

**Willamette Water Supply System  
Board Meeting Agenda  
Thursday, September 5, 2019 | 12:00 – 2:00 PM**

**Tualatin Valley Water District – Board Room  
1850 SW 170th Avenue, Beaverton, OR 97003**

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To prepare to address the Willamette Water Supply System Board, please fill out the Public Comment Form located on the table near the main door to the meeting room. \*\*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.**

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**BOARD LUNCH – 11:30 AM**

**REGULAR SESSION – 12:00 PM**

**CALL TO ORDER**

**1. GENERAL MANAGER'S REPORT – Dave Kraska**

*(Brief presentation on current activities relative to the WWSS Commission)*

**2. PUBLIC COMMENT**

*(This time is set aside for persons wishing to address the Board on items on the Consent Agenda, as well as 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.)*

**3. 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. Approve the August 6, 2019 meeting minutes.

**4. BUSINESS AGENDA**

- A. Adopt Joinder to Trust Agreement between the Willamette Water Supply System Commission and Special District Insurance Services – *Staff Report – Mike Jacobs*
- B. Adopt Management Authority Matrix for the Willamette Water Supply System – *Staff Report – Dave Kraska*

**5. INFORMATION ITEMS**

- A. Upcoming Washington County Intergovernmental Agreements and Related Amendments, and Other Potential Intergovernmental Agreements – *Dave Kraska*
- B. The next Board meeting is scheduled on October 3, 2019, at Tualatin Valley Water District – Board Room.

**6. COMMUNICATIONS AND NON-AGENDA ITEMS**

- A. None scheduled.

**ADJOURNMENT**

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# Willamette Water Supply System Commission

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# MEMO

**Date:** September 5, 2019  
**To:** Willamette Water Supply System Board of Commissioners  
**From:** David Kraska, General Manager  
**Re:** Willamette Water Supply System General Manager's Report

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The following items will be covered during the report by the GM:

1. **Be Sure to Use Microphones** – Please remember to use your microphone whenever you are speaking. Also, please turn off your microphone when you are not speaking.
2. **Safety Minute** – I will present the safety minute.
3. **First Regular Meeting** – Welcome to the first regular meeting of the Willamette Water Supply System (WWSS) Commission. Two prior meetings, the initial meeting on July 3 and a special meeting on August 6, were held to address emergent issues related to on-going activities on the Willamette Water Supply Program (WWSP). We greatly appreciate the Board's flexibility and accommodation in holding those meetings.

The purpose of holding the first regular meeting two months after executing the WWSS intergovernmental agreement became effective was to allow time to transition some of the processes being used on the Willamette Water Supply Program (WWSP), and to provide orientation briefings for the new leadership and committee members. Those activities are now essentially complete, and we are fully operational in accordance with the WWSS IGA.

4. **Management Committee Actions** – At the initial meeting in July, the WWSS Board delegated specific authorities to the WWSS Management Committee to enable continued progress on the Willamette Water Supply Program. During that time, the Management Committee took the following actions:
  - a. Approval of a construction contract with James W. Fowler for the PLM\_1.1 project
  - b. Approval of a project agreement with Beaverton and the associated contract amendment for engineering services related to the Beaverton pipeline project proximate to the MPE\_1.0 project

## GM Report to the WWSS Board of Commissioners

September 5, 2019

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- c. Approval of a project agreement with Hillsboro and the associated contract amendment for engineering services related to the Hillsboro pipeline project proximate to the PLW\_2.0 project
- d. Endorsement of the Management Authority Matrix that is a business item on today's agenda

The two project agreements will require approval by the Beaverton City Council for the MPE\_1.0 project and the Hillsboro City Council for the PLW\_2.0 project to complete their execution. As stated in resolution 02-19, the delegation of authority to the Management Committee ends today following this WWSS Commission Board meeting.

- 5. **Approvals and Procurements Forecast** – Attached to this GM report is the approvals and procurements forecast, which reflects a three months period. This is related to one of today's business agenda items. We intend to provide this document every month as an attachment to the General Manager's report. It provides the WWSS Board of Commissioners information regarding actions recently taken and actions anticipated to occur in the next three months.
  - 6. **Sherwood and Washington County Coordinated Outreach** – On August 6, 2019, Mike Britch of the WWSP and Stephen Roberts of Washington County Land Use and Transportation (WCLUT) made a joint presentation to the Sherwood City Council. The topics covered included WCLUT's planned roadway projects, the WWSS WTP project, and the plans to demolish the farmhouse on the water treatment plant property. We also presented to the Sherwood City Council the timing of our projects, and how we intend to construct them together to best manage our impact on the local community and businesses. The City Council and staff expressed their appreciation for our continued communication and coordination efforts.
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## Approvals and Procurement Forecast: August through October 2019

This report provides a three-month projection of (1) forthcoming actions under the Draft WWSS Management Authority Matrix and (2) ongoing and forthcoming procurements.

a = Actual date  
 e = Email approval  
 FC = Finance Committee  
 MC = Management Committee  
 N/A = Not applicable  
 OC = Operations Committee

Rec. = Recommendation  
 t = Tentative date  
 TBD = To be determined; sufficient information not available to project a date  
 Note: Dates in **red text** indicate meetings needed outside the normal meeting schedule

Type	Description	Projected Action	Body/Position (projected action date)		
			Program Director	WWSS Management Committee	WWSS Board
<b>Program Baseline or Related Plans</b>	1. None				
<b>Real Estate</b>	2. PLW_1.3 Resolution of Need	Approve	N/A	MC: 6/25/2019 a (Via WWSP Executive Committee)	8/6/2019 a
	3. PLM_1.2 Resolution of Need	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t
<b>IGAs, MOUs, Permit Commitments, &amp; Similar Agreements</b>	4. PLW_2.0 City of Hillsboro (COH_1.0) Project Agreement	Approve	N/A	N/A	8/21/2019 a (Via WWSS MC)
		Execute	Pending	N/A	N/A
	5. MPE_1.0 City of Beaverton (COB_1.0) Project Agreement	Approve	N/A	N/A	8/21/2019 a (Via WWSS MC)
		Execute	Pending	N/A	N/A
	6. PLW_1.3 GLC-S Hillsboro Agreement	Approve	N/A	N/A	N/A
		Execute	8/28/2019 t	N/A	N/A
	7. PLW_1.3 Hagg Lane (Butternut Creek) Agreement Amendment	Approve	N/A	N/A	N/A
		Execute	9/19/2019 t	N/A	N/A
	8. PLM_5.2 City of Tigard IGA Amendment	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t
		Execute	10/4/2019 t	N/A	N/A
	9. RWF_1.0 City of Wilsonville Project Agreement	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t
Execute		10/4/2019 t	N/A	N/A	
10. PLM_4.1 WCLUT Design IGA Amendment 2	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t	
	Execute	10/4/2019 t	N/A	N/A	
11. PLM_4.2 WCLUT Design IGA Amendment 1	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t	
	Execute	10/4/2019 t	N/A	N/A	

Type	Description	Projected Action	Body/Position (projected action date)		
			Program Director	WWSS Committees	WWSS Commission Board
<b>IGAs, MOUs, Permit Commitments, &amp; Similar Agreements <i>continued</i></b>	12. WCLUT Master Project Coordination IGA	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t
		Execute	10/4/2019 t	N/A	N/A
	13. PLM_4.4 WCLUT Design IGA	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t
		Execute	10/4/2019 t	N/A	N/A
	14. PLW_1.2 WCLUT Design IGA Amendment 1	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t
		Execute	10/4/2019 t	N/A	N/A
<b>Contracts</b>	15. WTP_1.0 Farmhouse Demolition <ul style="list-style-type: none"> <li>Goal: Construction Contractor for demolition of the farmhouse on the WTP site</li> <li>Approximate construction value: \$68,200</li> <li>Contractor: NRC Environmental Services</li> <li>➤ Publish ITB: 6/20/2019 a</li> <li>➤ Bid opening: 7/16/2019 a</li> <li>➤ Rec. of Award: 7/17/2019 a</li> <li>➤ Notice of Intent to Award: 7/17/2019 a</li> <li>LNTF: 8/9/2019 a</li> </ul>	Approve	N/A	N/A	N/A
		Execute	8/9/2019 a	N/A	N/A
<b>Contract Amendments and Change Orders</b> (above Program Director's Authority)	16. MPE_1.0 Design Amendment for City of Beaverton Pipeline (COB_1.0) Addition <ul style="list-style-type: none"> <li>Goal: Amend contract for final design and services during construction to add COB_1.0 project in accordance with project agreement</li> <li>Contractor: Brown and Caldwell</li> </ul>	Approve	N/A	N/A	8/21/2019 a (Via WWSS MC)
		Execute	Pending	N/A	N/A
	17. PLW_2.0 Design Amendment for City of Hillsboro Pipeline (COH_1.0) Addition <ul style="list-style-type: none"> <li>Goal: Amend contract for final design and services during construction to add COH_1.0 project in accordance with project agreement</li> <li>Contractor: Kennedy/Jenks</li> </ul>	Approve	N/A	N/A	8/21/2019 a (Via WWSS MC)
		Execute	Pending	N/A	N/A
	18. WTP_1.0 Design Amendment for Value Engineering Concepts Incorporation <ul style="list-style-type: none"> <li>Goal: Amend contract for final design and services during construction to incorporate value engineering concepts</li> <li>Contractor: CDM Smith</li> </ul>	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t
		Execute	10/4/2019 t	N/A	N/A
19. PLW_1.2 Design Amendment for Realignment <ul style="list-style-type: none"> <li>Goal: Amend contract for final design and services during construction to reflect realignment established by Washington Co.</li> <li>Contractor: Kennedy/Jenks</li> </ul>	Approve	N/A	MC: 9/18/2019 t	10/3/2019 t	
	Execute	10/4/2019 t	N/A	N/A	

# Willamette Water Supply

*Our Reliable Water*



## Safety Moment: Back to School

### WWSS Commission Board Meeting

September 5, 2019

## Heighten your awareness, especially around schools

- Watch for children on and near the road in the morning and after school hours
- Reduce any distractions inside your car:
  - Put down your phone
  - Don't talk or text while driving



Learn more at [www.safekids.org](http://www.safekids.org)

A friendly reminder from  Safe Kids USA

## Slowing down provides more reaction time and can save lives

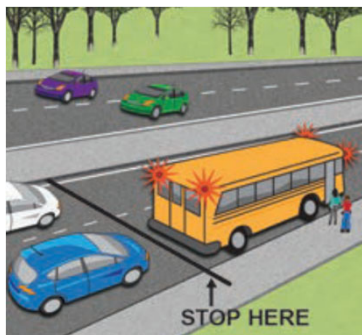


A pedestrian's chance of survival changes with the speed of impact:

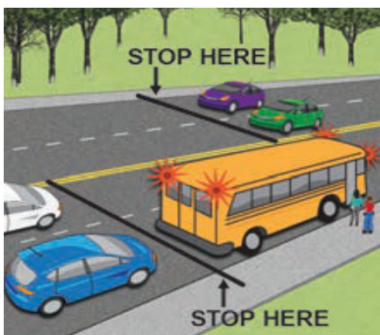
- 50 if hit at 30 miles per hour
- 90 if hit at 20 miles per hour

## Stop for school busses when red lights are flashing

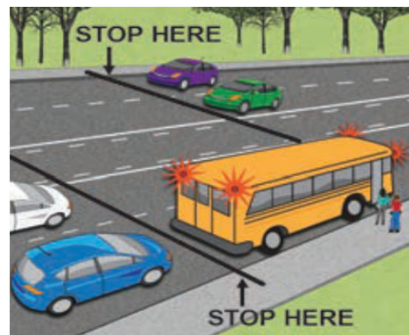
Divided highway with unpaved median or barrier



4-lanes with painted median



4-lanes with painted center turn





**THANK YOU**

**Willamette Water Supply**  
*Our Reliable Water*

# Willamette Water Supply System Commission

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**Willamette Water Supply System Commission  
Board Meeting Minutes  
Tuesday, August 6, 2019**

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**Commissioners present:**

Tualatin Valley Water District (TVWD): Jim Duggan  
Hillsboro: John Godsey  
Beaverton: Denny Doyle

**Committee Members present:**

TVWD: Tom Hickmann, Management Committee  
Mark Knudson, Management Committee (outgoing)  
Paul Matthews, Finance Committee  
Hillsboro: Niki Iverson, Management Committee (via conference call)  
Beaverton: David Donaldson, Management Committee

**Managing Agency Staff present:**

Dave Kraska, Willamette Water Supply Program Director; WWSS Commission General Manager  
Joelle Bennett, Willamette Water Supply Program Assistant Director  
Bill Van Derveer, Willamette Water Supply Program Manager  
Justin Carlton, Willamette Water Supply Program Finance & Administrative Supervisor  
Clark Balfour, TVWD General Counsel  
Mark McConnell, TVWD Facilities  
Faye Branton, Willamette Water Supply Program Administrative Assistant; WWSS Commission Recorder  
Joel Cary, TVWD Water Resources Division Manager

**Other Attendees:**

Tacy Steele, City of Hillsboro Water Programs Manager

No members of the public were present.

**CALL TO ORDER**

Chairman Duggan called the special Willamette Water Supply System (WWSS) Commission meeting to order at 9:30 a.m.

**1. GENERAL MANAGER'S REPORT**

There was no General Manager's report.

**2. PUBLIC COMMENT**

There were no public comments.

**3. CONSENT AGENDA**

- A. Approve the July 3, 2019 meeting minutes.

Motion was made by Godsey seconded by Doyle to approve the consent agenda as presented. The motion passed unanimously with Doyle, Duggan, and Godsey, voting in favor.

**4. BUSINESS AGENDA**

- A. Consider adopting Resolution WWSS-04-19, a resolution declaring public necessity to acquire permanent and temporary construction easements over, upon, under and through real property for pipeline section PLW\_1.3 for the Willamette Water Supply System.  
*-Staff Report – Dave Kraska*

Mr. Kraska presented the staff report requesting the Board's adoption of Resolution WWSS-04-19.

Motion was made by Doyle seconded by Godsey to adopt Resolution WWSS-04-19, declaring public necessity to acquire permanent and temporary construction easements over, upon, under and through real property for pipeline section PLW\_1.3 for the Willamette Water Supply System. The motion passed unanimously with Doyle, Duggan, and Godsey, voting in favor.

**5. INFORMATION ITEMS**

- A. Management Authority Matrix – Approvals and Procurement Forecast (MAM) – Staff Report – Dave Kraska

Mr. Kraska presented the staff report and a brief overview of the Willamette Water Supply Program's history regarding the pre-WWSS IGA decision-making process, including the Board's delegation of authority to the WWSS Management Committee to approve selected actions until the first regular WWSS Board meeting on September 5, 2019. Mr. Kraska concluded by familiarizing the Board with the layout of the Management Authority Matrix – Approvals and Procurement Forecast (MAM) and noting anticipated actions for the Board at the September meeting.

