

WASHINGTON COUNTY GRAVITY SUPPLY

CONDUIT AGREEMENT

This Agreement, entered into this ____ day of _____, 1980, is between the City of Portland (City), a municipal corporation of the State of Oregon, and the Metzger Water District, the Raleigh Water District, the City of Tualatin, and the Wolf Creek Highway Water District (Purveyors), municipal corporations of the State of Oregon.

RECITALS

1. City is authorized under its Charter to sell surplus water to persons, public or private, outside the City.
2. City has entered into 25-year contracts for the sale of surplus water to Purveyors, who depend on City for present and future water supplies.
3. Presently, existing systems for delivery of City water to Purveyors are reaching design limits for some Purveyors. In the future, it will be necessary to have additional water delivery capacity to meet the water needs of all Purveyors.
4. City presently is constructing 50 million gallons of storage at the Powell Butte Reservoir and conduit interties connecting its Bull Run conduits, the Powell Butte Reservoir, and the Portland groundwater wellfield which is under development.

5. If these facilities are coupled with a large capacity supply conduit running from the Powell Butte Reservoir to the Washington County line, this additional capacity will allow City to deliver water to Purveyors substantially using a gravity flow.

6. It is anticipated that gravity flow supply will conserve energy normally used for pumping, thus reducing energy costs.

7. Such a conduit will connect Purveyors to the Powell Butte Reservoir and the Portland groundwater wellfield.

8. Without proportionate financial participation by Purveyors City would construct a 48 inch conduit from the Powell Butte Reservoir to S.E. 67th Street and Holgate Avenues (Southeast Supply Conduit), to meet only the City's supply needs.

9. With participation by Purveyors, City is willing to oversize from 48 inches to 66 inches a conduit from the Powell Butte Reservoir to S.E. 67th Street and Holgate Avenue, except that the conduit will be 60 inches at its intersection with I-205, and to construct a 60 inch conduit from S.E. 67th Street and Holgate Avenue to the Washington County line at S.W. Bertha-Beaverton Highway (Washington County Supply Conduit). This capacity is sufficient to meet Purveyors' projected water demands in the year 2000.

10. Purveyors desire to have City design, construct, finance and maintain these conduits.

11. City is willing to pay the cost it would pay to design and construct a 48 inch Southeast Supply Conduit. Purveyors are willing to pay the additional cost to design and oversize the Southeast Supply Conduit, to design and construct the Washington County Supply Conduit, except for a small portion that will be for City use, and to design and construct a connection between the City's Burlingame system and the Washington County Supply Conduit.

12. The City, having the responsibility for designing, financing, and constructing the Project, proposes to finance construction through the issuance of general obligation water bonds.

CITY AND PURVEYORS, FOR AND IN CONSIDERATION OF THE FOLLOWING MUTUAL COVENANTS AND AGREEMENTS, AGREE AS FOLLOWS

SECTION 1. Term of Agreement. This Agreement shall be in full force and effect from the date of its execution and shall be perpetual.

SECTION 2. Definitions and Explanation of Terms.

(a) "Annual Project Cost" means the sum of all City's reasonable and necessary costs resulting from the ownership of, and subject to Section 9 (b) below, renewals and replacements to, the Project, including, but not limited to, the items hereinafter mentioned in this subsection 2(a) that are incurred or paid by City during each Contract Year in connection with the Project:

- (1) The amount required to be paid by City for Debt Service;
- (2) Any amount required by Section 7 hereof to maintain the Debt Service Reserve Fund at the level specified therein;
- (3) An amount equal to City's reasonable costs of administration in connection with the Project, including the cost of administering and enforcing this Agreement. Such costs shall include but not be limited to accounting, legal, auditing and risk management costs;
- (4) An amount equal to the sum of all permit or license fees including costs or expenses to carry out obligations imposed by a government agency as a condition of such permit or license and all taxes which City may be required to pay in connection with the Project;
- (5) Subject to Section 13 below, an amount equal to the sum of insurance premiums payable for insuring against the risks specified in Section 13 of this Agreement; and
- (6) Subject to Section 9 below, an amount equal to the cost of operating and maintaining the Project.

