for COUNTY to meet its periodic pay request process.
3.13. COUNTY shall attempt to invoice TVWD monthly but no later than a quarterly basis for the Waterline Work and other cost shares as shown in Exhibit 2. TVWD shall reimburse COUNTY as provided in Article VI, Compensation, below. COUNTY’s invoice shall show the actual cost and percentage allocation between WWSP and COUNTY for each shared cost item. The initial invoice from COUNTY shall be submitted following completion of the first month’s work by the contractor.

3.14. COUNTY shall provide a final cost accounting for the Waterline Work and WWSP’s proportion of shared cost items, including all internal and external costs, to WWSP within forty-five (45) days of final acceptance of the Project and payment to the contractor.

3.15. COUNTY shall require the contractor to complete and submit Exhibit 3, Quarterly Net Spend Report. This report shall include, at a minimum, the following information:

3.15.1. Total amount spent by contractor and each subcontractor, vendor, and supplier for the quarter;

3.15.2. Subcontractor/subconsultant name, address, and type of service(s) provided; and

3.15.3. Other business attributes that may be required by WWSP.

COUNTY shall require the contractor to submit the Quarterly Net Spend Report to COUNTY by the 15th day of the last month for each calendar quarter for the entire duration of its contract. COUNTY shall forward the contractor’s Quarterly Spend Report to WWSP when it receives it from the contractor.

3.16. COUNTY shall obtain WWSP approval on any contract construction Change Order, Work Change Directive, or other proposed revisions to Waterline Work as provided in Section 4.9. COUNTY shall endeavor to provide notice of potential Project Change Orders, claims, or disputes at the earliest possible time. Approval shall be communicated by the WWSP Construction Manager. A written Change Order or Work Change Directive shall be effective only if executed by Parties.

3.17. COUNTY shall coordinate with WWSP on any disagreements, disputes, delays, or claims with the contractor related to or as a result of the Waterline Work as provided by Section 7.6.

3.18. COUNTY shall perform actions regarding compensation as set forth in Article VI, Compensation.

3.19. Upon completion of the Waterline Work and acceptance of the Project, COUNTY shall convey all rights, title, and interest in the Waterline Work to WWSP by a conveyance document acceptable to both Parties. COUNTY shall also assign to WWSP any and all rights under warranties and guarantees and direct rights of action under the contract against the contractors and designers regarding Waterline Work.

3.20. COUNTY shall issue to WWSP a joint ROW permit that allows for occupancy for the Waterline Work. Among other things, the permit shall recognize:

3.20.1. WWSP ownership of the Waterline Work;
3.20.2. Waterline Work may occupy COUNTY ROW where constructed;

3.20.3. COUNTY agrees to avoid requiring WWSP to relocate or adjust the waterline and related appurtenances to the extent possible; however, in the event COUNTY determines following rigorous analysis conducted in cooperation with WWSP that relocation or adjustment of the waterline or related appurtenances is necessary and unavoidable, COUNTY will provide WWSP written notice as follows:

3.20.3.1 Relocation or adjustment involving appurtenances (air-relief valves, blow-offs, manways, etc.) within existing COUNTY ROW: minimum two (2) years notice prior to required completion.

3.20.3.2 Vertical pipeline relocations within existing COUNTY ROW: minimum five (5) years notice prior to required completion.

3.20.3.3 Horizontal pipeline relocations within existing COUNTY ROW: minimum five (5) years notice prior to required completion.

3.20.3.4 Pipelines or appurtenances existing within the COUNTY ROW requiring relocations or adjustments to locations outside of existing COUNTY ROW: minimum seven (7) years notice prior to required completion.

3.20.4. WWSP shall be financially responsible for all costs of relocation, if such relocation is necessary for any reason as set forth in Section 3.20.3, including future work by COUNTY;

3.20.5. WWSP shall have access to the Waterline Work;

3.20.6. As owners, WWSP shall be authorized to construct, inspect, operate, maintain, repair, and replace the Waterline Work;

3.20.7. Until a mutually agreeable ROW permit is issued, this Agreement shall act as the WWSP ROW permit that allows for occupancy; and

3.20.8. In the event any party petitions COUNTY to vacate all or a portion of the COUNTY ROW or the COUNTY initiates a ROW vacation proceeding, COUNTY staff will not recommend that the Board of County Commissioners approve such vacation request without first ensuring that WWSP is able to secure a recorded permanent easement for the Waterline Work [the pipeline] approved by WWSP. Notwithstanding the above, COUNTY cannot ensure dedication of easements from adjacent property owners where such easements would extend beyond the then-existing COUNTY ROW boundaries. COUNTY shall provide WWSP with notice of the initiation of any ROW vacation proceeding for any ROW that is part of the Project.