- B. The next Board meeting is scheduled on September 5, 2019, 12:00 p.m. to 2:00 p.m. at the Tualatin Valley Water District – Board Room.

**6. COMMUNICATIONS AND NON-AGENDA ITEMS**

- A. None scheduled.

**ADJOURNMENT**

There being no further business, Chairman Duggan adjourned the meeting at 9:44 a.m.

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James Duggan, Chair

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Denny Doyle, Vice Chair

**STAFF REPORT**

**To:** Willamette Water Supply System Board of Commissioners

**From:** Dave Kraska, P.E., General Manager  
Mike Jacobs, Risk Management Coordinator

**Date:** September 5, 2019

**Subject:** Special Districts Insurance Services (SDIS) Declaration of Trust, an Intergovernmental Agreement (IGA) With SDIS Board of Trustees

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**Requested Board Action:**

Consider a resolution adopting the SDIS Joinder of Trust Agreement (an intergovernmental agreement) and directing the Managing Agency to execute documents necessary to obtain insurance coverage for the Willamette Water Supply System (WWSS) Commission.

**Key Concepts:**

- Oregon law requires local governments to enter into an intergovernmental agreement (IGA) when forming their own self-insured programs.
- The SDIS Board of Trustees operates a program of self-insurance which includes liability, property, workers' compensation, health, and dental programs.
- To take advantage of the SDIS self-insurance program, the Willamette Water Supply System (WWSS) Commission must become a member of Special Districts Association of Oregon (SDAO) and a member of the SDIS Trust by executing the Joinder of Trust Agreement.

**Background:**

Executing the WWSS IGA in July 2019 established the WWSS Commission as an ORS Chapter 190 entity under Oregon law. Article 28.3 of the WWSS IGA instructs that insurance coverage (the requirements for which are outlined Exhibit 11) shall be purchased and maintained at all times. Further, Article 6.6.14 states that the Managing Agency (Tualatin Valley Water District) shall procure and manage appropriate insurance coverages.

SDAO is the Sponsoring Member of the Trust. To be a member of the SDIS Trust, the WWSS Commission must be a member in good standing of the SDAO.

The SDIS Board of Trustees operates a program of pooled self-insurance that includes, among other things, liability, property, workers' compensation, health, and dental coverages. Oregon law requires local governments to enter into an IGA when forming their own pooled self-insured programs.

The SDIS Declaration of Trust (Trust Agreement) is an IGA. The Trust Agreement has been approved by the SDIS Board of Trustees and requires members to join the Trust by adoption of the Trust Agreement. By signing the Joinder to Trust Agreement, WWSS Commission will become a party to the insurance IGA with the SDIS Board of Trustees and may participate in the SDIS self-insured programs.

**Budget Impact:**

Annual premiums for requested coverage.

Annual SDAO Membership Dues.

**Staff Contact Information:**

Dave Kraska; General Manager; 503-941-4561; david.kraska@tvwd.org

Mike Jacobs; Risk Management Coordinator; 503-550-5789; mike.jacobs@tvwd.org

**Attachments:**

SDIS Joinder of Trust Agreement

Proposed resolution

Exhibit A: Intergovernmental agreement

**RESOLUTION NO. WWSS-05-19**

**A RESOLUTION ADOPTING THE JOINDER TO TRUST AGREEMENT BETWEEN THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION AND SPECIAL DISTRICT INSURANCE SERVICES**

WHEREAS, pursuant to Oregon Revised Statutes Chapter 190, the Tualatin Valley Water District and the Cities of Hillsboro, and Beaverton have entered into the Willamette Water Supply System Agreement (WWSS IGA) and formed the Willamette Water Supply System (WWSS) Commission, a separate intergovernmental entity; and

WHEREAS, the WWSS Commission is a Public Body as defined in ORS 30.260 (4), ORS 174.109 and ORS 174.117 (f) and as such is authorized under ORS 30.282 to join with other Public Bodies within the state of Oregon to create and participate in self-insurance programs through intergovernmental agreements; and

WHEREAS, the Parties to the WWSS Commission have entered into self-insurance programs with City County Insurance Services or Special Districts Insurance Services for their individual coverages and the WWSS IGA requires that insurance coverages be obtained; and

WHEREAS, the Special District Insurance Services Trust (Trust) requires that all members join by adoption of the Joinder of Trust Agreement attached hereto as Exhibit 1 and incorporated by reference; and

WHEREAS, the Willamette Water Supply System Board of Commissioners elect to participate in one or more of the self-insured programs offered through the Special District Insurance Services Trust and being advised,

NOW, THEREFORE, the Board of Commissioners resolves:

Section 1. The Willamette Water Supply System Board of Commissioners adopts the attached Joinder of Trust Agreement to become a member of the Special Districts Insurance Services Trust.

Section 2. The Managing Agency is directed to execute further documents and take necessary action to obtain the insurance coverages required by the WWSS IGA.

Approved and adopted at a regular meeting held on the 5th day of September 2019.

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James Duggan, Chair

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Denny Doyle, Vice Chair

# Willamette Water Supply System Commission

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**EXHIBIT 1 to Resolution No. WWSS-05-19**

**JOINDER TO TRUST AGREEMENT**

By execution of this Joinder, the undersigned public body hereby agrees to become a party to, and is bound by, the First Restatement of Declaration of Trust of the Special Districts Insurance Trust effective as of April 1, 2014 (and as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), by and among the Trustees and the Members, in the same manner as if the undersigned were an original signatory to such Agreement.

The undersigned represents and warrants that (i) the undersigned has received a copy of, and has reviewed the terms of, the Agreement and all related or relevant documents and agreements, (ii) undertakes to become a Member of the Special Districts Insurance Trust with all the rights and obligations thereof, and (iii) such undertaking has been duly authorized as an intergovernmental agreement to create a program of self-insurance pursuant to ORS 30.282.

Capitalized terms used but not defined in this Joinder shall have the meanings set forth in the Agreement.

**IN WITNESS WHEREOF**, the undersigned has executed this Joinder as of this 5th day of September 2019.

Approved as to form:

\_\_\_\_\_  
Legal Counsel

WILLAMETTE WATER SUPPLY SYSTEM COMMISSION an intergovernmental entity formed under ORS Chapter 190 by Agreement effective July 1, 2019 between the Tualatin Valley Water District and the Cities of Hillsboro and Beaverton

By: \_\_\_\_\_  
James Duggan, Chair

By: \_\_\_\_\_  
Denny Doyle, Vice Chair

Address for Notices:  
Willamette Water Supply System  
Attn: David Kraska, General Manager  
1850 SW 170<sup>th</sup> Ave  
Beaverton, OR 97003

With copies to:  
Chief Executive Officer  
Tualatin Valley Water District  
1850 SW 170<sup>th</sup> Ave  
Beaverton, OR 97003

# Willamette Water Supply System Commission

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## **Special Districts Insurance Services Trust**

### **First Restatement of Declaration of Trust**

#### **RECITALS**

1. Oregon Revised Statutes Chapter 30.282 authorizes Public Bodies within the state of Oregon to create and participate in self-insurance programs through intergovernmental agreements;
2. On July 1, 1985, the Special Districts Association of Oregon and certain trustees entered into a Declaration of Trust for the Special Districts Insurance Services Trust, which set forth the terms and conditions upon which a self-insurance program solely for the benefit of governmental entities would be organized and operated pursuant to Oregon Revised Statutes Chapter 30.282, which Declaration of Trust was amended on October 22, 1987, February 18, 1988, January 25, 1989, June 27, 1991, June 2, 1994, December 9, 1999, September 21, 2000, January 10, 2002, April 17, 2003, and June 7, 2006 (the "Amended Trust Declaration");
3. The Initial Members have made Contributions to the trustees of the Trust and the trustees have implemented a self-insurance program with multiple pools for the benefit of the Initial Members, and the funds associated with such program constitute a trust fund that has been held for the exclusive benefit of the Initial Members participating in a self-insurance program;
4. Article 7 of the Amended Trust Declaration provided that the Amended Trust Declaration could be amended by the Board of Directors of the Special Districts Association of Oregon, by delivery of a copy of the amendment to each Trustee, provided however, that no amendment could operate to the prejudice of any vested rights held by any participant in the program of the Trust under a policy, contract, or other document for the benefit of such participant; and
5. The Board of Directors of the Special Districts Association of Oregon and the trustees of the Trust have determined that a restatement of the Amended Trust Declaration in the form of this First Restatement of Declaration of Trust, is in the best interests of the Initial Members and prospective Members, and have determined that this First Restatement of Declaration of Trust should be submitted to the Initial Members, and to prospective Members as appropriate, to allow them to become Members.

## SECTION 1 DEFINITIONS

1.1 **Definitions.** All capitalized terms in this Agreement shall have the meanings given to them in this Section 1.

1.2 **"Agreement"** means this First Restatement of the Declaration of Trust.

1.3 **"Amended Trust Declaration"** means the Special Districts Insurance Services Trust Declaration of Trust described in the Recitals.

1.4 **"Associated"** means, when used in the phrase "Associated with" an organization, the status of being a current employee of, or a member of the governing body of, that organization, or being a volunteer in good standing of an organization (in accordance with the policies and procedures of that organization) who is nominated in a writing signed by the Chair of the Board of Directors of the organization.

1.5 **"Audit Committee"** means the committee established by the Board, as described in Section 4.8(c).

1.6 **"Board"** means the Board of Trustees of the Trust.

1.7 **"Board Observer"** means the person designated by the Sponsoring Member to attend Board meetings pursuant to Section 4.1(b).

1.8 **"Contribution"** means the amount a Member contributes to the Trust annually pursuant to the Coverage Document.

1.9 **"Coverage Document"** means a contract between the Trust and a Member with respect to self-insurance coverage with respect to which a Member makes a Contribution.

1.10 **"Deadlocked"** means a situation in which the vote of the Trustees on a matter is evenly split for two or more meetings at which such matter is submitted to a vote.

1.11 **"Effective Date"** means April 1, 2014.

1.12 **"Executive Committee"** means the committee established by the Board, as described in Section 4.8(a).

1.13 **"Former Member"** means a Special District, Public Body or Sponsoring Member that was at one time a Member, but whose membership has Terminated.

1.14 **"Initial Members"** means those Special Districts and Public Bodies that had in effect a Coverage Document on the day before the Effective Date.

1.15 **"Joinder"** means a document, substantially in the form attached as Exhibit A, the execution of which constitutes a Member's agreement to be bound by the terms and conditions of this Agreement, and shall include a duly executed resolution in substantially the same form.

1.16 **"Majority"** means more than 50%.

1.17 **"Member"** means a Special District or Public Body that has executed a Joinder to this Agreement and the Sponsoring Member, the membership of which has not Terminated.

1.18 **"Nominating Committee"** means the committee established by the Board as described in Section 4.8(b).

1.19 **"Public Body"** means an entity described in Oregon Revised Statutes 30.260.

1.20 **"Quorum"** means a Majority of the Trustees.

1.21 **"Special District"** means a governmental entity described in Oregon Revised Statutes 198.010.

1.22 **"Sponsoring Member"** means the Special Districts Association of Oregon.

1.23 **"Termination"** means the cessation of the membership of a Member pursuant to this Agreement.

1.24 **"Trust"** means the Special Districts Insurance Services Trust.

1.25 **"Trustee"** means a person who has executed this Agreement or a duplicate thereof agreeing to accept the responsibilities of trusteeship under this Agreement, and who has not resigned or been removed as a Trustee.

1.26 **"Trust Property"** means cash, property or any asset held by the Trustees and subject to this Agreement.

## **SECTION 2 PURPOSES AND OPERATON OF TRUST**

2.1 **Purposes.** The purposes of the Trust shall continue to be the operation of a program of self-insurance whereby the Members' exposures in the areas of tort liability, property, workers compensation, and ancillary program areas may be effectively and economically managed, and whereby insurance and risk retention strategies to manage such risks may be most responsibly and economically funded, and to provide life, health, and disability programs and other personnel benefit services to Members. The Trustees shall endeavor to accomplish these goals by:

(a) Acting to ensure that there is available to Members markets for liability, property, workers compensation, and ancillary coverages appropriate to risks to which such Members are exposed and markets, programs and services for employee benefits and health, life, and disability insurance coverage needs of Members.

(b) Aggregating the collective buying power of Members and the economic advantages of individual and pooled risk retention and other strategies, where lawful and actuarially sound, and to reduce and stabilize the cost of funding those risks.

(c) Making available to Members resources and expertise in the management of risk through loss prevention and loss control programs, claims management, consulting, data gathering, information sharing and related services.

(d) Acting as a representative and information resource for Members in presenting to appropriate legislative and administrative bodies and committees, data and policy issues related to the cost of public risk in Oregon.

(e) Creating, upon authorization by the Board, pooled self-insured programs funded by Member Contributions and based on sound actuarial analysis, which may be structured as separate pools for various types of risk, with physical or accounting segregation as determined by the Board.

(f) Developing and providing other insurance programs, retirement programs or other related services as are approved by the Board, including but not limited to loan or grant programs in amounts not material to Trust operations and designed to further the objectives of the Trust.

(g) Providing access for Members to coverages with respect to which the Trust is not an indemnitor.

2.2 Trust Property. The Trustees shall collect and manage Trust Property, including but not limited to insurance premiums, Contributions and other revenues, shall make appropriate disbursements from the Trust, and shall oversee the management and administration of the programs of the Trust, approving the necessary contracts, insurance policies, premium contributions, fee schedule group purchases and making such other arrangements and implementing such strategies as necessary to carry out purposes described herein regarding the self-insurance programs, for the exclusive benefit of the Members and as described in this Agreement.

### SECTION 3 CONTINUATION OF TRUST AND FUTURE CONTRIBUTIONS

3.1 Trust Agreement. The Trustees and the Sponsoring Member hereby enter into this First Restatement of Declaration of Trust, to be effective on the Effective Date. The Trustees shall invite the Initial Members, and such other Special Districts or Public Bodies as appropriate, to become Members.

3.2 Trust Continuation. The Trust shall continue without interruption on and after the Effective Date and shall be operated from the Effective Date pursuant to this First Restatement of Declaration of Trust.

3.3 Existing and Future Trust Property. The Members confirm that the Trust Property subject to the Amended Trust Declaration as of the Effective Date of this Agreement, including all Contributions and income and profits therefrom, shall remain Trust Property, to be held, managed and distributed pursuant to this Agreement.