Provided, however, that "Annual Project Cost" shall not include any cost that is included in City's charges to Purveyors for water supplied to them.

(b) "Completion of Construction" means the date the Project is complete and capable of continuous operation, as determined by City's Bureau of Water Works. This definition of the term "Completion of Construction" shall be applicable only to this Agreement and does not apply where used in any construction documents.

(c) "Contract Year" means a fiscal period under this Agreement from and after Completion of Construction. "Contract Year" includes a 12-month period commencing at 12:01 a.m. on the first day of the fiscal year of City's Bureau of Water Works, provided, however, that the first Contract Year hereunder shall commence on the date of Completion of Construction and shall end at 12:01 a.m. on the following first day of City Bureau of Water Works' fiscal year.

(d) "Cost of Acquisition and Construction" means all of City's costs of acquisition, design, construction, equipping and financing of the Project, heretofore or hereafter paid or accrued by City, including but not limited to:

(1) All fees and expenses properly paid or incurred in connection with the Project whether paid or incurred prior to or during construction of the Project, which fees and expenses may include, among others, the cost of preliminary surveys, investigations, bond discount, legal and financing costs, and engineering;

(2) The cost of all property and rights of way acquisition and all facilities and construction included in the Project;

(3) Interest accruing on the Water Bonds prior to and during construction of the Project, but in no event after three years from the date of the bonds; and

(4) The amount of the Debt Service Reserve Fund Requirement.

(e) "Debt Service" means with respect to any period the amount to be paid or accrued during the period to retire the principal of and pay the interest and premium, if any, on all Water Bonds or other evidences of indebtedness issued at any time by City for the purpose of paying the Cost of Acquisition and Construction.

(f) "Debt Service Reserve Fund Requirement" means an amount equal to the maximum annual Debt Service on the Water Bonds during any single future calendar year in which any Water Bonds are outstanding.

(g) "Month" means a calendar month.

(h) "Project" means those properties and facilities constructed or owned, and financed, by the City consisting of, among others, the oversizing of the 66 inch Southeast Supply Conduit and the 60 inch Washington County Supply Conduit and all associated facilities and property used in delivering water from the Powell Butte Reservoir to Purveyors and from the City's Burlingame system to the Washington County Supply Conduit.

(i) "Water Bonds" means the bonds, including completion bonds issued by City to finance or to refinance the Cost of Acquisition and Construction and other costs in connection with the Project.

(j) "Uncontrollable Forces" means any cause beyond the control of either party hereto affecting such party's performance, and which by the exercise of due diligence, the party is unable to prevent or overcome, including, but not limited, to, an act of God, fire, flood, explosion, strike, sabotage, an act of the public enemy or civil or military authority, court orders, injunctions, and orders of government agencies with proper jurisdiction, insurrection or riot, inflation, an act of the elements, unforeseen design failure, failure of equipment, or inability to obtain or to ship materials or equipment because of the effect of similar causes on suppliers or carriers.

SECTION 3. Design, Construction and Financing of the Project and Availability of Capacity.

(a) City agrees to design, construct and finance the Project in a prudent and skillful manner in accordance with applicable laws and with this Agreement. If the City elects to sell bonds to finance all or a portion of the Project, City shall not sell bonds in excess of a net effective rate of 8.5% without the written approval of the Purveyors. The Purveyors' representative as defined in Section 19 shall be a member of all of City's Consultant Selection Committees relating to the Project.

City agrees to make the following percentages of the Project's water delivery capacity available to Purveyors:

<u>Purveyor</u>	<u>Percentage</u>
City of Portland -----	10.0
Metzger Water District-----	0.0
Raleigh Water District -----	1.5
City of Tualatin -----	0.0
Wolf Creek Highway Water District -----	88.5

This Agreement entitles Purveyors only to the Project's water delivery capacity as stated herein. The Agreement does not entitle Purveyors to receive water from City. The right to receive water must be conveyed by separate water purchase contracts with City.