3.21. COUNTY and construction contractor shall participate in WWSP monthly health and safety meetings.

3.22. COUNTY shall not authorize or consent to contractor’s changes to Waterline Work key milestones without written approval by WWSP.

3.23. Claims.
3.23.1. COUNTY shall notify WWSP as soon as any contractor claim or request for change order is received. If a claim or request for Change Order would increase the proportionate share of common costs or if it affects the WWSP-only cost for Waterline Work, WWSP shall respond to COUNTY within ten (10) business days. COUNTY cannot resolve or settle a claim for extra compensation or schedule adjustment for such claims without WWSP approval. If COUNTY proceeds to resolve the claim or issue a change order without WWSP approval, the Parties reserve all rights to contest responsibility for payment and to seek indemnity for all costs and impacts resulting from COUNTY's action.

3.23.2. In the case of a claim or Change Order related to the proportionate share of common costs or the WWSP-only cost for Waterline Work, the COUNTY as the contract holder may need advice from COUNTY legal counsel. COUNTY shall notify WWSP that they are seeking advice of legal counsel. WWSP will reimburse COUNTY for additional costs COUNTY incurs for counsel advice based on the proportionate share of the responsibility.

3.24. Bonds and Warranties. COUNTY agrees to assign all rights under performance and payment bonds, warranties and claims arising out of the construction contract related to the Waterline Work to WWSP so that they have a direct right of action against the contractor.

ARTICLE IV - WWSP OBLIGATIONS FOR CONSTRUCTION

4.1. WWSP shall designate a WWSP Construction Manager. The WWSP Construction Manager shall be the designated point of contact with COUNTY Project Manager. COUNTY Project Manager shall have authority to accept and act upon the directions and decisions of the WWSP Construction Manager relating to the Waterline Work during solicitation and construction and to instruct the contractor and incur costs based on those decisions. Mike Britch, P.E., will be the WWSP Principal Engineer and the WWSP representative to handle dispute resolution for this Project.

4.2. WWSP shall monitor permit compliance and coordinate with COUNTY for compliance related to the Waterline Work.

4.3. WWSP shall provide review of shop drawings, submittals, RFIs, and other requested clarifications related to the Waterline Work. WWSP shall provide a response to COUNTY within the timeframe required by the construction contract.

4.4. WWSP shall reimburse COUNTY for all easements, rights-of-way, and associated costs necessary to facilitate the construction of the Waterline Work, beyond those being acquired by COUNTY for the Road Work.

4.5. WWSP shall reimburse COUNTY for mobilization not to exceed eight-and-a-half percent (8.5%) of the value of the Waterline Work.

4.6. WWSP shall provide materials testing, independent of contractor testing requirements of the contract documents, and construction inspection for Waterline Work. WWSP may require additional or corrective work to be completed for the Waterline Work if, in the judgment of WWSP, the work is not complete in accordance with the contract documents or it is in the public interest to do so. If WWSP in its sole discretion determines the Waterline Work is not in compliance with the contract documents, the
Waterline Construction Manager shall inform COUNTY at the earliest opportunity following discovery, and COUNTY shall direct contractor to perform corrective actions as necessary. The provisions of this Section are independent of the authority granted to WWSP set forth in Section 3.10 above.

4.7. WWSP shall provide COUNTY with the following construction documentation in the PMIS:

4.7.1. General daily progress reports;

4.7.2. Quantity documentation used for monthly payment estimates; and

4.7.3. Project quality documentation and test results as specified in the construction contract.

4.8. WWSP shall review invoices for reimbursement from COUNTY. WWSP shall provide notice of any disputed amount within fifteen (15) business days from the day COUNTY provides the invoice to WWSP. The Parties shall then meet to resolve the disputed amounts. Undisputed amounts shall be paid as provided in Article VI, Compensation, and disputed amounts shall be resolved as provided therein. Invoice amounts for materials and equipment delivered onsite or stored offsite but not incorporated into the Waterline Work must be approved in advance by WWSP.