3.4 Contributions. Any Contributions made on or after the Effective Date of this Agreement, along with any and all income and profits therefrom, shall be Trust Property, and shall be held, managed and distributed pursuant to this Agreement. A contributing Member's Contribution is irrevocable.

3.5 Agreement by Trustees. The Trustees hereby declare that they will administer, manage, collect, receive, dispose of and distribute all Trust Property for the exclusive benefit of the Members as provided in this Agreement.

#### **SECTION 4 BOARD OF TRUSTEES**

##### 4.1 Board of Trustees.

(a) *In General*. The Trust shall be governed by a Board of Trustees ("the Board") composed of not fewer than five, nor more than nine, Trustees. Until changed by a vote of the Board, the number of Trustees shall be seven.

(b) *Board Observer*. As long as the Sponsoring Member is a Member, it shall from time to time designate a Board Observer, who shall be entitled to attend all meetings of the Board, but who shall not be a Trustee, shall have no fiduciary duties, and shall not vote. The Board Observer shall advise the Board on matters potentially affecting Special Districts throughout Oregon, as such matters relate to the activities of the Trust. The Board Observer shall be a nonvoting member of all standing and ad hoc committees of the Board. If the Sponsoring Member ceases to be a Member, there shall be no Board Observer position.

(c) *Continuation of Trustees*. Notwithstanding any requirement of Section 4.3, Trustees of the Trust serving as of the Effective Date shall continue to serve as Trustees until the expiration of their terms of office.

(d) *Election of Trustees*. The Board shall elect a Trustee to fill any vacant Trustee position, which elected Trustee shall serve until expiration of the vacated position.

##### 4.2 Meetings.

(a) *Annual Meeting*. An annual meeting of the Trustees shall be held in June of each year.

(b) *Special Meetings*. Special meetings of the Trustees may be called by the Sponsoring Member, Chair, the Vice-Chair, or a Majority of Trustees, by giving written notice to the Chair or the Vice-Chair.

(c) *Quorum*. A Quorum of Trustees must be present to conduct business at a duly called meeting.

(d) *Manner of Acting*. With respect to any matter to be decided by the Trustees, the Trustees shall act by Majority vote of all Trustees.

(e) *Location of Meeting.* All meetings shall be held within the State of Oregon. While every meeting must have a physical location at which at least one Trustee appears, Trustees may participate in the meeting by means of a conference telephone call or electronic communication method if all persons participating in the meeting can hear each other at the same time.

#### 4.3 Qualifications of a Trustee.

(a) *In General.* Except as provided in Section 4.3(b), as a qualification for appointment and continued service, each Trustee shall be a natural person Associated with a Special District which is a Member.

(b) *Continued Service by Trustee.* If a Trustee becomes no longer Associated with a Member during the Trustee's term of office, the Trustee may serve out the remainder of the Trustee's term.

#### 4.4 Term of Office of Trustee.

(a) *Fixed Terms.* Trustees shall be appointed for a fixed term. Terms shall be three years and shall be staggered so that no more than three Trustees' terms expire during any calendar year. There shall be assigned position numbers to each Trustee position.

(b) *Reappointment.* A Trustee may serve any number of consecutive terms.

4.5 Resignation of a Trustee. A Trustee may resign at any time by giving written notice to the Chair, Vice-Chair or Secretary of the Trust, which resignation shall be effective upon delivery or on such later date specified in the resignation.

#### 4.6 Removal of a Trustee.

(a) *Removal by Trustees.* A Trustee may be removed by a Majority Vote of the Trustees other than the Trustee who is being considered for removal.

(b) *Deadlock Process.* If the Board is Deadlocked on removal of a Trustee, the matter shall be submitted pursuant to the Deadlock Process described in Section 4.13. The Board of Directors of the Sponsoring Member shall determine whether the affected Trustee is to be removed as a Trustee, which decision shall be final. If the Board of Directors of the Sponsoring Member determines that a Trustee should not be removed, that Trustee shall serve until the expiration of his or her term, unless the other Trustees determine that the affected Trustee has engaged in intentional misconduct or gross negligence in carrying out his or her duties, in which case such Trustee may be removed using the processes described in Section (a) and (b) of this Section 4.6.

#### 4.7 Officers.

(a) *Officers.* The officers of the Board shall be a Chair, a Vice-Chair, a Secretary, and a Treasurer. The same person may not concurrently occupy more than two offices.



(b) *Appointment.* Officers shall be elected by the Board at the annual meeting and shall serve a one-year term or until their successors are elected by the Board.

(c) *Resignation.* An officer may resign at any time by giving written notice to the Chair, Vice Chair or Secretary of the Trust, which resignation shall be effective upon delivery or on such later date is specified in the resignation. In the event of a vacancy in an officer's position, the Board shall fill the unexpired portion of the term by election at the next Board meeting.

(d) *Duties of Chair.* The Chair shall, when present, preside at all meetings of the Board and of the Members. He or she shall serve as the chair of the Executive Committee and shall be an ex-officio Member of all other standing committees. The Chair shall perform all duties required of him or her by the Board.

(e) *Duties of Vice-Chair.* The Vice-Chair shall preside at all meetings of the Board and of the Members in the absence of the Chair. He or she shall perform such other duties as assigned by the Board or the Chair. The Vice-Chair shall be the chair of the Nominating Committee.

(f) *Duties of Secretary.* The Secretary will keep or cause to be kept at the Trust's principal office all of the minutes of the meetings of the Board and Members showing the time and place of meeting, the notice given, the names of those present and the content of such meeting in reasonable detail. The Secretary shall perform such other duties as assigned by the Board or the Chair.

(g) *Duties of Treasurer.* The Treasurer will be responsible for oversight of (i) the funds of the Trust; (ii) deposits and withdrawals of such funds in such depositories as may be authorized by the Board; and (iii) the keeping of a full and accurate account of receipts and disbursements at the Trust's principal office. The Treasurer shall be the chair of the Audit Committee and shall perform such other duties as assigned by the Board or the Chair.

#### 4.8 Committees.

(a) *Executive Committee.* The Board shall establish an Executive Committee, the objective of which is to prepare for Board meetings, address the business of the Trust between Board meetings in a manner delegated by the Board, and recommend to the Board the admission of new Members and Termination of existing Members, as necessary.

(b) *Nominating Committee.* The Board shall establish a Nominating Committee, the objective of which is to identify and recommend to the Board appropriate candidates for trusteeship from among the Members.

(c) *Audit Committee.* The Board shall establish an Audit Committee, the objective of which is to assure that the Board is adequately and currently informed of the financial condition of the Trust through reports and other methods.

(d) *Other Committees.* The Board may establish such other committees as it deems necessary and appropriate to carry out its responsibilities, which committees may be standing or ad hoc committees, in the discretion of the Board.

4.9 Salaries and Expenses. Trustees shall serve without compensation, but shall be entitled to reimbursement for expenses in accordance with the applicable expense policies of the Trust.

4.10 Policies and Procedures. The Trustees may from time to time adopt policies and procedures for operation of the Board, committees, and the Trust that are not inconsistent with this Agreement. The Trustees shall establish and maintain policies and procedures designed to cause the Trust to retain net assets sufficient to satisfy projected liabilities at appropriately high actuarially determined confidence levels in the event of catastrophic loss.

4.11 Powers of Trustees. The Trustees shall have each and every power accorded to Trustees under Oregon law and the authority to act in all matters relating to the Trust and Trust property, including but not limited to the power to:

- (a) make and enter into contracts;
- (b) incur debts, liabilities, and obligations;
- (c) acquire, hold, or dispose of property, contributions and donations of Property, funds, services, and other forms of assistance from any person;
- (d) sue and be sued in the name of the Trust, and to settle or compromise any claim;
- (e) engage and employ agents, employees, consultants, contractors, advisers, and any other personnel to assist in the activities of the Trust;
- (f) receive, collect, and disburse monies from any source;
- (g) authorize and pay or credit to Members (and not Former Members) such amounts, from the excess of available funds over amounts required or projected by the Board to fund Trust operations and claim liabilities, as determined appropriate by the Board, in its sole discretion; and
- (h) do all other things necessary and appropriate to carry out the purposes of the Trust and permitted by law.

4.12 Services Contract. The Trustees may enter into a contract with a Member to perform duties of administration of the Trust, which duties shall include but not be limited to claims administration, loss control, underwriting, and other consulting services as may be specified by contract between the Trust and the service provider.

4.13 Deadlock. If at any time the Trustees are Deadlocked on any issue, the Chair or Vice-Chair shall prepare a memorandum summarizing the facts and circumstances of the

situation in reasonable detail, and shall submit this memorandum to the Chair of the Board of Directors of the Sponsoring Member. The Board of Directors of the Sponsoring Member shall resolve the Deadlock and inform the Trustees of its decision, which decision shall be binding upon the Board.

## **SECTION 5 MEMBERSHIP**

5.1 Sponsoring Member. The Special Districts Association of Oregon is the Sponsoring Member of the Trust. The role of the Sponsoring Member is to provide the experience and continuity needed by the Trust to best serve its Members. The Sponsoring Member shall have ongoing duties to the Trust, including:

- (a) Working closely with others engaged by the Trust to provide various services;
- (b) Appointment of a Board Observer, as described in Section 4.1(b);
- (c) Providing its Executive Director as Trust Administrator for the Trust, who shall act in the role of chief operating officer and shall carry out the day-to-day duties of trust administration, as delegated by the Trustees;
- (d) Facilitating strategic planning for the Trust and recommending strategies for improving services to Members and improvement of ongoing operations of the Trust; and
- (e) Engaging in such other duties as reasonably requested by the Board to carry out the objectives of the Trust.

5.2 Distribution to Sponsoring Member. The Trust shall make an annual distribution to the Sponsoring Member in an amount to be determined by the Board in consultation with the Sponsoring Member.

5.3 Qualifications for Membership. A Member other than the Sponsoring Member must be a Special District or Public Body, within Oregon, that is a member in good standing of the Special Districts Association of Oregon.

5.4 Effect of Membership. A Member shall be eligible to participate in the coverages and services offered by or through the Trust on such terms and conditions as set forth in the Coverage Documents. Once an entity becomes a Member, such membership shall continue until terminated in accordance with this Agreement.

5.5 Initial Members. All entities who are Initial Members on the day before the Effective Date shall be eligible to become Members of the Trust as of the Effective Date by executing a Joinder.

5.6 New Members. Upon application by a Special District or Public Body to become a Member of the Trust, the Board may approve membership of such entity on such terms and

conditions as Board determines, in its sole discretion. The Board shall have the exclusive authority to approve or deny an application for membership, in its sole discretion.

5.7 Termination of Membership.

(a) *Termination of All Coverages.* Upon the termination of all participation in programs of the Trust, including but not limited to coverage under all Coverage Documents with respect to a Member (other than the Sponsoring Member), a Member's membership shall cease.

(b) *Sponsoring Member.* The Board may Terminate the membership of the Sponsoring Member for intentional wrongdoing or gross negligence, in its conduct as a Member, by a vote of two-thirds of the Trustees.

5.8 Liability after Termination of Membership. Upon Termination of membership, the Member will continue to be liable for the payment of any Contributions due as of the date of Termination. In the event the Trust is unable to perform its contractual obligations on a Former Member's behalf, the Member will continue to be liable for the payment of its own claims and liabilities arising out of the period when the Former Member was a Member.

5.9 Resumption of Membership after Termination. A Former Member may reapply for membership three years after Termination of membership. The Board in its discretion may waive this time limit or impose additional waiting periods.

5.10 Duties and Obligations of Members.

(a) *Joinder to First Restatement.* Each Member (other than the Sponsoring Member) shall execute a Joinder to this Agreement in a form approved by the Board and shall execute such other documents as are reasonable and appropriate, in the determination of the Board, to evidence membership in the Trust.

(b) *Information.* Each Member will furnish to the Trustees such underwriting and other information as may be reasonably required to carry out the purposes of the Trust at least 45 days prior to the end of the coverage period as described in the Coverage Documents.

(c) *Contributions.* Each Member shall make an annual Contribution based on the coverages the Member elects to the Trust in the amount determined by the Trustees, which amount shall be communicated to the Members within a reasonable period prior to renewal of coverage. The amount of the Contribution of each Member shall be determined by the Board, in its sole discretion, based on the coverages the member elects.

(d) *Cooperation.* As participants in a self-insured program, Members have an obligation to control claim costs by minimizing risk by establishing best management and safety practices. Each Member shall cooperate fully with the Trustees and their agents in the mitigation of risk and the administration of claims. Members' required cooperation shall include, but not be limited to:

- (i) Following the loss prevention and risk management programs of the Trust, and abiding by all conditions, requirements, rules or regulations regarding loss control and risk management which may be promulgated by the Trust or its agents.
  - (ii) Annually completing a best practices checklist as requested by the Trust and endeavoring to the best of its abilities to adhere to the best practices identified on the checklist.
  - (iii) Giving prompt notification of any claim to the Trust as provided in the Coverage Documents.
  - (iv) Permitting the Trust's agents at any reasonable time to inspect the Member's properties and operations, and to examine the Member's books, documents and records of any and every kind pertinent to membership or in the administration of the Trust.
  - (v) Answering questionnaires pertinent to the operation of the Trust, or any particular pool maintained by the Trust, regarding the operations of the Member.
- (e) *Trust Insolvency.* In the event of insolvency of the Trust, each Member or Former Member will continue to be liable for the payment of its own claims and liabilities arising during the period of membership.

5.11 Appointment as Agent. Each Member hereby appoints the Trust or its designated agent to act as the Member's agent and attorney-in-fact to act on its behalf, to execute all contracts, reports, waivers, agreements and service contracts, and to make an arrangement of payment of claims and all other things required for the proper and orderly operation of the Trust. Each Member agrees that the Trust or its designees shall have the sole responsibility for the adjustment and/or settlement of any and all claims.

## SECTION 6 LIABILITY OF TRUSTEES AND INDEMNIFICATION

6.1 Errors and Omissions Insurance. The Trustees shall secure errors and omissions insurance covering each Trustee in such amounts and on such terms and conditions as determined appropriate by the Board.

6.2 Indemnity.

(a) *In General.* The Trust will indemnify to the fullest extent permitted by law any person who is made or threatened to be made a party to, witness in, or otherwise involved in, any action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the Trust) by reason of the fact that the person is or was a Trustee, Board Observer, or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Trust. The Trust may indemnify to the fullest extent permitted by law any person who is made or threatened to be made a party to, witness in, or otherwise involved in, any action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the Trust) by reason of the fact that the person is or

was an employee or agent of the Trust. Any indemnification provided pursuant to this Section 5.4(a) will not be exclusive of any rights to which the person indemnified may otherwise be entitled under any provision of any agreement, statute, policy of insurance, vote or resolution of the Board, contract, or otherwise. Notwithstanding the foregoing, the Trust shall not have any obligation to indemnify any person based on actions of such person that are found to constitute gross negligence or intentional misconduct by a court decision from which no appeal may be taken.