(b) In the event of a transfer of territory from any party to any other party hereunder due to annexation or otherwise, the percentages established herein and in Section 4 hereof shall be adjusted by negotiation between the parties affected by the transfer of territory. In the event the affected parties cannot agree upon an adjustment, the adjustment shall be decided by a Board of Arbitration under the provisions of Section 12 (c) below.

SECTION 4. Payments to City.

(a) Purveyors agree to pay City, in monthly installments, for each Contract Year, regardless of whether the Project is complete or operating, an amount equal to 90% of the Annual Project Cost multiplied by the following percentage:

<u>Purveyor</u>	<u>Percentage</u>
Metzger Water District-----	0.0
Raleigh Water District - - -	1.66
City of Tualatin-----	0.0
Wolf Creek Highway Water District-----	98.34
	100%

92.71.74

(b) On or before sixty (60) days prior to the estimated date of Completion of Construction, and on or before ninety (90) day days prior to the commencement of each Contract Year thereafter, City shall prepare and mail to Purveyors a pro forma statement showing:

(1) The estimated date of Completion of Construction of the Project. This need not be shown after the first statement; provided that City shall keep Purveyors advised at all times of changes in such estimated date.

(2) A detailed estimate of the Annual Project Cost for the following Contract Year, hereinafter called the "Estimated Annual Project Cost"; and

(3) The amount of the equal monthly payments to be made by Purveyors to pay the Estimated Annual Project Cost during the ensuing Contract Year. This statement shall be in lieu of the issuance of monthly bills to Purveyors by City.

(c) In the event of a change in costs affecting the Estimated Annual Project Cost by more than ten percent (10%) during any Contract Year, City shall prepare and mail to Purveyors a revised Estimated Annual Project Cost together with detailed descriptions

and computations of the revised estimate which shall supersede the previous Estimated Annual Project Cost as a basis for Purveyors' monthly payments for the balance of that Contract Year.

(d) These payments are due and payable at the office of the Bureau of Water Works, on the twentieth day of each month starting with the first month of the first Contract Year, whether or not the Project is then operating.

(e) If payment in full is not made on or before the close of business on the twentieth day of the month, a delayed-payment charge of one and one-half percent (1 1/2%) per month or part thereof thereafter of the unpaid amount due will be made. If the twentieth day of the month is a Saturday, Sunday or a federal holiday, the next following business day shall be the last day on which payment may be made without the addition of the delayed-payment charge.

(f) Not more than sixty (60) days after the receipt of the annual fiscal year audit of the City's Bureau of Water Works, City will submit to Purveyors a detailed statement of the actual Annual Project Cost for the Contract Year and will compare the actual Annual Project Cost with the Estimated Annual Project Cost for the Contract Year. If the actual amount exceeds the estimated amount, City shall bill Purveyors for an amount equal to the excess and Purveyors agree to pay the bill within 30 days of receipt of the bill, or at such time as is mutually agreed upon between City and the affected Purveyor. If the actual amount is

less than the estimated amount, City shall give credit to Purveyors against the current charges for Project costs of an amount equal to the difference between the actual amount and the estimated amount.

(g) Purveyors agree to pay City at the office of the Bureau of Water Works, in the event the first Contract Year shall not commence until three years from the date of the bonds or later, on the twentieth day of each month subsequent to three years from the date of the bonds through the month in which completion of construction occurs, an amount equal to one-sixth (1/6) semi-annual interest and one-twelfth (1/12) annual principal payment required on the Water Bonds for each month thereafter until the first Contract Year shall commence. The amount of any such payments shall be computed for each Purveyor in accordance with the capacity allocations set forth in or as amended under Section 3 above.

SECTION 5. Construction Fund.