4.9. WWSP shall determine at its sole discretion when Waterline Work has achieved substantial completion and final acceptance. The Waterline Construction Manager shall provide a construction punch list to COUNTY upon substantial completion of all Waterline Work and participate with COUNTY Project Manager for inspection and final acceptance of the Waterline Work.

4.10. WWSP must review and approve any Change Orders and/or Work Change Directives relating to the Waterline Work prior to issuance to the contractor. Within five (5) business days of receiving the proposed Change Order or Work Change Directive, WWSP shall notify COUNTY of any concerns or disputes with a proposed Change Order or Work Change Directive. COUNTY may proceed to direct its contractor to perform work if it deems an emergency or other circumstance requires immediate action to prevent adverse health and safety conditions. In such case, WWSP reserves all rights to dispute responsibility for payment of the Change Order or Work Change Directive issued by COUNTY. In no event shall COUNTY authorize any change in the Waterline Work that affects the quality, integrity, or operational attributes of the Waterline Work.

4.11. WWSP shall coordinate and participate with COUNTY to resolve any disagreements, disputes, delays, or claims related to, or as a result of, the Waterline Work or WWSP’s share of common costs of the Waterline Work as provided by Section 7.6.

4.12. WWSP shall perform actions regarding compensation as set forth in Article VI, Compensation.

4.13. Pursuant to Section 3.19, WWSP shall execute such COUNTY permits for use of COUNTY ROW and such permits shall grant WWSP access to COUNTY road ROW to construct, operate, maintain, repair, and replace the Waterline Work within COUNTY’s roadway ROW.

4.14. WWSP, its consultants, and its contractors shall coordinate with COUNTY and its
consultants including jointly attending regular construction coordination meetings, regular permitting and environmental meetings, real estate meetings, public information and outreach meetings, and other meetings as required for successful coordination and completion of the Project. COUNTY Project Manager and WWSP Construction Manager shall mutually determine the anticipated frequency and timing of meetings depending on the needs of the Project.

**ARTICLE V - JOINT OBLIGATIONS FOR CONSTRUCTION**

5.1. In order to minimize potential Project schedule delays, contractor cost increases, or other Project issues, Parties agree to work together diligently to identify and jointly resolve any construction issues with the Road Work and Waterline Work at the earliest possible stage including those issues that involve the contractor. When such issues arise, Parties agree to work together to find mutually acceptable solutions in furtherance of the stated Project goals. COUNTY shall lead the resolution with the contractor as mutually agreed by the Parties.

5.2. The Parties agree to include health and safety requirements in the contract documents that meet the objectives of both Parties for their portions of the Project.

5.3. Parties agree that the contractor shall be required to develop and maintain a Project baseline schedule on which COUNTY Project Manager and WWSP Construction Manager shall collaboratively review and comment. The contractor shall provide monthly schedule updates electronically (in PDF and native format) using Primavera P6 or Microsoft Project. The schedule shall be Critical Path Method and have Type C requirements as defined by the Oregon Department of Transportation. These schedule obligations shall include milestones as jointly agreed upon by the Parties. Parties shall allow the other Party to comment on schedule revisions.

5.4. Parties agree to administer Project information, data, submittals, and document management, including but not limited to daily reports, non-conformance notices, and pay applications through the PMIS. The Parties shall jointly develop and maintain the document management system which shall include management of documents, submittals, photographs, and video.

5.5. WWSP shall make available the quantity of software licenses, up to five (5) licenses, needed for COUNTY to access and maintain the PMIS as requested at the direct cost of the licenses.

5.6. Upon written receipt of notice from COUNTY that the Project is complete, WWSP shall archive the contents of the PMIS and provide COUNTY with a copy of the archive in a mutually agreeable format.

5.7. Parties agree to co-manage complaints, including but not limited to general public complaints and complaints related to environmental and/or land use permitting.