(b) *Advancement of Expenses.* The expenses incurred by a Trustee or other person in connection with any threatened, pending or completed action, suit or proceeding (except for an action, suit or proceeding by or in behalf of the Trust), whether civil, criminal, administrative, investigative, or otherwise, which the Trustee or other person is made or threatened to be made a party to or witness in, or is otherwise involved in, will be paid by the Trust in advance upon the written request of the Trustee or other person if he or she (i) furnishes the Trust a written affirmation that in good faith the Trustee believes that he or she is entitled to be indemnified by the Trust; and (ii) furnishes the Trust a written undertaking to repay such advance to the extent that it is ultimately determined by a court that such Trustee or other person is not entitled to be indemnified by the Trust.

(c) *Amendment.* No amendment to this Section 6.2 that limits the Trust's obligation to indemnify any person will have any effect on such obligation for any act or omission that occurs prior to the later of the effective date of the amendment or the date notice of the amendment is given to the person.

(d) *Further Action.* To the fullest extent permitted by law, no Trustee of the Trust or Board Observer will be personally liable to the Trust or the Members for monetary damages for conduct as a Trustee. Without limiting the generality of the preceding, if after this Section 6.2 becomes effective the Oregon statutes are amended to authorize Trust action further eliminating or limiting the personal liability of a Trustee or Board Observer, then the liability of Trustees of the Trust and the Board Observer will be eliminated or limited to the fullest extent permitted by the Oregon statutes, as so amended. No amendment or repeal of this Section 6.2 nor a change in the law, will adversely affect any right or protection that is based upon this Section 6.2 and that pertains to conduct that occurred prior to the time of such amendment, repeal, adoption or change. No change in the law will reduce or eliminate the rights and protections set forth in this Section 6.2 unless the change in the law specifically requires such reduction or elimination.

6.3 Use of Trust Assets to Defend Trust. Trust Property may be used to defend claims of any type made against the Trust or Trustees, and such use shall not be deemed a conflict of interest for any Trustee.

## SECTION 7 TERMINATION OF TRUST

7.1 Termination of Trust. The Trust shall terminate upon a vote to terminate the Trust by (A) the Board of Directors of the Sponsoring Member (if the Sponsoring Member is a Member) and (B) either (i) two-thirds of the Trustees or (ii) three-fourths of the Members. The

Trust shall terminate upon a determination by a court of competent jurisdiction that the purposes of the Trust cannot be accomplished, even with amendment or modification of the Agreement or Trust structure. In the event of termination, the Trust shall continue for the purpose of making allowances for claims, retiring any debt, distributing all assets, and performing all other functions necessary to conclude the affairs of the Trust, all of which shall be the responsibility of the Sponsoring Member, for which it will be paid reasonable compensation.

7.2 Distribution of Assets. Upon termination of the Trust, all Trust Property shall be distributed among the Special Districts and Public Bodies who are Members at the date of termination of the Trust, in proportion to their Contributions to the Trust during the 5 years immediately preceding the effective date of termination of the Trust.

7.3 No Assessments. The Trust shall not have the authority to assess Members or Former Members for additional Contributions in the event of Trust insolvency.

## **SECTION 8 AMENDMENT**

8.1 Method of Amendment. This Agreement may be amended by vote of two-thirds of the Trustees and the approval of the Board of Directors of the Sponsoring Member. Amendments shall be distributed to the Members within 60 days of adoption.

8.2 Limitation on Amendments. No amendment to this Agreement shall be adopted which provides for distribution upon dissolution to other than the Members, that causes gratuitous diversion of Trust Property for the benefit of private interests, or retroactively divests a Member of a vested right granted to that Member pursuant to a Coverage Document.

## **SECTION 9 MISCELLANEOUS**

9.1 Title to Trust Property. Legal title to all Trust Property shall be held by the Trustees for the exclusive benefit of the Members as described in this Agreement.

9.2 No Interest in Trust Property by Members. No Member shall have any right to or interest in Trust Property, and no creditor of any Member shall have any claim against Trust Property for any debt or obligation of a Member.

9.3 Intergovernmental Agreement. This Agreement is intended to be an intergovernmental agreement as described in Oregon Revised Statutes 30.282 for three or more Public Bodies to create a program of self-insurance, and shall be interpreted for all purposes as such an agreement.

9.4 Governing Law. This Agreement shall be governed by the laws of the State of Oregon.

9.5 Joinders. Any Joinder to this Agreement executed by a Member will be deemed to be that Member's assent to the entirety of this Agreement, as if such Member had executed an original of this Agreement.

## 9.6 Dispute Resolution.

(a) *Appeal to Board of Trustees.* In the event of any dispute arising from the operation of the Trust, the affected Member shall first appeal to the Board. In a matter relating to a claim under a Coverage Document, the appeal must be made within 30 days of the Trust's proposed resolution of the disputed claim unless otherwise provided in the Coverage Document. To institute an appeal, the Member must give written notice to the Chair or Vice-Chair of the Board, providing a written summary of the dispute, detailing in reasonable detail the facts and circumstances of the issue and the requested remedies. At the next scheduled Board meeting or at such other time as determined by the Chair, the Board will review the matter, using procedures as promulgated by the Board. The Board's decision will be communicated to the Member within 90 days of the Board's hearing of the appeal.

(b) *Mandatory Mediation.* If a dispute is not resolved by appeal to the Board, it must be submitted to the Arbitration Services of Portland ("ASP"), or its successor, for mediation. The Trust or any Member may commence mediation by providing ASP and the other affected parties a written request for mediation, setting forth the subject of the dispute and the relief requested. The Trust and each affected Member shall cooperate with ASP and with one another in selecting a mediator from the ASP panel of neutrals and in scheduling the mediation proceedings. They agree that they will participate in the mediation in good faith and that they will share equally in the costs (the Trust will pay one half of the costs and the other half will be paid by the affected Member, or if more than one Member, each shall contribute equally to that half or otherwise as they may agree). All of the offers, promises and conduct and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator or any ASP employees, are confidential and privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, providing that evidence that is otherwise admissible and discoverable will not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

(c) *Mandatory Arbitration.* If the matter is not resolved through mediation, then it shall be submitted to ASP, or its successor, for final and binding arbitration pursuant to the rules of commercial arbitration for ASP. The Trust or a Member may initiate the arbitration with respect to the matter submitted to mediation by filing a written demand for arbitration at any time following the initial mediation session or at any time following 45 days from the date of filing the written request for mediation, whichever occurs first ("Earliest Initiation Date"). The mediation may continue after the commencement of arbitration if the parties agree. At no time prior to the Earliest Initiation Date will either side initiate an arbitration or litigation related to this Agreement, except as provided by the rules of commercial arbitration for ASP or by agreement of the parties. All applicable statutes of limitations and defenses based upon the passage of time shall be tolled until 15 days after the Earliest Initiation Date. The parties will take such action, if any is required, to effectuate such tolling. The dispute will be settled by a single arbitrator. The parties will cooperate with ASP and with one another in selecting an arbitrator and in scheduling arbitration proceedings. Arbitration will occur in Salem, Oregon unless the parties otherwise agree. The parties will be entitled to conduct discovery in accordance with the Federal Rules of Civil Procedure, subject to limitation by the arbitrator to secure the just and efficient resolution of the dispute. If the amount in controversy exceeds \$250,000, the arbitrator's decision shall include a statement specifying in reasonable detail the basis for and computation of the amount of the award,



if any. In any arbitration arising out of or related to this Agreement, the arbitrator may not award any incidental, indirect or consequential damages, including damages for lost profits. The decision of the arbitrator will be final and binding. The party prevailing in the arbitration will also be entitled to recover any amount for his or her costs and attorney fees incurred in connection with the arbitration as determined by the arbitrator. Judgment upon the arbitration award may be entered in any court having jurisdiction.

(d) *Coverage Document Dispute Resolution.* The dispute resolution provisions in any Coverage Document shall apply for the matters to which such provisions are made applicable in the Coverage Document, and shall supersede the dispute resolution provisions of this Section 9.6. If a Coverage Document is silent, or the dispute resolutions contained within it do not apply to a particular dispute, the dispute resolution provisions of this Section 9.6 shall apply.

This First Declaration of Trust is executed by the Sponsoring Member and by the Trustees, who by affixing their signature hereto, agree to accept their appointment as Trustees under this First Restatement of the Declaration of Trust of the Special Districts Insurance Services Trust as of the Effective Date.




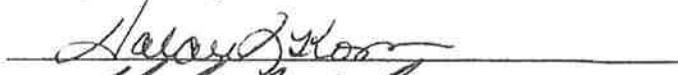



**SPONSORING MEMBER:**

Special Districts Association of Oregon

  
By: Diedre Conkling

Its: SDAO Board of Directors President

**TRUSTEES:**

Position No. 1	
Position No. 2	
Position No. 3	
Position No. 4	
Position No. 5	
Position No. 6	
Position No. 7	

# Willamette Water Supply System Commission

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**EXHIBIT A**  
**FORM OF**  
**JOINDER TO TRUST AGREEMENT**  
**FOR INITIAL MEMBERS**

By execution of this Joinder, the undersigned public body hereby agrees to become a party to, and is bound by, the First Restatement of Declaration of Trust of the Special Districts Insurance Trust effective as of April 1, 2014 (and as the same may be amended, supplemented or otherwise modified from time to time, the "Agreement"), by and among the Trustees and the Members, in the same manner as if the undersigned were an original signatory to such Agreement.

The undersigned represents and warrants that (i) the undersigned has received a copy of, and has reviewed the terms of, the Agreement and all related or relevant documents and agreements, (ii) undertakes to become a Member of the Special Districts Insurance Trust with all the rights and obligations thereof, and (iii) such undertaking has been duly authorized as an intergovernmental agreement to create a program of self-insurance pursuant to ORS 30.282.

Capitalized terms used but not defined in this Joinder shall have the meanings set forth in the Agreement.

**IN WITNESS WHEREOF**, the undersigned has executed this Joinder as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
[Name of District]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With copies to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Willamette Water Supply System Commission

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Date: 26-Jun-19

**Named Participant:** Willamette Water Supply System  
 1850 SW 170th Ave  
 Beaverton, OR 97003

**Agent:** Brown & Brown Northwest-Portland  
 PO Box 29018  
 Portland, OR 97296

Invoice #	Entity ID	Effective Date	Expiration Date	Invoice Date
34P54290-5627	54290	01-Jul-19	31-Dec-19	26-Jun-19

**2018 Longevity Credit Amount\*\***

**Not Eligible**

Coverage	Contribution
<b>SDIS Liability Coverage</b>	
Liability Contribution	\$2,094
Less Best Practices Credit	\$0
Less Multi-Line Discount Credit	\$0
Adjusted Contribution	\$2,094
<b>Auto Liability (Includes Auto Excess and Auto Supplemental Coverages)</b>	
Auto Contribution	\$0
Less Best Practices Credit	\$0
Adjusted Contribution	\$0
<b>Non-owned and Hired Auto Liability</b>	\$76
<b>Auto Physical Damage</b>	\$0
<b>Hired Auto Physical Damage</b>	\$0
<b>Property</b>	
Property Contribution	\$104
Less Best Practices Credit	\$0
Adjusted Contribution	\$104
<b>Earthquake</b>	\$40
<b>Flood</b>	\$20
<b>Equipment Breakdown / Boiler and Machinery</b>	\$76
<b>Crime</b>	\$462
<b>Total:</b>	<b>\$2,872</b>

\*\*Only Eligible Districts that signed the Longevity Credit and Rate Lock Guarantee Agreement will receive the indicated Longevity Credit Amount

Coverage is provided for only those coverages indicated above for which a contribution is shown or that are indicated as "included." Your payment evidences "acceptance" of this renewal. Please use the payment coupon on the following page to help us apply your payment correctly.

Payment instructions are on the following page.

**Date:** 26-Jun-19

**\*\* Payment Due: 9/1/2019 \*\***

**Please include the bottom portion of this sheet with you payment.**

**Make Checks Payable to:**

**Special Districts Insurance Services**  
P.O. Box 12613  
Salem, OR 97309  
Phone: 1-800-285-5461 Fax: 503-371-4781

**Willamette Water Supply System**

**Customer ID: 01-54290**  
**Total Due: \$2,872**

Check # \_\_\_\_\_ Amount \$ \_\_\_\_\_



# Special Districts Insurance Services Trust (SDIS)

## SDIS Liability Coverage Declarations

**Certificate Number:** 34P54290-5627

**Coverage Period:** 7/1/2019 through 12/31/2019

**Named Participant:**

Willamette Water Supply System  
1850 SW 170th Ave  
Beaverton, OR 97003

**Agent of Record:**

Brown & Brown Northwest-Portland  
PO Box 29018  
Portland, OR 97296

Limits of Liability: SDIS Liability Coverage	Limit	Deductible (2)
Per Occurrence Limit of Liability	\$10,000,000 (1)	None
Per Wrongful Act Limit of Liability	\$10,000,000 (1)	None
Employment Practices Wrongful Act Sub-Limit of Liability	\$5,000,000	None (3)
Annual Aggregate Limit of Liability	No Limit Except as Outlined Below (1)	None

### Additional and Supplemental Coverages

Unless otherwise indicated in Section III Additional Coverages of the SDIS Liability Coverage Document, the following Additional Coverages are not in addition to the Total Limit of Liability identified above.