(a) City shall establish and maintain a separate account to be known as the "Washington County Water Supply Construction Fund" (Construction Fund) to the credit of which City shall deposit all of the proceeds from the sale of the Water Bonds. Any monies received from any other source for the acquisition, design, equipping, or construction of the Project shall be deposited to the credit of the Construction Fund. The monies in the Construction Fund shall be applied to the payment of the Cost of Acquisition

and Construction. Before making any other payment out of the Construction Fund, the City first shall make the initial deposit into the Debt Service Reserve Fund specified in Section 7 hereof. Upon payment of the Cost of Acquisition and Construction, any balance of monies in the Construction Fund shall be deposited in the Sinking Fund created under Section 6 hereof.

(b) City may, but is not obligated to, invest or reinvest monies at any time on deposit in the Construction Fund in legally permissible investments maturing at such time or times so that City will be able to make timely payments on the Cost of Acquisition and Construction. Any interest or profit on such investments shall be credited to the Construction Fund and any losses on such investments shall be charged to the Construction Fund.

SECTION 6. Sinking Fund.

(a) City shall establish and maintain so long as any Water Bonds are outstanding a separate account to be known as the "Washington County Water Supply Bonded Debt Service Sinking Fund" (Sinking Fund) to the credit of which City shall deposit that portion of the Annual Project Cost payments that represents Debt Service. City also shall deposit into the Sinking Fund its portion of the Debt Service which shall be 10% of the portion of the Annual Project Cost that represents Debt Service, at the same time and subject to the same requirements as Purveyors under Section 4 hereof. The monies in the Sinking Fund shall be applied

to the payment of Debt Service. Upon payment of the entire indebtedness on all outstanding Water Bonds, any monies remaining in the Sinking Fund shall be paid to City and Purveyors in proportion to the following percentages:

	<u>Percentage</u>	
City of Portland -----	10.0	
Metzger Water District -----	0.0	
Raleigh Water District -----	1.5	<i>P.P.N</i>
City of Tualatin -----	0.0	
Wolf Creek Highway Water District -----	88.5	

(b) City may, but is not obligated to, invest or reinvest monies at any time on deposit in the Sinking Fund in legally permissible investments maturing at such time or times so that City will be able to make timely Debt Service payments. Any interest or profit on such investments shall be credited to the Sinking Fund and any loss on such investments shall be charged to the Sinking Fund.

SECTION 7. Debt Service Reserve Fund.

(a) City shall establish and maintain so long as any Water Bonds are outstanding a separate account to be known as the "Washington County Water Supply Debt Service Reserve Fund" (Debt Service Reserve Fund). An initial deposit to the credit of the Debt Service Reserve Fund, in the amount of the Debt Service Reserve Fund Requirement, shall be made by City from the Construction Fund. On the twentieth day of each calendar month period (or on the first business day thereafter if such twentieth day is not a business day), beginning with the twentieth day of each month subsequent to three years from the date of the bonds, City shall deposit in the Debt Service Reserve Fund from monies

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in the Sinking Fund an amount which, together with any amount already on deposit in the Debt Service Reserve Fund, will make the amount on deposit in such Fund equal to the Debt Service Reserve Fund Requirement. Monies on deposit in the Debt Service Reserve Fund shall be used to make up any deficiencies in the Sinking Fund if on any date when interest on or principal of the Water Bonds is due, monies on deposit in the Sinking Fund are insufficient to make such payments.

(b) City may, but is not obligated to, invest or reinvest monies at any time on deposit in the Debt Service Reserve Fund in legally permissible investments maturing at such time or times so that City will be able timely to make up any deficiencies in the Sinking Fund. Any interest or profit on such investments shall be credited to the Debt Service Reserve Fund and any loss on such investments shall be charged to the Debt Service Reserve Fund.

(c) If on any bond date anniversary, the amount on deposit in the Debt Service Reserve Fund shall exceed the Debt Service Reserve Fund Requirement, then such surplus shall be transferred to the Sinking Fund as a credit toward future payments from the Sinking Fund.