5.8. Parties agree to the following guidelines for handling public/media interactions:

5.8.1. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to one’s own or someone else’s web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board, or a chat room, whether or not associated or affiliated with WWSP, as well as any other form of electronic communication.
5.8.2. Posting of social media content related to Waterline Work by WWSP or COUNTY staff, consultants, or construction contractors is prohibited unless approved by the WWSP.

5.8.3. Posting of social media content related to Road Work by WWSP or COUNTY staff, consultants, or construction contractors is prohibited unless approved by the COUNTY.

5.9. Parties agree to coordinate on outreach efforts such as signage, groundbreaking, and ribbon cutting.

ARTICLE VI - COMPENSATION

6.1. Exhibit 2 summarizes the cost shares for the Project. Parties shall proportion actual cost for construction as shown in Exhibit 2. Common costs shall be proportioned based on each agency’s share of the overall project cost.

6.2. Parties shall each bear the fully burdened labor costs of their individual staffs on the Road Work and the Waterline Work. Parties agree WWSP shall pay to COUNTY an administration fee of fifteen thousand dollars ($15,000) per month for twenty (20) months to administer the construction contract, as noted on Exhibit 2.

6.3. Costs shown in Exhibit 2 are estimates only and are used to determine Project budgets prior to executing construction contracts. Parties shall modify Exhibit 2 when actual bid costs are known and again at completion of the Project when actual construction costs are known.

6.4. Pursuant to the Partnering MOU and related ongoing discussions, WWSP will make a payment to COUNTY of one million two hundred fifty thousand dollars ($1,250,000) for the exclusive use of a future joint project along SW Roy Rogers Road between SW Borchers Drive and 500 feet north of the Chicken Creek Bridge. Payment shall be made within forty-five (45) days of execution of this IGA and upon receipt of an invoice from COUNTY.

Additional terms and conditions associated with this payment are defined in Exhibit 4. Parties shall commit to negotiating a separate IGA to establish the terms of the balance of the restoration payment consideration in the Partnering MOU.

6.5. COUNTY shall submit invoices as provided by Section 3.12.

6.6. COUNTY shall submit a final billing statement within forty-five (45) days of the completion of the work authorized herein.

6.7. WWSP shall pay COUNTY amount due within thirty (30) days of its receipt of billing statement.

6.8. Change Orders shall use the following protocol:

6.8.1. Work Change Directives are defined in the construction agreement between COUNTY and contractor whereby COUNTY can direct work that is considered minor. Work Change Directives shall not affect administrative or common costs and shall be paid according to Exhibit 2. WWSP shall prepare Work Change
Directives related to Waterline Work.

6.8.2. All changes that are not Work Change Directives affecting the monetary obligation of any Party shall not be effective until approved by a written Change Order.

6.8.3. Change Orders to the Road Project that do not affect the Waterline Work shall be managed and approved by COUNTY. COUNTY shall give notice of the proposed change to WWSP of any change that increases their respective shares of the Common Costs or affects the schedule for completion of the Project. The Party causing the change in common costs shall be responsible to pay those costs. WWSP must consent to any Change Order that increases its Common Costs. If WWSP does not consent to the Change Order, COUNTY may still elect to proceed with the Change Order and the Parties reserve all rights to contest and determine responsibility for payment under the dispute resolution and remedy provisions below.

6.8.4. As provided in Section 4.10, Change Orders that affect the cost, schedule, quality of performance, workmanship, or material of the Waterline Work must be approved in writing by WWSP. Except as provided in Section 6.9.6, WWSP shall respond with approval or disapproval to COUNTY within five (5) business days following receipt of the proposed change. COUNTY may direct the contractor to perform the work if it deems emergency conditions exist or action is necessary to prevent adverse health or safety issues. In emergency circumstances, COUNTY shall provide notice reasonable under the circumstances and WWSP shall respond in a timely manner reasonable under the circumstances. If COUNTY elects to proceed, WWSP reserves all rights to dispute responsibility for payment of the Change Order and to assert claims for diminished performance or value of the Waterline Work and repair and replacement of the water system improvements.