Coverage	Limit	Coverage Period Total Limit	Deductible	Contribution
Ethics Complaint Defense Costs	\$2,500	\$5,000	None	Included
EEOC/BOLI Defense Cost	\$10,000,000	None	None	Included
Premises Medical Expense	\$5,000	\$5,000	None	Included
Limited Pollution Coverage	\$250,000	\$250,000	None	Included
Applicators Pollution Coverage	\$50,000	\$50,000	None	Included
Injunctive Relief Defense Costs	\$25,000	\$25,000 (4)	None	Included
Fungal Pathogens (Mold) Defense Costs	\$100,000	\$100,000	None	Included
OCITPA Expense Reimbursement	\$100,000	\$100,000 (5)	None	Included
Data Disclosure Liability	\$1,000,000	\$1,000,000	None	Included
Lead Sublimit Defense Costs	\$50,000	\$50,000 (6)	None	Included
Marine Salvage Expense Reimbursement	\$250,000	\$250,000	None	Included
Criminal Defense Costs	\$100,000	\$100,000 (7)	None	Included

**Forms applicable to Named Participant:**

**Total Contribution: \$2,094.00**

SDIS Liability Coverage Document effective January 1, 2019

- (1) **\$25,000,000 maximum limit for all SDIS Trust Participants involved in the same Occurrence or Wrongful Act.**
- (2) **\$10,000 controlled burn deductible if DPSST guidelines are not followed.**
- (3) **\$25,000 Employment Practices deductible for terminations when SDIS is not contacted for legal advice in advance.**
- (4) **Injunctive Relieve Defense Costs limited to \$100,000 for all members of the Trust combined during the Coverage Period**
- (5) **OCITPA Expense Reimbursement limited to \$500,000 for all members combined during the Coverage Period.**
- (6) **Lead Liability Defense Costs limited to \$200,000 for all members of the Trust combined during the Coverage Period.**
- (7) **Criminal Defense Costs limited to \$500,000 for all members of the Trust combined during the Coverage Period.**

This certificate is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Liability Coverage Document. This certificate represents only a brief summary of coverages. Other conditions and exclusions apply as described in the SDIS Liability Coverage Document. Titles referenced above are provided merely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

Countersigned by: Frank Stratton  
Special Districts Insurance Services Trust  
Authorized Representative

Wednesday, June 26, 2019



Special Districts Insurance Services Trust (SDIS)
Auto Coverage Declarations

Certificate Number: 34P54290-5627

Coverage Period: 7/1/2019 through 12/31/2019

Named Participant:

Willamette Water Supply System
1850 SW 170th Ave
Beaverton, OR 97003

Agent of Record:

Brown & Brown Northwest-Portland
PO Box 29018
Portland, OR 97296

Coverage is provided for only those coverages indicated below for which a contribution is shown.

Auto Liability Coverage

Applicable Coverage Document: SDIS Auto Liability Coverage Document, January 1, 2019

Table with 4 columns: Coverage Type, Per Accident Limit of Liability, Deductible, Contribution. Rows include Auto Liability Coverage, Non-Owned/Hired Auto Liability.

Excess Auto Liability Coverage

Applicable Coverage Document: SDIS Auto Excess Liability Coverage Document, January 1, 2019

Table with 4 columns: Coverage Type, Per Accident Excess Limit of Liability, Deductible, Contribution. Rows include Excess Auto Liability Coverage, Excess Non-Owned/Hired Auto Liability.

Auto Supplemental Coverage

Applicable Coverage Document: SDIS Auto Supplemental Coverage Document, January 1, 2019

Table with 4 columns: Coverage Type, Limit of Liability, Deductible, Contribution. Rows include Personal Injury Protection, Uninsured/Underinsured Motorist Bodily Injury Coverage.

Auto Physical Damage

Applicable Coverage Document: SDIS Auto Physical Damage Coverage Document, January 1, 2019

Table with 4 columns: Coverage Type, Per Accident Limit of Liability, Deductible, Contribution. Rows include Auto Physical Damage, Hired Auto Physical Damage.

This certificate is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the coverage documents referenced above.

Countersigned by: [Signature]
Authorized Representative
Special Districts Insurance Services Trust

Wednesday, June 26, 2019





Special Districts Insurance Services  
Property Coverage Declarations

**Certificate Number:** 34P54290-5627

**Coverage Period:** 7/1/2019 through 12/31/2019

**Named Participant:**

Willamette Water Supply System  
1850 SW 170th Ave  
Beaverton, OR 97003

**Agent of Record:**

Brown & Brown Northwest-Portland  
PO Box 29018  
Portland, OR 97296

**Scheduled Property Values:**

\$0 Buildings, Other Structures and Scheduled Outdoor Property  
\$155,432 Personal Property  
\$0 Mobile Equipment, Scheduled Personal Property and Scheduled Fine Arts

**Total Limit of Indemnification (Per Occurrence)**

**\$155,432** The Trust shall not pay, or be liable for more than the Total Limit of Indemnification in any single "occurrence" during the Property Coverage Period, including all related costs and expenses, all costs of investigation, adjustment and payment of claims, but excluding the salaries of your regular employees and counsel on retainer.

\$300,000,000 SDIS Per Occurrence Aggregate Loss Limit

**Sublimits (Per Occurrence):**

The subjects of coverage listed below are sub-limited within the "occurrence" Total Limit of Indemnification shown above. The limits reflect the maximum amount the Trust will pay for losses involving these coverages. The titles below are provided merely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

**Sublimits for Covered Property:**

(Reference Section VIII - Covered Property in the SDIS Property Coverage Document)

\$250,000 Personal Property of Others within your Care, Custody, or Control, other than Mobile Equipment  
\$100,000 Property of Employees/Volunteers - (subject to a \$5,000 maximum per person)  
\$100,000 Mobile Equipment of others that is within your Care, Custody or Control or Rented or Leased for up to 30 days  
\$10,000 Unscheduled Fine Arts (Fine Art may be specifically scheduled for higher limits)

**Sublimits for Additional Coverages:**

(Reference Section X - Additional Coverages in the SDIS Property Coverage Document)

\$5,000,000 Debris Removal - (Sublimit is \$5,000,000 or 25% of loss, whichever is less)  
\$50,000 Pollutant Clean-up and Removal From Land or Water- (Sublimit is \$50,000 or 20% of the scheduled location(s) value whichever is less)  
\$10,000 Fungus as a Result of a "Covered Cause of Loss" - (Sublimit is \$10,000 or 10% of the covered portion of the loss whichever is less)  
\$10,000 Preservation of Undamaged Covered Property - (Sublimit is \$10,000 or 10% of the covered portion of the loss whichever is less)  
\$250,000 Professional Services - (Sublimit is \$250,000 or 10% of the covered portion of the loss whichever is less)  
\$25,000 Fire Department Service Charge  
\$10,000 Recharging of Fire Extinguishing Equipment  
\$10,000 Arson Reward  
\$5,000,000 Increased Cost of Construction - Enforcement of Ordinance or Law - (Sublimit is \$5,000,000 or 25% of loss, whichever is less)  
\$500,000 Increased Cost of Construction - Cost Resulting From Unforeseen Delay - (Sublimit is \$500,000 or 25% of loss, whichever is less)



## Special Districts Insurance Services Property Coverage Declarations

\$500,000 Expenses for Restoration or Modification of Landscaping, Roadways, Paved Surfaces and Underground Utilities - (Sublimit is \$500,000 or 25% of loss, whichever is less)

### **Sublimits for Additional Coverages - Business Income and Extra Expense:**

(Reference Section XI - Additional Coverages - Business Income and Extra Expense in the SDIS Property Coverage Document)

\$1,000,000 Business Income  
\$1,000,000 Extra Expense  
\$25,000 Enforcement of Order by Government Agency or Authority  
\$25,000 Business Income from Dependent Property  
\$100,000 Interruption of Utility Services  
\$25,000 Inability to Discharge Outgoing Sewage

### **Sublimits for Coverage Extensions:**

(Reference Section XII - Coverage Extensions in the SDIS Property Coverage Document)

\$2,000,000 Property in the Course of Construction. (If you have not complied with all of the notification requirements set forth in Section XII.A. within 90 days, the most the Trust will pay for property in the Course of Construction is \$500,000. If after 90 days you have not complied with all the notification requirements set forth in Section XII.A. then no coverage will be provided for property in the Course of Construction).

\$500,000 Newly Acquired or Constructed Property. (No coverage will be provided for newly acquired or constructed property unless you notify the Trust in writing no later than 90 days after the dates specified in section XII. A.)

\$25,000 Unscheduled Outdoor Property

\$250,000 Vandalism and Malicious Mischief to Tracks and Artificial Turf Fields

\$250,000 Property in Transit

\$250,000 Accounts Receivable

\$50,000 Property Damaged by Overflow of Sewers or Drains

\$100,000 Covered Leashold Interest - (Sublimit is lesser of amount listed here, or an amount prorated based on time between the Loss and the earlier of: Lease Expiration; Re-occupancy of leased property; or lease of new property)

\$250,000 Valuable Papers and Records - (Sublimit is lesser of: Cost to research, replace, or restore the lost information; Actual Cash Value in blank state of paper, tape or other media if records are not actually researched, restored or replaced; or amount of sublimit listed here)

\$25,000 Property Damaged by Computer Virus

\$250,000 Miscellaneous Property Damaged by Specified Cause of Loss or Theft - (Sublimit lesser of: Appraised Value; Fair Market Value; or Sublimit listed here)

\$155,432 Property Damaged by an Act of Terrorism or Sabotage. The most the Trust will pay for Property Damaged by an Act of Terrorism or Sabotage is described in Section XII.K.9.



Special Districts Insurance Services  
Property Coverage Declarations

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**Additional Sublimits and Deductibles (Per Occurrence):**

Sublimits and Deductibles shown below, if any, are in addition to the sublimits shown above.

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**Locations Covered:** Locations specifically listed on the Named Participant's Schedule of Property Values.

**Perils Covered:** Risks of Direct Physical Loss subject to the terms, conditions and exclusions of the current SDIS Property Coverage Document.

**Deductibles:** As indicated on the Schedule of Property Values on file with the Trust

**Contribution:** \$104.00

**Forms Applicable:** SDIS Property Coverage Document

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**This Declaration is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Property Coverage Document. This Declaration represents only a brief summary of coverages.**

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Countersigned by: \_\_\_\_\_

  
Special Districts Insurance Services

Wednesday, June 26, 2019

**Certificate Number:** 34P54290-5627

**Coverage Period:** 7/1/2019 through 12/31/2019

**Named Participant:**

Willamette Water Supply System  
1850 SW 170th Ave  
Beaverton, OR 97003

**Agent of Record:**

Brown & Brown Northwest-Portland  
PO Box 29018  
Portland, OR 97296

**THIS ENDORSEMENT MODIFIES AND AMENDS THE PROPERTY COVERAGE DOCUMENT  
PLEASE READ IT CAREFULLY**

As consideration for an additional contribution paid by the **Named Participant**, in the amount of **\$40.00**, the **Property Coverage Document** is amended as follows:

Section **XII. Coverage Extensions**, is amended to add the following **Coverage Extension**:

**L. Extension of Coverage for Property Damaged by Earth Movement**

Subject to the additional conditions and limitations set forth below, we will indemnify you for direct physical loss or damage to **Covered Property** caused by or resulting from **earth movement** that occurs on premises listed on the Schedule of Property Values on file with the Trust.

**1.** This **Coverage Extension** is subject to per-occurrence deductibles as follows:

**a.** The deductible shall be no less than the greater of:

- (1)** \$5,000;
- (2)** two percent (2%) of the **actual cash value** of the **Covered Property** damaged by **earth movement** in a single **occurrence** on premises listed on the Schedule of Property Values on file with the Trust; or
- (3)** the Deductible stated in the Declarations.

**b.** The deductible shall be no more than the greater of:

- (1)** \$50,000; or
- (2)** the Deductible stated in the Declarations.

**2.** For the purposes of this **Coverage Extension** only, **earth movement** means:

- a.** sudden and accidental earthquake, seaquake, shock, tremor, landslide, submarine landslide, avalanche, subsidence, sinkhole collapse, mud flow, rock fall, **volcanic activity**, or any similar seismic activity, resulting in cracking, crumbling, lateral movement, rising, shifting, settling, sinking, or upheaval of **land**;
- b.** **flood** that would not have occurred but for tsunami caused by, resulting from, or arising out of **earth movement**, regardless of any other cause or event that contributes concurrently or in any sequence to such **flood**; and
- c.** **collapse** directly caused by **earth movement**.

3. **Earth movement** does not mean, and we will not indemnify you or anyone else for, damage caused by, resulting from, or consisting of:
  - a. Gradual cracking, crumbling, horizontal, lateral or vertical movement, rising, shifting, settling, sinking, or upheaval of **land**, occurring over a period of fourteen or more days, caused by, or arising out of artificial means or artificially created soil conditions, including contraction, corrosion, erosion, excessive or insufficient moisture, expansion, freezing, improperly compacted soil, insufficient fill, liquefaction, slope instability, slumping, subsidence, or thawing;
  - b. Gradual cracking, crumbling, horizontal, lateral or vertical movement, rising, shifting, settling, sinking, or upheaval of **land**, occurring over a period of fourteen or more days, caused by, or arising out of underground activity of animals, vegetation, or **water**; or
  - c. any **water movement** or **flood**, except for **flood** that would not have occurred but for tsunami caused by, resulting from, or arising out of **earth movement** as described in section **XII.L.2.** above.
4. All **earth movement** that occurs within a 72-hour period will constitute a single **occurrence**.
5. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless the damaged **Covered Property** is expressly identified on the Schedule of Property Values on file with the Trust as having coverage for **earth movement**.
6. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless the damage or loss occurs during the **Property Coverage Period**, and is discovered and reported to the Trust by you within one year of the ending date of the **Property Coverage Period**.
7. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless you notify us as soon as reasonably possible after the **earth movement** occurs and allow us to inspect the damaged **Covered Property** prior to making any repairs or replacing the damaged or destroyed **Covered Property**.
8. Indemnification under this **Coverage Extension** is subject to the following limits:
  - a. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** in any single **occurrence** is **\$155,432** ;
  - b. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** during the **Coverage Period**, is an **Annual Aggregate Loss Limit** of **\$155,432** ;
  - c. The **SDIS Per-Occurrence Aggregate Loss Limit**;
  - d. an **SDIS Annual Aggregate Loss Limit** of \$300,000,000 for all damage or loss caused by, resulting from, or arising out of either **earth movement**, **flood**, or both.

9. Any amounts paid under this **Coverage Extension** are included in, subject to, and not in any event in addition to, the **Total Limit of Indemnification** stated in the Declarations.

This Endorsement only amends Section **XII. Coverage Extensions** of the **Property Coverage Document**, and does not modify, amend, waive or otherwise affect any of the other terms, conditions, limitations, exceptions, or exclusions of the **Property Coverage Document**.

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Countersigned by: \_\_\_\_\_



Special Districts Insurance Services

Wednesday, June 26, 2019

**Certificate Number:** 34P54290-5627

**Coverage Period:** 7/1/2019 through 12/31/2019

**Named Participant:**

Willamette Water Supply System  
1850 SW 170th Ave  
Beaverton, OR 97003

**Agent of Record:**

Brown & Brown Northwest-Portland  
PO Box 29018  
Portland, OR 97296

**THIS ENDORSEMENT MODIFIES AND AMENDS THE PROPERTY COVERAGE DOCUMENT  
PLEASE READ IT CAREFULLY**

As consideration for an additional contribution paid by the **Named Participant**, in the amount of **\$20.00**, the **Property Coverage Document** is amended as follows:

Section **XII. COVERAGE EXTENSIONS**, is amended to add the following **Coverage Extension**:

**M. Extension of Coverage for Property Damaged by Flood**

Subject to the additional conditions and limitations set forth below, we will indemnify you for direct physical loss or damage to **Covered Property** caused by or resulting from **flood**, including **collapse** directly caused by **flood**, that occurs on premises listed on the Schedule of Property Values on file with the Trust.