SECTION 8. Point of Delivery. The Project shall terminate approximately at the intersection of the Bertha-Beaverton Highway and the Washington County line. Purveyors shall be solely responsible to provide facilities to receive deliveries of and meter water at that point.

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SECTION 9. Operation and Maintenance; Renewals and Replacement.

(a) City shall operate and maintain the Project during the term of this Agreement, in accordance with the standards the City applies generally to its water system.

(b) City may make renewals and replacements to the Project during the term of this Agreement, and may require Purveyors to pay their proportionate costs therefore; provided, any renewals or replacements costing in excess of 15% of the Estimated Annual Project Cost for the year in which the improvements are to be made shall require the prior written consent and approval of the Purveyors.

SECTION 10. Continuity of Availability of Capacity.

(a) City temporarily may interrupt or reduce the availability of capacity to Purveyors if City determines that the interruption or reduction is necessary in cases of emergency or in order to install equipment in, make repairs to and replacements, investigations and inspections of, or perform other maintenance work on the Project. In order that operations of the Project will not be unreasonably interrupted or reduced, City, after consulting with Purveyors regarding any planned interruption or reduction, giving the reason therefor and stating the probable duration thereof, will to the best of its ability schedule the interruption or reduction at a time which will cause the least

interference with the operations of the Project. The requirement of prior consultation with Purveyors will not apply to cases of emergency in which prior consultation is not reasonable. During interruptions or reductions in the availability of capacity, it may be necessary to provide water to Purveyors from a pumped storage supply. In such cases, upon the request of the Purveyors, the City shall provide such pumped storage supply to the extent possible. Any actual additional costs shall be added to the Annual Project Cost of each Purveyor in accordance with actual pumped storage usage.

(b) Except as interrupted by Uncontrollable Forces or as provided in Subsection 10(a) or otherwise by this Agreement, City shall make capacity available to Purveyors in accordance with this Agreement at all times commencing with the date of Completion of Construction, provided, however, that City's obligations to any such Purveyor hereunder shall terminate in the event the Purveyor's water purchase contract with City expires and is not replaced or renewed within 60 days thereafter.

(c) In the event any Purveyor's Water Purchase Contract with City expires and is not replaced or renewed within 60 days thereafter, such Purveyor's rights, interests and obligations in the water delivery capacity of the Project shall be allocated to and become the property of the remaining Purveyors. The allocation of said property interest shall be based upon the resulting relative percentages of each remaining Purveyor's interest in said water delivery capacity. For example, if A owned 50% of the capacity

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under Section 3 above; and B owned 10%; and C owned 40%; and if B's Supply Contract was not renewed or replaced; then B's capacity rights would be allocated .555% to A and .445% to C.

SECTION 11. Accounts.

(a) City agrees to keep, with due care and diligence, accurate records and accounts of the Project. Such records and accounts shall be included in the annual audit by a firm of certified public accountants employed by the City.

(b) Records and accounts required hereunder shall be available for inspection by Purveyors during reasonable business hours.

SECTION 12. Arbitration.

(a) Any matter described in Subsection 12(b) hereof, which is not settled by mutual agreement of the Purveyors involved and City within sixty (60) days of having been presented in writing to either party, shall be submitted to a board of arbitrators. The board of arbitrators shall be composed of three (3) persons, one of whom shall be appointed by the City, one of whom shall be appointed by the Purveyors involved and the third person to be appointed by the two persons so appointed. In the event the two members cannot agree upon the appointment of a third person, then the third person shall be appointed by the Presiding Judge of the Circuit Court of the State of Oregon for the County of Multnomah. The procedure for arbitration shall be governed by laws of the State of Oregon. Insofar as the parties hereto may legally do

so, they agree to abide by the decision of the board.