6.8.5. WWSP may initiate Change Orders for the Waterline Work by providing COUNTY a requested change with supporting documents to negotiate the cost and time impact with the contractor, which shall be paid by WWSP. COUNTY shall facilitate discussions with the Parties and the contractor to obtain an executed Change Order.

6.8.6. Any Change Order that increases the combined cost to WWSP of $875,000 or more shall require approval by the CITY Utilities Commission. No Change Order shall be binding upon WWSP while approval is pending, subject to COUNTY’s power under paragraph 6.8.4.

6.9. Within forty-five (45) days after the final acceptance of the Project by COUNTY and WWSP, COUNTY shall provide WWSP a final statement of Waterline Work and bill WWSP for any remaining costs in excess of the payments already made or refund any excess to WWSP. Upon the completion of the construction and completion of record drawings, COUNTY shall deliver one set each of reproducible record drawings and electronic copies (PDF and native format) related to the Road Work and Waterline Work to WWSP for its files.
ARTICLE VII - GENERAL PROVISIONS

7.1. Laws of Oregon

The Parties agree to abide by all applicable laws and regulations regarding the handling and expenditure of public funds. This Agreement shall be governed by the laws of the State of Oregon. The construction contract shall contain all required public contract provisions of ORS Chapter 279A and 279C.

7.2. Default

Either Party shall be deemed to be in default if it fails to comply with any provision of this Agreement. Parties agree time is of the essence in the performance of any of the obligations within this Agreement. The complaining Party shall provide the other Party with written notice of default and allow thirty (30) days within which to cure or diligently commence to cure the defect within a reasonable time. Parties shall pay for costs incurred for satisfactorily completed and authorized work up to the time of default. Each Party shall be liable for all costs and damages arising from its individual default.

7.3. Indemnification

This Agreement is for the benefit of the Parties only. Subject to the limitations related to government agencies under the Oregon Constitution, each Party agrees to indemnify and hold the other harmless, to include their respective officers, employees, agents and representatives, from and against all claims, demands and causes of action and suits of any kind or nature for personal injury, death, or damage to property on account of or rising out of services performed, the omission of services or in any way resulting from the acts or omissions of the Parties so indemnifying and/or its officers, employees, agents or representatives. Indemnification is subject to and shall not exceed the limits of liability of the Oregon Tort Claims Act (ORS 30.260 through 30.300). In addition, each Party shall be solely responsible for any contract claims, delay damages, permit compliance or permit violations, or similar items arising from or caused by the action or inaction of the Party.

7.4. Documents are Public Records

All records, reports, data, documents, systems, and concepts, whether in the form of writings, figures, graphs, or models that are prepared or developed in connection with this Project shall be subject to the applicable provisions of the Oregon public records law.

7.5. Modification of Agreement

No waiver, consent, modification, or change of terms of this Agreement shall bind either Party unless in writing, signed by both Parties. Such waiver, consent, modification, or change, if made, shall be effective only in specific instances and for the specific purpose given.

7.6. Dispute Resolution

The Parties shall attempt to informally resolve any dispute concerning any Party’s performance or decision under this Agreement, or regarding the terms, conditions, or meaning of this Agreement. A written description of the dispute shall be delivered by the
complaining Party to the other. The Parties agree that disputes shall be attempted to be resolved at the field staff level between onsite Project representatives or inspectors or by the Project and Construction Managers for each Party before escalating to the Principal Engineers. If the Principal Engineers, in consultation with the Program Delivery Manager, are unable to resolve the dispute the Parties agree to escalate the dispute to the Director level. A neutral third party may be used to mediate if the Parties agree to facilitate such negotiations. The mediator shall be mutually chosen within thirty (30) days of the original date of written notice of the dispute. Impasse shall be declared if the Parties cannot agree on a mediator within the thirty-day (30-day) period above or the Parties cannot resolve the matter through mediation within forty-five (45) days after selection of the mediator. In the event of any impasse in the resolution of any dispute, the issues shall be submitted to the governing bodies of both Parties for a recommendation or resolution within thirty (30) days after submission. Thereafter, any Party may pursue available legal or equitable remedies as set forth in Section 7.7.