1. This **Coverage Extension** is subject to per-occurrence deductibles as follows:

- a. If the damaged **Covered Property** is not a **waterway structure** and is located, either partially or wholly, within a federally designated 100-year or greater Special Flood Hazard Area ("SFHA"), as defined by the Federal Emergency Management Agency ("FEMA"), at the time of the **occurrence**, then the deductible shall be:
  - (1) \$500,000 per occurrence for damage to each covered **building, other structure, outdoor property** and **scheduled outdoor property** listed on the Schedule of Property Values on file with the Trust;
  - (2) \$500,000 per occurrence for damage to covered **personal property, scheduled personal property, fine arts** and **scheduled fine arts** located within each covered **building, other structure, outdoor property** and **scheduled outdoor property** listed on the Schedule of Property Values on file with the Trust; and
  - (3) \$500,000 per occurrence for damage to covered **mobile equipment** and **scheduled mobile equipment** listed on the Schedule of Property Values on file with the Trust.
- b. If the damaged **Covered Property** is not a **waterway structure** and is located wholly outside of a federally designated 100- year or greater SFHA, as defined by FEMA, at the time of the **occurrence**, then the deductible shall be:
  - (1) no less than the greater of:
    - (a) \$5,000;
    - (b) two percent (2%) of the **actual cash value** of the **Covered Property** damaged by **flood** in a single **occurrence** on premises listed on the Schedule of Property Values on file with the Trust; or

- (c) the Deductible stated in the Declarations; and
  - (2) no more than the greater of:
    - (a) \$50,000; or
    - (b) the Deductible stated in the Declarations.
- c. If the damaged **Covered Property** is a **waterway structure** then the deductible shall be:
  - (1) \$100,000 per occurrence for damage to each **waterway structure** listed on the Schedule of Property Values on file with the Trust; and
  - (2) \$100,000 per occurrence for damage to covered **personal property, scheduled personal property, fine arts and scheduled fine arts** located within, on, or attached to, each covered **waterway structure** listed on the Schedule of Property Values on file with the Trust.
- 2. All **flood**, including **collapse** directly caused by **flood**, that occurs within a 72-hour period will constitute a single **occurrence**.
- 3. Whether or not damaged **Covered Property** is located, either partially or wholly, within a federally designated 100-year or greater SFHA, as defined by FEMA, at the time of **occurrence**, will be determined solely by reference to FEMA Flood Maps and the FEMA Flood Map Service Center, regardless of any previous information, estimate, or designation provided the **Named Participant** or appearing in the Declarations.
- 4. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless the damaged **Covered Property** is expressly identified on the Schedule of Property Values on file with the Trust as having coverage for **flood**.
- 5. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless the damage or loss occurs during the **Property Coverage Period**, and is discovered and reported to the Trust by you within one year of the ending of the **Property Coverage Period**.
- 6. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless you notify us as soon as reasonably possible after the **flood** occurs and allow us to inspect the damaged **Covered Property** prior to making any repairs or replacing the damaged or destroyed **Covered Property**.
- 7. This **Coverage Extension** does not apply to, and we will not indemnify you or anyone else for, any damage or loss to **waterway structures** located within five miles of the of the Oregon coast, whether or not expressly identified as **Covered Property**, caused by, exacerbated by, or arising out of **flood** unless damage or loss by **flood** is caused by a **storm surge** which occurs over a period of less than 72 hours.
  - a. For the purposes of this **Coverage Extension** only, **waterway structures** are defined as boardwalks, bridges, bulkheads, dams, dikes, docks, levees, piers, pilings, seawalls, wharves, breakwater and similar structures located on, in, or over **water**, and their corresponding appurtenances and accessories.
  - b. **Storm surge** is defined as an abnormal rise of water generated by a storm, over and above the predicted astronomical tide as determined by the National Oceanic and Atmospheric Administration (NOAA).



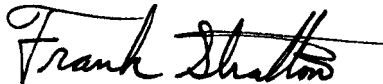
8. Indemnification under this **Coverage Extension** is subject to the following limits:
- a. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** in any single **occurrence** is **\$155,432** ;
  - b. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** during the **Coverage Period**, is an **Annual Aggregate Loss Limit** of **\$155,432** ;
  - c. **The SDIS Per-Occurrence Aggregate Loss Limit;**
  - d. An **SDIS Annual Aggregate Loss Limit** of \$50,000,000 for all damage or loss to **Covered Property** located, either partially or wholly, within a federally designated 100-year or greater SFHA as defined by FEMA.
  - e. An **SDIS Annual Aggregate Loss Limit** of \$300,000,000 for all damage or loss caused by, resulting from, or arising out of **earth movement, flood**, or both.
9. Any amounts paid under this **Coverage Extension** are included in, subject to, and not in any event in addition to, the **Total Limit of Indemnification** stated in the Declarations.

This Endorsement amends Section **XII. Coverage Extensions** of the **Property Coverage Document** and does not modify, amend, waive or otherwise affect any of the other terms, conditions, limitations exceptions, or exclusions of the **Property Coverage Document**.

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Countersigned by: \_\_\_\_\_

Special Districts Insurance Services



Wednesday, June 26, 2019



Special Districts Insurance Services  
 Equipment Breakdown Protection Coverage Certificate  
 Insured by Continental Casualty Company (CNA)

**Certificate Number:** 34P54290-5627

**Coverage Period:** 7/1/2019 through 12/31/2019

**Named Participant:**

Willamette Water Supply System  
 1850 SW 170th Ave  
 Beaverton, OR 97003

**Agent of Record:**

Brown & Brown Northwest-Portland  
 PO Box 29018  
 Portland, OR 97296

Covered Equipment	"Covered Equipment" as defined in the Coverage Form, located at Covered Property listed and specifically described on the Schedule of Property Values on file with the Trust (SDIS).	
Limit of Insurance	<b>\$155,432</b>	The most we will pay for any and all coverages for loss or damage from any "One Breakdown."
Sub Limits	\$1,000,000	Business Income/Extra Expense (excludes any Named Participant generating electrical power for which a survey has not been completed and accepted by CNA)
	365 Days	Ordinary Payroll
	\$1,000,000 - (Indirect - Business Income) \$250,000 - (Direct - Spoilage Damage)	Utility Interruption
	\$1,000,000	Contingent Business Income/Extra Expense
	\$1,000,000	Spoilage Damage
	\$10,000,000	Expediting Expense
	\$1,000,000	Ammonia Contamination
	\$1,000,000	Water Damage
	\$1,000,000	Hazardous Substances
	\$15,000 / 30 days	Fungus, Wet and Dry Rot
	\$1,000,000	Media and Data
	\$1,000,000	Green Upgrades
	\$2,500,000	Ordinance or Law: Demolition and Increased Cost of Construction for Undamaged Portion of Building
	120 Days - No Sublimit	Newly Acquired Locations
	Included	Brands and Labels
	Included	CFC Refrigerant
	Included	Computer Equipment
Deductibles	\$1,000	Direct Damage Deductible from any "One Breakdown" - Except as follows:
	Transformers and Secondary Miscellaneous Electrical Apparatus (MEA)	\$2/KVA - \$10,000 minimum
	Internal Combustion Engines, Generator Units and Turbines	\$30/KVA - \$10,000 minimum
	Spoilage Damage/Ammonia Contamination	\$10,000 Combined
	24 Hours - Except 30 days for locations with power generation	Business Income/Extra Expense
	Utility Interruption	24 Hours with a 24 Hour Waiting Period - Indirect
		\$5,000 - Direct
Locations	Per Special Districts Insurance Services (SDIS) Covered Property listed and specifically described on the Schedule of Property Values on file with the Trust (SDIS).	

**Contribution:** \$76.00

This Certificate represents only a brief summary of coverages. Please refer to the Continental Casualty Company Equipment Breakdown Protection Coverage Form for detailed coverages, exclusions, and conditions that may apply.

Countersigned by: Frank Shatto  
 Special Districts Insurance Services

Wednesday, June 26, 2019



Special Districts Insurance Services

Comprehensive Crime Policy Certificate

Insured by the Travelers Casualty and Surety Company of America



**Certificate Number:** 34P54290-5627

**Coverage Period:** 7/1/2019 through 12/31/2019

**Named Participant:**

Willamette Water Supply System  
1850 SW 170th Ave  
Beaverton, OR 97003

**Agent of Record:**

Brown & Brown Northwest-Portland  
PO Box 29018  
Portland, OR 97296

This Certificate of Insurance is a coverage description intended to provide important information about the protection available to the the referenced Insured under the Crime Master Policy (the "Master Policy" ). Keep this coverage description for your records. This coverage description is not an insurance policy and does not amend, extend or alter coverage afforded by the Master Policy described herein. The insurance afforded by the Master Policy as described herein is subject to all the terms, exclusions and conditions of such Master Policy. The period is specified in the Master Policy.

The Master Policy has been issued to: Special Districts Insurance Services Trust - see attached Schedule of Named Insured's listed per spreadsheet List of Special Districts Members, Scheduled Limits and Retentions. Address: 727 Center Street NE, Salem, Oregon, 97301. Policy Number: 105870359 Underwritten by: Travelers Casualty and Surety Company of America, Hartford, CT 06183 ("Travelers") to provide insurance to an Insured for as described in this Certificate.

<b><u>For Any One Loss:</u></b>	<b><u>Limit:</u></b>	<b><u>Retention:</u></b>
A1. Employee Theft - Per Loss Includes Faithful Performance of Duty, same limit as A1, CRI-7126 Non-Compensated Officers, Directors-includes Volunteer Workers as employees, Deletion of Bonded Employee and Treasurer/ Tax Collectors Exclusion - CRI-19044	\$500,000	\$1,000
A2. ERISA Fidelity - same limit as A.1 (CRI-19044)	\$500,000	\$1,000
B. Forgery or Alteration	\$500,000	\$1,000
C. On Premises	\$500,000	\$1,000
D. In Transit	\$500,000	\$1,000
E. Money Order Counterfiet Currency	\$500,000	\$1,000
F1. Computer Fraud	\$500,000	\$1,000
F2. Computer Restoration - same limit as A1 or maximum limit of \$100,000	\$100,000	\$1,000
G. Funds Transfer Fraud	\$500,000	\$1,000
H1. Personal Accounts Forgery or Alteration - same limit as A.	\$500,000	\$1,000

**General Information:**

Should you have any questions regarding the Master Policy or wish to view a complete copy of the Master Policy, please call Special Districts Insurance Services for general information at 1-800-285-5461



Special Districts Insurance Services

Comprehensive Crime Policy Certificate

Insured by the Travelers Casualty and Surety Company of America



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H2. Identity Fraud Expense Reimbursement - same limit as A1 or maximum of \$25,000	\$25,000	\$0
CRI-19070 Social Engineering Fraud	\$500,000	\$1,000
I. Claims Expense \$5,000	\$5,000	\$0
	<b><u>Contribution:</u></b>	\$462.00

**Claim Filing and General Information including a complete copy of the Master Policy:**

Special Districts Association of Oregon  
PO Box 23879  
Tigard, OR  
Phone: 800-305-1736

**Our claims staff will then coordinate and submit the official claim to:**

Travelers Casualty and Surety Company of America  
Bond and Specialty Insurance Claim Department  
Cindy Bruder, 6060 S. Willow Drive, Greenwood Village, CO 80111  
Phone: 720-200-8476      Email: BFPCLAIMS@travelers.com

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**General Information:**

Should you have any questions regarding the Master Policy or wish to view a complete copy of the Master Policy, please call Special Districts Insurance Services for general information at 1-800-285-5461

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**Willamette Water Supply System**

Agent: Brown &amp; Brown Northwest-Portland

## Special Districts Insurance Services

Policy Year: 7/1/2019 to 12/31/2019

**General Liability Schedule**

Per Occurrence Deductible: \$0.00

Code	Description	Unit	Amount	Effective	Expiration	Contribution
				Date	Date	
540150	2018-2019 Budgeted Personal Services *	Dollars	0	7/1/2019	12/31/2019	\$0
540160	2018-2019 Budgeted Materials and Supplies *	Dollars	500,000	7/1/2019	12/31/2019	\$935
540170	2018-2019 Budgeted Contingencies *	Dollars		7/1/2019	12/31/2019	\$0
540170H	2018-2019 Budgeted Contingencies Hydro*	Dollars		7/1/2019	12/31/2019	\$0
540180	Number of Employees	Each		7/1/2019	12/31/2019	\$0
540190	Number of Volunteers	Each		7/1/2019	12/31/2019	\$0
540192	Number of Board Members	Each	3	7/1/2019	12/31/2019	\$0
540200	District Size	Sq Miles		7/1/2019	12/31/2019	\$0
540210	Population Served	Each		7/1/2019	12/31/2019	\$0
54039	Pipe Line	Miles	4	7/1/2019	12/31/2019	\$0
54100	Number of Drones (UAVs) Owned or Operated	Each		7/1/2019	12/31/2019	\$0
54215	Buildings & Premises - Occupied by District	Sqf	10,804	7/1/2019	12/31/2019	\$0
54400	Number of Boats	Each		7/1/2019	12/31/2019	\$0
54411	Water Delivered Annually - Millions of Gallon	Gallons		7/1/2019	12/31/2019	\$0
54522	Water District Lakes or Reservoirs	Each		7/1/2019	12/31/2019	\$0
54522H	Lakes or Reservoirs - Hydro Project	Each		7/1/2019	12/31/2019	\$0
54700	Water District Dams	Each		7/1/2019	12/31/2019	\$0
54700H	Water District Dams - Hydro Project	Each		7/1/2019	12/31/2019	\$0
54900	Dollars Paid For Services	Dollars		7/1/2019	12/31/2019	\$0
54946	Water Mains or Connections	Each		7/1/2019	12/31/2019	\$0
54996	Fire Hydrants	Each		7/1/2019	12/31/2019	\$0
54997	Events/Fundraisers - No Alcohol Served	Days		7/1/2019	12/31/2019	\$0
54998	Events/Fundraisers - Alcohol Served	Days		7/1/2019	12/31/2019	\$0
						\$935

# Willamette Water Supply System Commission

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**Schedule of Property Values**

Premises: **Wilamette Water Supply Office**

<b>Covered Property:</b>		Main Office				Main Office									
54290P11058		Const. Class	FRAME	YR. Built		% Sprinkler		Flood Cov.	Yes	Flood Zone **		Covered Property Value	\$0		
1500 NW Bethany Blvd, Ste 305		Prot. Class	2	# Stories		Fire Alm.	No	Quake Cov.	Yes	Effective Date	7/1/2019	Personal Property Value			
City	Beaverton	Zip	97006	Valuation	Replacement	SQF.	10,804	Security Alm	No	Vacant (Y/N)	No	Deductible	\$1,000	Total Value	\$155,432
Appraiser		Date		Code		Comment		Contribution	\$104	Total Value	\$155,432				

<b>Facility Total:</b>	<b>Contribution</b>	\$104	<b>Total Value</b>	
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\*\* Flood Zones: The flood zone shown on the property schedule is an estimate, either provided by the member, the insurance agent, or an independent appraiser. It is not a guarantee that the location is or is not in federally designated Special Flood Hazard Area (SFHA). In the event of a covered claim under this Supplemental Coverage, a determination on the flood zone will be made based on a review of Federal Emergency Management Agency flood maps, not by the estimated flood zone indicated on this Property Schedule. If there is any question that a location is in a Special Flood Hazard Area, then make sure you obtain NFIP coverage for the location.