(b) The matters which may be arbitrated in accordance with Subsection 12(a) hereof shall consist of all matters pertaining to maintenance and operation of the Project, equipment renewal and replacement, reasonableness of City's costs of administration and whether those costs were incurred in connection with the Project, and any other matter which the involved Purveyors and City mutually agree to refer to arbitration.

(c) Any dispute between affected parties under Section 3(b) above, or a dispute under other provisions of this agreement between Purveyors only and not the City, which is not resolved by mutual agreement within 60 days after one of the affected parties presents the dispute in writing to all other affected parties, shall be submitted to a Board of Arbitrators. The Board shall consist of one person selected by each of the affected parties. In the event the number of persons so selected is even, then one additional person shall be appointed by the then Presiding Judge of the Circuit Court of the State of Oregon for Multnomah County. In all other respects, the arbitration shall be in accordance with Section 12(a) above.

SECTION 13. Insurance. (a) At the request of the Purveyors, City shall obtain and maintain in full force and effect during the term of this Agreement, insurance with responsible insurers against:

(1) Physical loss or damage to the Project on replacement cost basis; and

(2) Any other risk mutually agreed upon by Purveyors and City.

(b) At all times during the term of this Agreement, City shall keep and maintain public liability insurance policies naming the Purveyors as insureds in amounts to be agreed upon between the parties.

SECTION 14. Default.

(a) "Default" shall mean delinquency for more than ninety (90) days in payment of any sum payable under this Agreement. In the event any Purveyor shall be in default, then the City may terminate this Agreement as to the Purveyor, after which the Purveyor shall have no further rights under this Agreement, and the defaulting Purveyor's capacity rights, interests, and obligations shall be allocated to the remaining Purveyors in accordance with the allocation method provided in Section 10(c) above.

(b) Any waiver at any time by any party to this Agreement of its rights with respect to any default of any other party, or with respect to any other matter arising in connection with this Agreement, shall not be considered a waiver with respect to any subsequent default or matter.

(c) Time is of the essence of this Agreement. Except as otherwise provided, any delinquency in performance of an obligation within a time specified herein shall be deemed a default.

(d) In the event of a default by any Purveyor or City of any obligation under this Agreement, any non-defaulting party may seek any judicial remedy available at law or in equity without prior notice to the other party.

In the event judicial remedy is sought, the prevailing party shall be entitled to payment of its attorney fees within twenty (20) days of entry of final judgment or decree.

(e) In addition to any other remedy available any party shall have the right to obtain specific performance of any provision of this Agreement.

(f) In the event City terminates this Agreement as to any Purveyor under this Section, City will be released from its obligations to the Purveyor under any water purchase agreement unless there is available alternate delivery capacity to the terminated Purveyor.

(g) The covenants and agreements of each party hereunder are intended to be for the benefit of and in consideration of the covenants and agreements of each other party hereunder.

SECTION 15. Completion of Construction. City agrees to proceed diligently with the financing and construction of the Project and, subject to Uncontrollable Forces, plans, but is not obligated, to complete the Project by July 1, 1983.

SECTION 16. Notices and Computation of Time. Any notice or demand by any Purveyor under this Agreement to City shall be deemed properly given if mailed postage prepaid and addressed to the City Auditor, City Hall, Portland, Oregon 97201. Any notice or demand by City to any Purveyor under this Agreement shall be deemed properly given if mailed postage prepaid and addressed to:

<u>Purveyor</u>	<u>Address</u>
Metzger Water District	
Raleigh Water District	5010 S.W. Scholls Ferry Rd. Portland, Oregon 97225
City of Tualatin	
Wolf Creek Highway Water District	P.O. Box 745 Beaverton, Oregon 97005

In computing any period of time from such notice by any party, such period shall commence at 12:01 a.m. (midnight) on the date notice is mailed. The designations of the name and address to which any such notice or demand is directed may be changed at any time and from time to time by any party by giving notice as above provided.

SECTION 17. Conflict of Laws. This Agreement shall be governed by the laws of the State of Oregon.