7.7. Remedies

Subject to the provisions of ARTICLE VI - COMPENSATION and the dispute resolution process set forth in Section 7.6, any Party may institute legal action to cure, correct, or remedy any default, to enforce any covenant or agreement, or to enjoin any threatened or attempted violation of this Agreement. All legal actions shall be initiated in Washington County Circuit Court. The Parties, by signature of their authorized representative below, consent to the personal jurisdiction of that court.

7.8. Severability

If any term(s) or provision(s) of this Agreement or the application thereof to any person or circumstance shall, to any extent, be determined by a court to be invalid or unenforceable, the remainder of this Agreement and the application of those terms and provisions shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

7.9. Nondiscrimination

No person shall be denied or subjected to discrimination in receipt of the benefits of any services or activities made possible by or resulting from this Agreement on the grounds of race, color, religion, gender, sexual orientation, national origin, disability, age, or marital status. Any violation of this provision shall be considered a material defect and shall be grounds for cancellation, termination, or suspension in whole or in part by COUNTY or WWSP.

7.10. Excused Performance

In addition to the specific provisions of this Agreement, performance by any Party shall not be in default where delays or default is due to war, insurrection, strikes, walkouts, riots, floods, drought, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or mandated by governmental entities other than the Parties, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulation, litigation or similar bases for excused performance that are not within the reasonable control to the Party to be excused.

7.11. Integration
This Agreement includes the entire agreement of the Parties and supersedes any prior discussions or agreements regarding the same subject. There are not understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement or its subject matter.

7.12. Assignment/Additional Parties

TVWD and CITY may create further Intergovernmental Agreement(s) between them as well as with other municipal water suppliers that may use the Waterline Work. In such case, COUNTY agrees to assignment of the rights, obligations and covenants of this Agreement to include those municipal water suppliers individually along with TVWD and CITY or to assign rights, obligations and covenants of this Agreement to an intergovernmental entity formed by TVWD and CITY under ORS Chapter 190 upon direction by TVWD and CITY.

7.13. Access to Books, Records, and Accounting

COUNTY shall maintain books, records and reports of the Road Project and Waterline Work showing all income, receipts, expenses and costs. These records shall be maintained for a period of three (3) years following final completion. All such books, records, and reports may be examined and copies made by WWSP at reasonable times upon reasonable notice.

ARTICLE VIII - TERM OF AGREEMENT

8.1. The term of this Agreement shall be from the date of execution for four (4) years unless mutually agreed to by both Parties in writing.

8.2. This Agreement may be amended or extended for periods of up to one (1) year by mutual written consent of the Parties, subject to provisions of this Agreement. Except for breach, it may be canceled or terminated for any reason beyond the control of the Parties. Termination or cancellation shall be effective thirty (30) days after written notice to the other Party, or at such time as the Parties may otherwise agree. The Parties shall, in good faith, agree to such reasonable provisions for completing the Project and paying for any additional costs as necessary.

8.3. Notwithstanding Sections 8.1 and 8.2, WWSP shall have the right to make future connections and perform commissioning work for the Waterline. COUNTY shall issue a mutually acceptable road occupancy permit to achieve this work and this obligation of COUNTY shall survive expiration of the term of this Agreement.
IN WITNESS WHEREOF, the Parties hereto have set their hands as of the day and year hereinafter written.

WASHINGTON COUNTY, OREGON

____________________________________
By
Date _________________
Approved as to Form

____________________________________
Approved as to Form

TUALATIN VALLEY WATER DISTRICT

____________________________________
By
Date _________________

CITY OF HILLSBORO, OREGON

____________________________________
By
Date _________________
End of Waterline Work: Station 807+72

End of Roadway Work: Station 299+00

Beginning of Waterline Work: Station 736+00

Beginning of Roadway Work: Station 231+00

Legend
- WWSP Adjacent Projects
- PLM_5.1
- Tax Lot Boundary

**Tax Lot and street data provided by Metro Data Resource Center: February 2018 Release
**Aerial Imagery provided by Metro Aerial Consortium: 2017 summer flight