**Construction Class Options**

Fire Resistive	Noncombustible
Modified Fire Resistive	Joisted Masonry
Masonry Noncombustible	Frame

**Valuation Options**

Actual Cash Value
Functional Replacement
Replacement

**Protection Class**

Fire Protection Class is determined by the level of fire protection in your area. Your local fire department should be able to tell you which Protection Class your property is in.

<b>Total Buildings</b>	\$0
<b>Total Contents</b>	\$155,432
<b>Total EDP</b>	
<b>Total O/P</b>	
<b>Total Value</b>	\$155,432
<b>Total Contribution</b>	\$104

# Willamette Water Supply System Commission

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**STAFF REPORT**

**To:** Willamette Water Supply System Board of Commissioners  
**From:** David Kraska, P.E., General Manager  
**Date:** September 5, 2019  
**Subject:** Resolution Adopting a Management Authority Matrix for the Willamette Water Supply System (WWSS) Commission

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**Requested Board Action:**

Consider adopting a resolution establishing a Management Authority Matrix (MAM) for typical decisions and approvals necessary for the planning, design, construction, and commissioning of the WWSS.

**Key Concepts:**

To enable continued progress delivering the WWSS, the Board of Commissioners and its designees need to approve various actions such as agreements, contracts, contract modifications, and real estate acquisitions. The proposed WWSS MAM defines approval authorities for typical actions needed to complete the WWSS and place it into service.

**Background:**

On July 3, 2019, the Board adopted Resolution WWSS-02-19 delegating and affirming the authority of the WWSS Management Committee to approve selected actions until the first regular meeting in September 2019. A long-term instrument that defines approval authorities for typical actions is needed for efficient functioning of the WWSS Board, WWSS Committees, and Willamette Water Supply Program (WWSP).

The WWSP has operated under a MAM since 2016. The proposed WWSS MAM is reflective of the authorities defined in the intergovernmental agreement that established the WWSS Commission and several years of experience operating under the WWSP MAM. If adopted by the Board, the WWSS MAM will be used to guide decision-making and approvals for capital delivery of the WWSS. Each month, the WWSS General Manager will submit an Approvals and Procurement Forecast, which is a three-month summary of major actions taken since the last WWSS Board meeting, forthcoming actions under the WWSS MAM, and ongoing and forthcoming procurements.

**Budget Impact:**

There are no budgetary impacts from this item.

**Staff Contact Information:**

David Kraska, PE; Willamette Water Supply Program Director; 503-941-4561; david.kraska@tvwd.org  
Clark Balfour, TVWD General Counsel; 503-848-3961; clark.balfour@tvwd.org

**Attachments:**

Proposed Resolution  
Resolution Exhibit 1 – Proposed Management Authority Matrix

# Willamette Water Supply System Commission

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**RESOLUTION NO. WWSS-06-19**

A RESOLUTION ADOPTING A MANAGEMENT AUTHORITY MATRIX FOR THE WILLAMETTE WATER SUPPLY SYSTEM.

WHEREAS, the Tualatin Valley Water District (TVWD), City of Hillsboro (Hillsboro) and City of Beaverton (Beaverton) entered into the Willamette Water Supply System Intergovernmental Agreement creating the Willamette Water Supply Commission (WWSS Commission), an intergovernmental entity formed under ORS Chapter 190; and

WHEREAS, the WWSS Commission is responsible to preside over and govern the design, construction, operation, maintenance, repair and replacement of the Willamette Water Supply System (WWSS); and

WHEREAS, TVWD as the Managing Agency, has prepared a Management Authority Matrix (MAM) for typical decisions and approvals necessary for the planning, design, construction and commissioning of the WWSS, attached hereto as Exhibit 1, and incorporated by reference; and

WHEREAS, the WWSS Commission wishes to adopt the Management Authority Matrix and being advised.

NOW, THEREFORE, BE IT RESOLVED BY THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION:

Section 1: The Management Authority Matrix (MAM), attached hereto as Exhibit 1 and incorporated by reference, is hereby approved and decision-making authority is hereby delegated as set forth therein.

Section 2: The Willamette Water Supply System Commission reserves all rights to amend the MAM, but any such amendment shall not affect any actions taken prior to the effective date of such amendment pursuant to attached Exhibit 1.

Section 3: By Resolution WWSS No. 02-19 adopted July 3, 2019, the Willamette Water Supply Commission delegated various decisions and authorities to the Managing Agency and Management Committee until the WWSS Commission could convene the September 5, 2019 regular meeting. The Commission hereby ratifies and confirms all actions taken by the Managing Agency and Management Committee under the authority of that prior Resolution.

Approved and adopted at a regular meeting held on the 5th day of September 2019.

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James Duggan, Chair

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Denny Doyle, Vice Chair

# Willamette Water Supply System Commission

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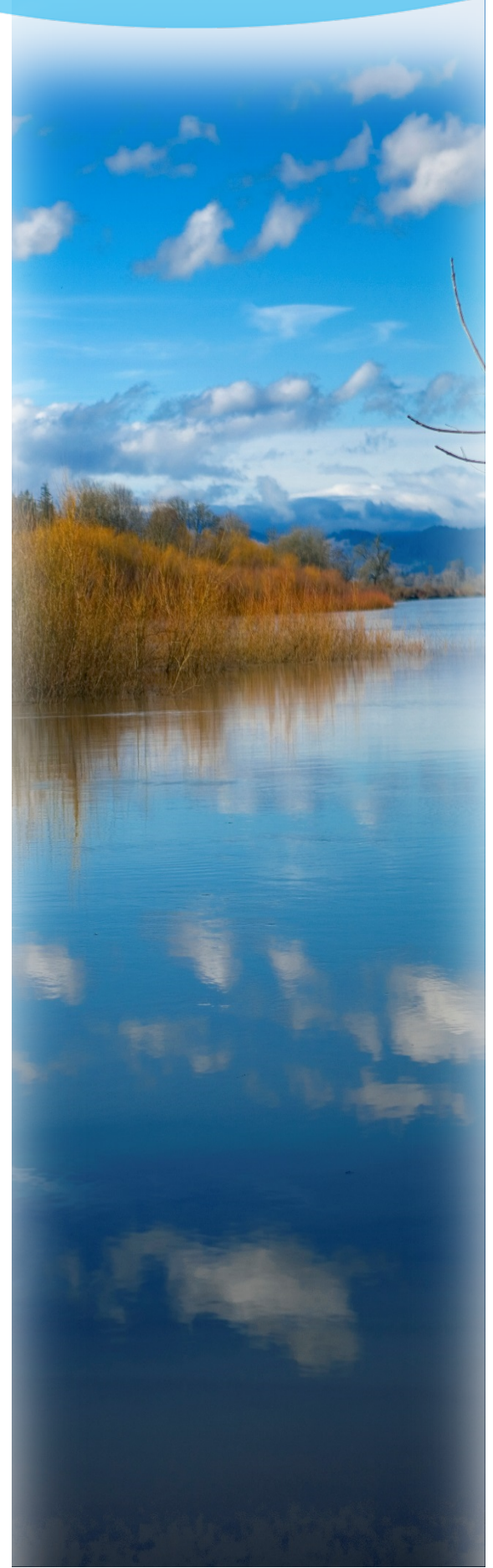
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**Willamette Water Supply**  
*Our Reliable Water*

**Willamette Water Supply Program  
Management Authority Matrix**

**DRAFT**

**August 26, 2019**



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Section 1.0

**Introduction**

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## 1.0 Introduction

Tualatin Valley Water District (TVWD), the City of Hillsboro (Hillsboro), and the City of Beaverton collectively referred to as the Parties, identified the Willamette Water Supply System (WWSS) as the best option for future delivery of drinking water to their service areas in Washington County. These Parties established with WWSS Commission in July 2019. The WWSS Commission oversees the Willamette Water Supply Program (WWSP), which is responsible for planning, designing, constructing, and commissioning the WWSS.

### 1.1 Overview and Purpose

The WWSS Commission has established a Management Authority Matrix (MAM) for the WWSP that defines approval authorities, including signature authority levels (or tiers). The MAM provides approval authority for the following types of actions:

- Fiscal Year (FY) Budget and Work Plan acceptance and modification
- Master Plan acceptance and modification
- Capital Improvement Plan (CIP) acceptance and modification
- Change schedule affecting individual project final completion date
- Changes to a project budget or schedule
- Real estate transactions
- Intergovernmental agreements (IGAs), memoranda of understanding (MOUs), and similar agreements acceptance and modification
- Non-government entity agreements acceptance and modification
- Permit and land use applications and acceptance
- Procurement of contracts and agreements
- Issuance of solicitations and intents to award, and negotiating contracts and agreements
- Execution of contracts and task orders
- Changes to existing contracts and agreements
- Incurring WWSP-related incidental expenses and approving invoices
- Hiring WWSP personnel and employment contracts
- Issuance of WWSP-related external communications

WWSP personnel must adhere to the MAM for these types of actions.

### 1.2 Document Control

The MAM is maintained as an appendix to the WWSP Program Management Plan (PgMP). Requests for changes and clarifications shall be presented to the Program Manager and approved by the Program Director (for Tier IV changes) or WWSS Board (for Tier III or higher changes).

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Section 2.0

**Management Authority Matrix**

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## 2.0 Management Authority Matrix

Table 2-1 WWSP MAM – WWSS Initial Construction Phase

Action	WWSS Managing Agency		WWSS	WWSS
	Functional Manager	Program Director	Committees	Board
Authority Level	Tier IV	Tier III	Tier II	Tier I
<b>Program Baseline or Related Plans</b>				
Establish or change WWSS FY Budget and Work Plan (annual process)	Recommend	Recommend	MC, OC, and FC Recommend	Approve
Establish or update WWSS Capital Improvement Plan	Recommend	Recommend	MC, OC, and FC Recommend	Approve
Establish or update WWSS Master Plan	Recommend	Recommend	MC, OC, and FC Recommend	Approve
Change Total WWSS Cost	Recommend	Recommend	MC and FC Recommend	Approve
Change individual project budget	Recommend	Approve if ≤\$500k; otherwise Recommend	MC Recommend if >\$500k	Approve if >\$500k
Change schedule delaying WWSS in-service date	Recommend	Recommend	MC, OC, and FC Recommend	Approve
Change schedule affecting individual project final completion date	Recommend	Approve		
<b>Real Estate</b>				
Declaration of public necessity	Recommend	Recommend	MC Informed	Approve
Transactions ≤\$150k and <u>without</u> Eminent Domain	Recommend	Approve		
Transactions >\$150k or <u>with</u> Eminent Domain	Recommend	Recommend	MC Recommend	Approve
<b>IGAs, MOUs, Permit Commitments, and Similar Agreements <sup>1</sup></b>				
IGAs, MOUs, project agreements, and similar intergovernmental agreements	Recommend	Recommend	MC Recommend	Approve
Non-government entity agreements	Recommend	Approve if ≤\$500k and no substantial WWSS liability <sup>2</sup> ; otherwise Recommend	MC Recommend if >\$500k or substantial WWSS liability <sup>2</sup>	Approve if >\$500k or substantial WWSS liability <sup>2</sup>
Permit and land use applications	Recommend	Approve		
Permit and land use conditions or commitments	Recommend	Approve if no long-term operational constraint; otherwise Recommend	MC and OC Recommend if long-term operational constraint	Approve if long-term operational constraint
<b>Contracts <sup>1,3</sup></b>				
Solicitations, intent to award contract, and contract negotiations	Recommend	Approve		
Contract execution <sup>4,5</sup>	Recommend	Approve if ≤\$500k; otherwise Recommend	MC Recommend if >\$500k	Approve if >\$500k
Expense approval (incidentals and invoices) <sup>6</sup>	Approve if ≤\$100k; otherwise Recommend	Approve		

Contract Amendments and Change Orders <sup>7</sup>				
Individual amendment or change order	Approve if ≤\$100k and ≤30 days; otherwise Recommend	Approve if ≤\$500k and >30 days or within contract amount previously approved by Tier I; otherwise Recommend	MC Recommend if >\$500k and greater than contract amount previously approved by Tier I	Approve if >\$500k and greater than contract amount previously approved by Tier I

<sup>1</sup> – All agreements/contracts require legal review

<sup>2</sup> – "Substantial WWSS liability" is defined as the requirement to accept agreement terms that include liability for damages or requirements for indemnification of the other entity

<sup>3</sup> – Refer to WWSS IGA Exhibit 5, Section II.C for emergency or unforeseen conditions necessitating contract or procurement action

<sup>4</sup> – For Master Services Agreement, the anticipated cumulative value of the agreement is used for determining the approval level

<sup>5</sup> – Tier I may approve an amount greater than the initial contract value to accommodate anticipated scope changes and provide a contract contingency

<sup>6</sup> – Program Manager may incur a small (<\$1k) incidental expense on behalf of the WWSP only when that expense is deemed urgent and necessary and an authorized representative from the WWSP is unavailable. Such expenses are anticipated to be infrequent

<sup>7</sup> – Contract amendment and change order amounts are applied on a per transaction basis