SECTION 18. Assignment of Agreement. Except as provided in Section 3 (b), Section 10(c) and Section 14 hereof, no Purveyor may assign its interest in this Agreement to any person, firm or corporation which is not a party to this Agreement without the written consent of City, which consent shall not be unreasonably withheld. Subject to such consent having been given, this Agreement shall inure to the benefit of, and shall be binding upon the respective successors and assigns of the parties to this Agreement. No assignment or transfer of this Agreement shall relieve the parties hereof of any obligation incurred hereunder, unless agreed to in writing by the other parties hereto. An assignment of an interest in this Agreement will not transfer rights to receive water under any water purchase contract and will not obligate City to provide alternate delivery capacity to the assigning Purveyor.

SECTION 19. Purveyors' Designated Representative. For purposes of giving effect to this Agreement in such cases where the action, decision or recommendation or written consent and approval of the Purveyors is required under the terms hereof, the Purveyors collectively shall designate a person to be their authorized representative which designation shall be in writing to the City not more than 5 days after the date all Purveyors have signed this Agreement. The Purveyors' designated representative shall

take and make all necessary actions, decisions or recommendations within the time required by the City in order timely to proceed with the Project.

SECTION 20. Severance. In the event any section, paragraph, sentence, clause or phrase of this Agreement shall be adjudicated by a court of last resort and of competent jurisdiction to be invalid or illegal, the remainder of this Agreement shall be unaffected by such adjudication, and all other provisions of this Agreement shall remain in full force and effect as though the section or such part hereof so adjudicated to be invalid had not been included herein, so long as the invalidity or illegality does not substantially alter the rights and obligations of the parties hereunder.

APPROVED AS TO FORM:

CITY OF PORTLAND, OREGON

City Attorney

By _____
Commissioner of Public Utilities

By _____
Auditor

PURVEYORS

CITY OF TUALATIN, OREGON

METZGER WATER DISTRICT

By _____

By _____

WOLF CREEK HIGHWAY WATER DISTRICT

RALEIGH WATER DISTRICT

By *[Signature]*

By *[Signature]*

Wolf Creek Highway
Water District

EXHIBIT B

149986

Post Office Box 745 • 1850 S.W. 170th • Beaverton, Oregon 97005 • 503/642-1511

June 30, 1980

Mike McKillip
City of Tualatin
Tualatin, Oregon 97062

BOARD ACTION ON 60" WASHINGTON COUNTY GRAVITY SUPPLY CONDUIT

On June 19, 1980, our Board of Commissioners unanimously passed a resolution authorizing execution of the Washington County Gravity Supply Conduit Agreement with the City of Portland. This agreement was identical to that provided to the other parties of Raleigh, Metzger, and Tualatin.

In addition the Commissioners authorized the President of the Board to negotiate the percentage of the line to be assigned to Wolf Creek...if any of the participating entities failed to sign the Agreement within the deadline of the Interim Agreement. If all participants sign within the deadline then the percentage for Wolf Creek will be as determined at our June 13th meeting - 55%. Any participating entity that doesn't sign, Wolf Creek will ask to assume their percentage...and, if they later change their mind and want a percentage of the line they will then negotiate with Wolf Creek for that percentage. For the risk, and for monies expended, it will be expected that those who don't sign now, but negotiate later, will pay a higher price. Those negotiations could be for a percentage of the line, or Wolf Creek could simply sell water to the requesting parties. Our Board of Commissioners took this position so that the project can continue without delay.

If there are any questions concerning the action taken by our Board of Commissioners please call.

Gene Seibel
Administrator

GS/dlp

ORDINANCE NO. **149986**

An Ordinance authorizing the acceptance and execution of the Washington County Gravity Supply Conduit Agreement between the City of Portland, Bureau of Water Works, and the Wolf Creek Highway Water District and Raleigh Water District to provide financial assistance for the design and construction of the Washington County Gravity Supply Conduit, and declaring an emergency.