DATE: 03/28/2018

EXHIBIT 1 - PLM_5.1 Project Extent
### Cost Breakdown Table

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Lead Agency</th>
<th>Total Item Cost</th>
<th>Shared Cost?</th>
<th>Washington County</th>
<th>WWSP</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Partnering MOU Contribution</td>
<td>WWSP</td>
<td>$ 1,250,000.00</td>
<td>No</td>
<td>n/a</td>
<td></td>
<td>Payment to be made per Section 6.4 of this IGA. Fixed cost item.</td>
</tr>
<tr>
<td>2. Administration Cost</td>
<td>WCLUT</td>
<td>$ 300,000.00</td>
<td>No</td>
<td>n/a</td>
<td></td>
<td>Assumes 20 months of Admin at $15,000/month. Fixed cost per month item.</td>
</tr>
<tr>
<td>3. Shared Costs from Design Changes</td>
<td>WCLUT</td>
<td>n/a</td>
<td>No</td>
<td>n/a</td>
<td></td>
<td>Shared Costs from updated cost estimate (source file: 100255_Cost Estimate_2018_03_08.xls). Cost will be revised after bid results are available.</td>
</tr>
<tr>
<td>Requested by WWSP</td>
<td></td>
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<tr>
<td>4. Shared Costs for Temporary Construction Items</td>
<td>WCLUT</td>
<td>$ 2,226,408.00</td>
<td>Yes</td>
<td>n/a</td>
<td></td>
<td>Remaining 5.56% of total project cost is allocated to Clean Water Services for its portion of this combined project. WWSP share of mobilization is limited to 8.5% of the Waterline Work as shown in the cost estimate file (source file: 100255_Cost Estimate_2018_03_08.xls). Percentages are calculated in the cost estimate file and only two decimal places are shown in this table. Cost will be revised after bid results are available.</td>
</tr>
<tr>
<td>5. Mobilization</td>
<td>WCLUT</td>
<td>$ 2,528,285.00</td>
<td>Yes</td>
<td>n/a</td>
<td></td>
<td>Remaining 5.56% of total project cost is allocated to Clean Water Services for its portion of this combined project. WWSP share of mobilization is limited to 8.5% of the Waterline Work as shown in the cost estimate file (source file: 100255_Cost Estimate_2018_03_08.xls). Percentages are calculated in the cost estimate file and only two decimal places are shown in this table. Cost will be revised after bid results are available.</td>
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<tr>
<td><strong>Totals</strong></td>
<td></td>
<td>$ 6,498,577.00</td>
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<td>A ≠ B + C Total will not match Washington County plus WWSP cost shares due to costs allocated to Clean Water Services</td>
</tr>
</tbody>
</table>

**TOTAL TO PAY TO WCLUT:** $ 3,763,255.92
### EXHIBIT 3 – Spend Report Template
Willamette Water Supply Program
Construction

<table>
<thead>
<tr>
<th>Subcontractor/ Vendor Name</th>
<th>Previously Reported Spend (ALL)</th>
<th>2015 Q4 Spend</th>
<th>Primary Goods or Service</th>
<th>Contact Name</th>
<th>Contact Phone</th>
<th>Subcontractor/ Vendor Street Address</th>
<th>Subcontractor/ Vendor City</th>
<th>Subcontractor/ Vendor State</th>
<th>Subcontractor/ Vendor ZIP</th>
<th>Minority Owned</th>
<th>Women Owned</th>
<th>Veteran Owned</th>
<th>Service-Disabled Veteran Owned</th>
<th>Local Owned</th>
<th>Small Business Owned</th>
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</tbody>
</table>
April 20, 2018

Andrew Singelakis
Director of Land Use and Transportation
Washington County
155 N. First Ave., Ste. 350, MS 16
Hillsboro, OR 97124-3027

RE: Proposed Clarification of Memorandum of Understanding

Dear Andrew,

Washington County and the Willamette Water Supply Program (WWSP) partners, the Tualatin Valley Water District and the City of Hillsboro, are successfully coordinating and partnering on several projects to realize various public benefits including reduced disruption and lower costs. The first of these partnerships is the SW 124th Avenue Extension project, which is currently underway near Sherwood and Tualatin.

In October 2016, a Memorandum of Understanding (MOU) was signed by Washington County, TVWD, and Hillsboro to partner on projects occurring in SW Tualatin-Sherwood Road and SW Roy Rogers Road. That MOU established a basic framework for the partnership to promote coordination of project schedules, realization of cost savings, and WWSP sharing cost savings to enable Washington County to complete additional road projects in and near Sherwood.