Table 2-2 Associated Notes for Table 2-1

Topic
<p><b>General Expectations</b></p> <p>Address questions regarding scope and applicability of the MAM to <i>Program Manager or Program Director</i>.</p> <p>Personnel exercising Authority as established through this Matrix are expected to:</p> <ul style="list-style-type: none"> <li>• Make decisions that are in the best interest of the WWSP and WWSS,</li> <li>• Maintain consistency with the plans, budgets, and schedules for WWSP and WWSS,</li> <li>• Approve invoices or pay applications only when consistent with an existing contract, agreement, purchase order, task order, or similar instrument, and</li> <li>• Communicate with higher Authority Tiers to promote awareness of substantive commitments, decisions, and actions.</li> </ul>
<p><b>Definitions</b></p> <p>approve - formally accepting or ratifying a document or proposed course of action</p> <p>authority - the power to commit the WWSS contractually or to a defined course of action</p> <p>authority tier - Tier I through IV designations signify the hierarchy of authority for WWSP and WWSS management</p> <p>Board - Willamette Water Supply System Board of Commissioners</p> <p>commitments - contractual or other binding obligations of the WWSS</p> <p>consent - agreement with decisions approved by lower authority tier</p> <p>days - calendar days</p> <p>eminent domain - legal term for the process of condemnation</p> <p>FC - WWSS Finance Committee</p> <p>Functional Manager - WWSS General Manager; WWSP Assistant Program Director, Engineering &amp; Construction Manager, Assistant Engineering &amp; Construction Manager, Permitting &amp; Outreach Manager, Finance &amp; Administrative Supervisor, Safety &amp; Security Supervisor, and Willamette Operations Supervisor</p> <p>FY - fiscal year</p> <p>IGA - Intergovernmental Agreement</p> <p>incidental expense - an expense incurred that is not under a current contract, agreement, or similar instrument</p> <p>inform - provide information for awareness purposes, no response or action is required</p> <p>MAM - management authority matrix, also called matrix</p> <p>MC - WWSS Management Committee</p> <p>MOU - Memorandum of Understanding</p> <p>OC - WWSS Operations Committee</p> <p>recommend - review and endorsement of a document or proposed course of action to higher authority tier</p> <p>WWSP - Willamette Water Supply Program</p> <p>WWSS - Willamette Water Supply System</p>
<p><b>Hiring and Employment Contracts</b></p> <p>The <i>Board</i> and <i>Managing Agency</i> may hire or execute an employment contract (temporary or permanent) as either deems necessary.</p> <p>The <i>Program Director</i> may hire or execute an employment contract (temporary or permanent) provided the annual, burdened expense for the position within his Authority level and within the currently-authorized WWSS budget.</p>
<p><b>Program-related External Communication</b></p> <p>Refer to PgMP Appendix N: Public Outreach and Stakeholder Engagement Plan.</p>
<p><b>Delegation of Authority</b></p> <p>Tier I may delegate, in writing, any of its functions to Tier II or III.</p> <p>Tier III and below may to delegate, in writing, their authority to one tier below or to a direct report, provided the delegate is employed by the Managing Agency.</p>

# Willamette Water Supply System Commission

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**STAFF REPORT**

**To:** Board of Commissioners

**From:** David Kraska, P.E., Willamette Water Supply Program Director

**Date:** September 5, 2019

**Subject:** Overview of Upcoming Intergovernmental Agreement Amendments and New Master Project Coordination Agreement

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**Key Concepts:**

- The Willamette Water Supply Program has been able to strategically partner with Washington County Land Use and Transportation to deliver coordinated pipeline and roadway projects at various locations in the region.
- Since the original intergovernmental agreements (IGAs) for project design were executed, there have been certain changes that require formalizing through amendments.
- The original overarching instrument for these IGAs was a Memorandum of Understanding (MOU), executed in 2016, that can now be implemented through a Master Project Coordination IGA.

**Background:**

Establishing effective partnerships has been an objective for the Willamette Water Supply Program since its inception. With the support of the WWSS partner agencies, WWSP has established a strong partnership with Washington County Land Use and Transportation (WCLUT), allowing for the design and construction of multiple pipeline projects in conjunction with WCLUT roadway projects.

The agreements generally outline the responsibilities for each party, how work will be coordinated or shared, and how the costs of common items will be divided.

The agreements in place at this time include (year executed, corresponding WWSS project):

- SW 124<sup>th</sup> Avenue MOU (2014, PLM\_3.0)
- SW 124<sup>th</sup> Avenue – Tonquin and Grahams Ferry IGA (2014, PLM\_3.0)
- SW 124<sup>th</sup> Avenue IGA (2015, PLM\_3.0)
- MOU for Funding and Construction of Transportation Improvement in Conjunction with Water Infrastructure Improvements in Tualatin-Sherwood Road and Roy Rogers Road (2016, PLM\_4.0 and PLM\_5.0)
- Highway 99W at Tualatin-Sherwood Road Crossing Design IGA (2017, PLM\_4.1) (Amended in early 2019)
- SW Tualatin-Sherwood Road - Teton Avenue to Langer Farms Parkway (2019, PLM\_4.2)
- Roy Rogers Road Design IGA (2017, PLM\_5.1)
- Roy Rogers Road Construction IGA (2018, PLM\_5.1)
- Cornelius Pass – Tualatin Valley Highway to Frances Street Design IGA (2017, PLW\_1.2)

September 5, 2019

## Overview of Upcoming Intergovernmental Agreement Amendments and New Master Project Coordination Agreement

The following IGAs have amendments in development to formalize changes such as: assignment from the WWSP to the WWSS, adding requirements for partnered projects to include Water Infrastructure Finance and Innovation Act (WIFIA)-related contracting terms, clarifying responsibility for certain costs, and updating project schedules for the following projects:

- Highway 99W at Tualatin-Sherwood Road Crossing Design IGA (2017, PLM\_4.1) (Amended in early 2019)
- SW Tualatin-Sherwood Road - Teton Avenue to Langer Farms Parkway Design IGA (2019, PLM\_4.2)
- Cornelius Pass – Tualatin Valley Highway to Frances Street Design IGA (2017, PLW\_1.2)

A new IGA is being established for the PLM\_4.4 project, which completes the design-phase partnership with WCLUT for the entire extent of Roy Rogers Road within Sherwood city limits. This new IGA will include the terms discussed above.

Overarching the design and construction IGAs, WWSP has been working under a MOU and follow-on letter of agreement that describe in broad terms how WWSP and WCLUT will coordinate their projects and handle some associated costs. These two documents have been good guides for the last three years, but with the agreement changes described above and maturation of the partnering relationship, WWSP has the opportunity to establish a clearer and more binding agreement with WCLUT.

The Master Project Coordination IGA will achieve the following outcomes for WWSP:

- Completes assignment of the MOU from WWSP to WWSS
- Captures the full list of WWSP/WCLUT partnered projects
- Confirms the intent to work together and that the use of project-specific design and construction IGAs will be continued
- Establishes the WWSP operational date, setting a requirement for project schedule management
- Establishes a “Stage Gate” process of confirming design and construction milestones to support consistent, forward progress
- Requires WCLUT to include WIFIA-related contracting terms
- Clarifies handling of certain costs
- Supports project schedules by linking certain payments to timely project progress

The Master Project Coordination IGA and project IGA amendments will be under review by WCLUT starting this week. It is expected that the agreements will be available for Board review and approval at the October 2019 meeting.

### **Budget Impact:**

No budgetary impact. The funds for these efforts are included in the WWSP Baseline budget.

### **Staff Contact Information:**

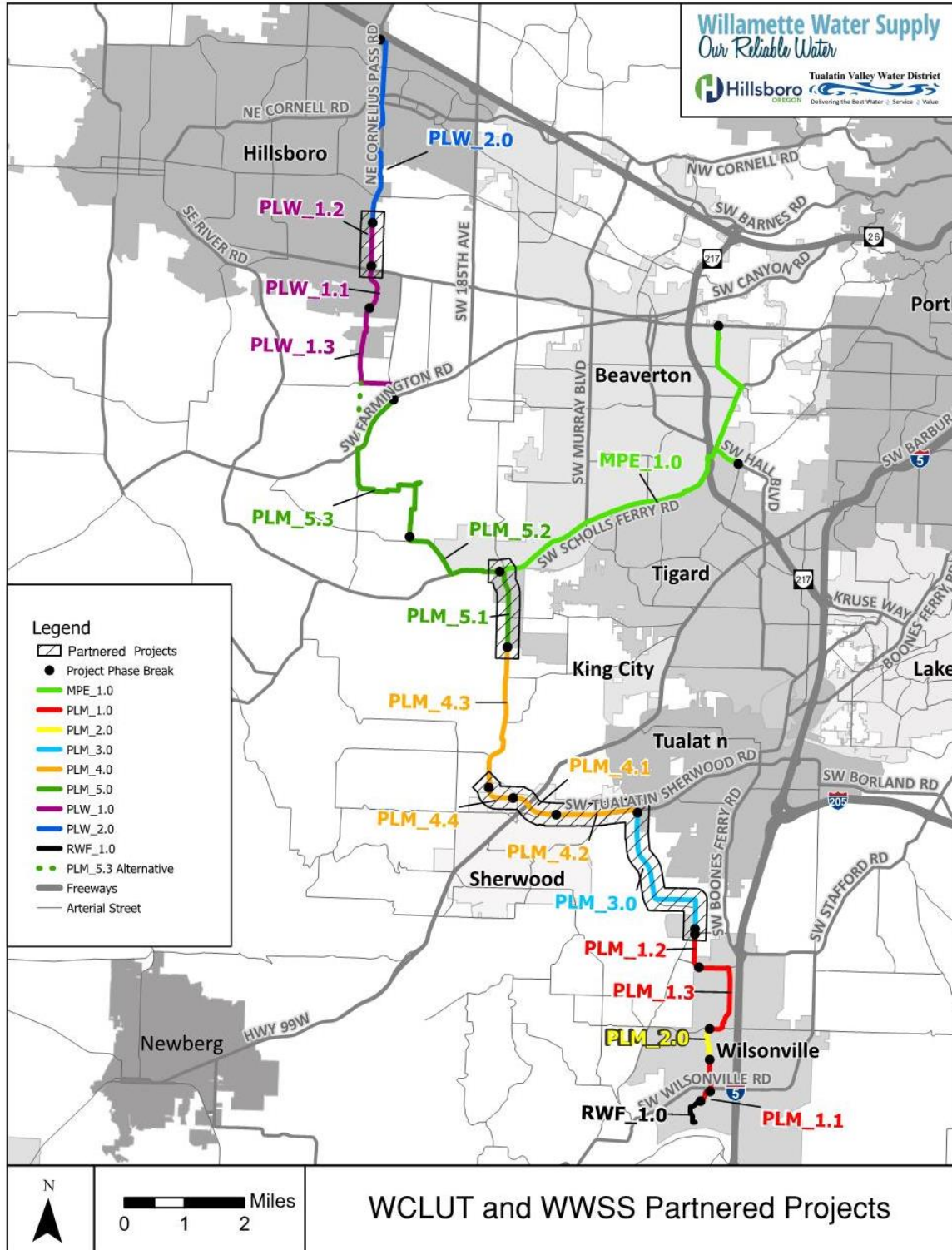
Dave Kraska, WWSP Program Director, 503-848-3032, david.kraska@tvwd.org

Clark Balfour, General Counsel, 503-848-3061, clark.balfour@tvwd.org

Overview of Upcoming Intergovernmental Agreement Amendments and New Master Project Coordination Agreement

**Attachments:**

Exhibit A: Map of WCLUT and WWSS partnership projects



# Willamette Water Supply System Commission

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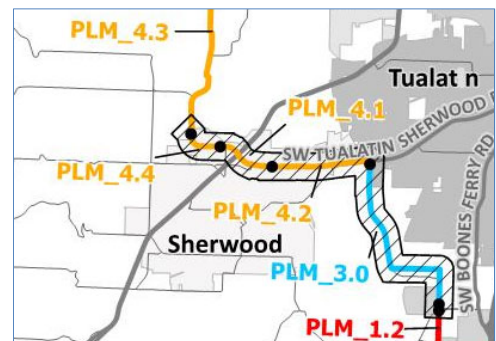
## Various changes have occurred that need to be recognized in updates to the IGAs

- Memorializing schedule updates
- Assigning to the Willamette Water Supply System Commission
- Incorporating WIFIA requirements
- Clarifying costs responsibilities

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## Additionally, two new IGAs are also being drafted

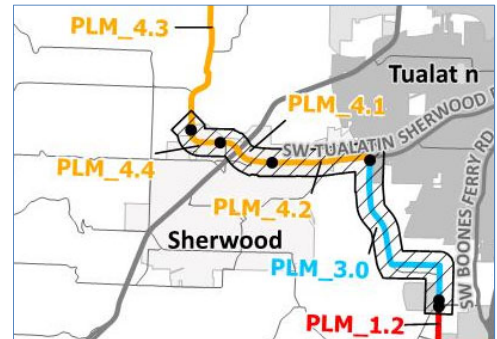
- PLM\_4.4
  - Completes the design-phase partnership
- Master Project Coordination IGA
  - Completes assignment of the MOU from WWSP to WWSS
  - Captures the full list of WWSP/WCLUT partnered projects
  - Confirms the intent to work together and that the use of project-specific design and construction IGAs will be continued
  - Establishes the WWSP operational date, setting a requirement for project schedule management
  - Establishes a “Stage Gate” process of confirming design and construction milestones to support consistent, forward progress
  - Requires WCLUT to include WIFIA-related contracting terms
  - Supports project schedules by linking certain payments to timely project progress





## Additionally, two new IGAs are also being drafted

- PLM\_4.4
  - Completes the design-phase partnership
- Master Project Coordination IGA
  - Completes assignment of the MOU from WWSP to WWSS
  - Captures the full list of WWSP/WCLUT partnered projects
  - Confirms the intent to work together and that the use of project-specific design and construction IGAs will be continued
  - **Establishes the WWSP operational date, setting a requirement for project schedule management**
  - **Establishes a “Stage Gate” process of confirming design and construction milestones to support consistent, forward progress**
  - Requires WCLUT to include WIFIA-related contracting terms
  - **Supports project schedules by linking certain payments to timely project progress**



## The following process is being followed to complete these IGAs

- Final staff-level review and approval
- Final legal review and approval
- Presentation to the WWSS Management Committee at the September 18, 2019 meeting for endorsement
- Presentation to the WWSS Board at the October 3, 2019 meeting for approval

## IGA with Wilsonville may also be on the October WWSS Board meeting agenda

- Establishes the roles and responsibilities for our work at the intake and raw water pump station
  - Timing
  - Coordination
  - Location
  - Incorporation of improvements to WRWTP improvements
  - Cost shares

## Wilsonville has recently tied execution of this IGA with approval of our land use application

- This has implications related to our schedule
- The City Attorney is requiring the form of this IGA to be revised
  - This will likely add time to the review and approval process
- The following process will be used for approval
  - Staff and legal counsel review and approval
  - WWSS Management Committee review and endorsement
  - WWSS Board consideration for approval

# QUESTIONS

Willamette Water Supply  
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