The City of Portland ordains:

Section 1. The Council finds:

1. An Interim Agreement authorized by Ordinance No. 149557 passed by Council on May 7, 1980 assured the City of Portland of financial assistance for the design and construction of the Washington County Gravity Supply Conduit.
2. The Interim Agreement was signed by the Boards of the Wolf Creek Highway, Raleigh and Metzger water districts and the City of Tualatin.
3. The Interim Agreement was in effect through June 30, 1980.
4. Resolution No. 32689 passed by Council on June 11, 1980 authorized the approval of the Conduit Agreement in final form, with all purveyors wishing to participate in the capacity and financing of the Supply Line.
5. The Boards of the Wolf Creek Highway Water District and Raleigh Water District have now signed the final Conduit Agreement, marked Exhibit A, attached to the original only.
6. Wolf Creek Highway Water District has assumed the liabilities of all project costs, other than that assumed by Raleigh Water District, as stipulated in Exhibit B, attached to the original only.
7. Wolf Creek Highway Water District will negotiate directly with Metzger Water District and the City of Tualatin for any and all costs associated with the water sales as a direct result of the Supply Line.

NOW, THEREFORE, the Council directs:

- a. The Commissioner-in-Charge and City Auditor are hereby authorized to accept and execute the Washington County Gravity Supply Conduit Agreement.

ORDINANCE No.

b. The agreement effective date shall be the date the ordinance is approved by the City Council.

Section 2. The Council declares that an emergency exists in order to continue with planning to preserve the public health and safety of the City of Portland and its water purveyors; therefore, this ordinance shall be in force and effect from and after its passage by the Council.

APPROVED BY THE CITY OF PORTLAND
GEORGE YERKOVICH

JUL 9 1980

CLAIRING AN EMERGENCY
COUNCIL DEWATERING CONDUIT, AND RE-
VISION AND CONSTRUCTION OF THE WASHINGTON
BRIDGE FINANCIAL ASSISTANCE FOR THE
DISTRICT AND BELMONT WATER DISTRICT FOR
WORKS AND THE HOULI OUSE JIMMY WELF
THE CITY OF PORTLAND, PURSUANT TO WATER
REVISION FINANCIAL ASSISTANCE BEFORE
AND EXECUTION OF THE WASHINGTON CONDUIT
AN ORDINANCE APPROVING THE OCCURRENCE

THIS

ORDINANCE NO. 130880

Ordinance No. 130880

Passed by the Council, **JUL 9 1980**

Commissioner Ivancie
Liz Osmond/lo
July 2, 1980

Attest:

Chief Deputy Auditor of the City of Portland

Charles Spear

Calendar No. 2486

ORDINANCE No. 149986

Title

An Ordinance authorizing the acceptance and execution of the Washington County Gravity Supply Conduit Agreement between the City of Portland, Bureau of Water Works, and the Wolf Creek Highway Water District and Raleigh Water District to provide financial assistance for the design and construction of the Washington County Gravity Supply Conduit, and declaring an emergency.

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
Ivancie	1	
Jordan	1	
Lindberg	1	
Schwab	1	
McCready	1	

FOUR-FIFTHS CALENDAR	
Ivancie	
Jordan	
Lindberg	
Schwab	
McCready	

INTRODUCED BY
Commissioner Ivancie

NOTED BY THE COMMISSIONER
Affairs
Finance and Administration
Safety
Utilities <i>FJI/mag.</i>
Works

BUREAU APPROVAL
Bureau:
Water Works
Prepared By: <i>Liz Osmond</i> Date: <i>7/2/80</i>
Budget Impact Review:
<input checked="" type="checkbox"/> Completed <input type="checkbox"/> Not required
Bureau Head: <i>Carl Goebel</i> Carl Goebel, Administrator

NOTED BY
City Attorney
City Auditor <i>[Signature]</i>
City Engineer

Filed JUL 3 1980

GEORGE YERKOVICH
Auditor of the CITY OF PORTLAND

By *Gordon [Signature]*
Deputy