Washington County’s Roy Rogers Road project is the first to proceed within the scope of the MOU (Segment 5.1 on Attachment 1). The Roy Rogers Road project includes the WWSP’s PLM_5.1 pipeline project. As the design was nearing completion, representatives of the WWSP and Washington County began drafting an Intergovernmental Agreement (IGA) for the construction phase of this project. During that effort, it became clear there are elements of the MOU that require further definition and clarification to fully realize the objectives of the MOU for the Roy Rogers project. This letter is intended to provide such definition and clarification. It is further intended that the final IGA for construction of the Roy Rogers Road project will serve as a model for future IGAs for the remaining work described in the MOU.

There are four main groups of costs associated with the partnership projects envisioned in the scope of the MOU:

1. Separate costs related purely to the improvements being made by either Washington County (road construction) or the WWSP (water supply construction) – these costs will be tracked and paid separately by each entity.
2. Shared costs, including mobilization, that are common to both construction projects.
3. County administration costs that cover managing the general contractor.
4. Restoration costs that are a payment by WWSP to Washington County in lieu of pavement, subgrade, and surface restoration costs.
Negotiating the first three of these cost groups is straightforward. The separate costs for each entity are identified during the design phase. Shared costs are negotiated by the design teams and documented in a spreadsheet that itemizes each of the bid items. The cost shares for each of the shared items will reflect the extent to which each item is related to either part of the work. It is anticipated that the County and WWSP will standardize on use of 8.5% of construction costs for shared mobilization costs. County administration costs will be negotiated based on the project complexity and duration using the experience gained on the SW 124th Extension project as a guide.

Regarding the restoration costs, Exhibit A in the MOU identified a value of $11.5 million required by Washington County to fund design and construction of roadway improvements along Roy Rogers Road from Borchers Drive to the north side of Chicken Creek. Per the MOU, the WWSP will provide Washington County the estimated restoration costs as a part of each partnership project. The parties agree that the contribution from the Roy Rogers Road / PLM_5.1 project toward the total restoration costs is $1.25 million. The balance, $10.25 million, will be provided during the course of the PLM_4.1 and PLM_4.2 projects.

Except for the restoration costs, Washington County will invoice the WWSP for all costs described in this letter as the projects are constructed. WWSP will pay Washington County the $1.25 million in accordance with the intergovernmental agreement for the Roy Rogers Road / PLM_5.1 project. The remaining $10.25 million road restoration fund will be held by the WWSP until such time that the funds are to be paid to Washington County in accordance with a future intergovernmental agreement for Segments 4.1 (including the future joint project shown on Attachment 1) and 4.2. This future intergovernmental agreement will be negotiated after the Roy Rogers project is bid.

Sincerely,

Mark Knudson, P.E.,
Chief Executive Officer, Tualatin Valley Water District

Enclosure:
Attachment 1 - Map of Partner Projects with Segment Descriptions and Schedule

Acknowledged and Agreed:

__________________________    ___________________________
Andrew Singelakis      Kevin Hanway
Director of Land Use and Transportation  Water Director
Washington County      City of Hillsboro

__________________________    ___________________________
Date       Date
Segment 5.1
Extends from UGB at the south to Scholls Ferry Road to the north

Future Joint Project
Constructed with Segment 4.1
Extends from 500 feet north of the Chicken Creek Bridge to Borchers Drive at the east

Segment 4.1
Extends from Langer Farms to the east and to 500 feet north of the Chicken Creek bridge

Segment 4.2
Extends from 500 feet north of the Chicken Creek Bridge to Borchers Drive at the east

Attachment 1 – Map of Partner Projects with Segment Descriptions and Schedule

<table>
<thead>
<tr>
<th>Segment</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 (including future joint project)</td>
<td>Design: Complete by 4/2020; Construction: Award contract 7/2020; Substantially complete 2/2022</td>
</tr>
<tr>
<td>4.2</td>
<td>Design: Complete by 4/2020; Construction: Award contract 7/2020; Substantially complete 1/2023</td>
</tr>
</tbody>
</table>