

**Exhibit A**  
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**DRAFT INTERGOVERNMENTAL AGREEMENT**  
**for**  
**Cost-Sharing of Levee Ready Columbia Expenses Not Covered by IFA Loans**

This Intergovernmental Agreement (this "Agreement") is authorized by ORS 190.010 and is made and entered into as of \_\_\_\_\_ (the "Effective Date") by and among Multnomah County (the "County"), a home rule county of the State of Oregon, the City of Portland ("Portland"), an Oregon municipal corporation; the City of Gresham ("Gresham"), an Oregon municipal corporation; the City of Fairview ("Fairview"), an Oregon municipal corporation; the City of Troutdale ("Troutdale"), an Oregon municipal corporation; the Port of Portland (the "Port"), a port district of the state of Oregon; Multnomah County Drainage District No. 1 ("MCDD"), a special purpose local government organized under ORS Chapter 547; Peninsula Drainage District No. 1 ("PEN 1") a special purpose local government organized under ORS Chapter 547; Peninsula Drainage District No. 2 ("PEN 2") a special purpose local government organized under ORS Chapter 547; Sandy Drainage Improvement Company ("SDIC"), a nonprofit drainage improvement corporation organized under ORS Chapter 554, and the Sauvie Island Drainage Improvement Company ("SIDIC"), a nonprofit drainage improvement corporation organized under ORS Chapter 554 (collectively, the "Parties," and each individually a "Party").

**RECITALS**

- A. MCDD, PEN 1, PEN 2, SDIC, and SIDIC (collectively, the "Districts") operate and maintain levees and drainage facilities along and in the vicinity of the Columbia River that lie within their respective jurisdictional boundaries, among other duties. The levees were originally constructed starting around 1916 and have been periodically upgraded by the U.S. Army Corps of Engineers (the "Corps") since then. Through intergovernmental agreements ("District IGAs"), MCDD has general management authority of over all of the Districts except SIDIC. All references to MCDD in this Agreement will mean MCDD acting on its behalf and on behalf of PEN 1, PEN 2, and SDIC pursuant to the District IGAs.
- B. The Districts, except SIDIC, have formed an intergovernmental entity, the Columbia Corridor Drainage Districts Joint Contracting Authority ("CCDDJCA" or "JCA"), that has been delegated contracting authority and financial management for the four non-SIDIC districts for this and other multi-district projects. The JCA will assume MCDD's duties and responsibilities under this Agreement upon notice to the Parties once the JCA is set up and functioning.
- C. The Federal Emergency Management Agency ("FEMA") provides federal assistance in the form of flood insurance to property owners located within areas at risk of flooding, provided the communities in which those properties are located participate in the National Flood Insurance Program (the "NFIP"). FEMA recognizes levees as providing flood protection to a particular area only if they are "certified" by a qualified private engineer or an eligible federal agency (including the Corps), and then "accredited" by FEMA.

- D. The Corps has evaluated and certified the levees in the Districts, which run along the Columbia Corridor (the "Columbia Corridor" encompasses 12,000 acres on the south shore of the Columbia River in the Portland, Oregon Metropolitan area) and Sauvie Island, which are now subject to recertification under differing timelines. Expiration of the certifications could lead to de-accreditation by FEMA. The certifications must be renewed to remain accredited by FEMA.
- E. There are severe economic consequences if FEMA accreditation of a levee system is not maintained. Properties located within a flood zone that is protected by a non-accredited levee system lose access to the lower flood insurance rates offered through FEMA's NFIP. Without adequate flood insurance, those properties cannot access loans issued by federal agencies (e.g., Federal Housing Administration and Small Business Administration) and loans backed by the federal government (e.g., Veterans Administration, Fannie Mae, and Freddie Mac). In addition, properties within a flood zone that is protected by a non-accredited levee system also face floodplain development ordinances by jurisdictions that could severely restrict development in such areas.
- F. Lands protected by the levees along the Columbia Corridor and Sauvie Island are within the jurisdictional boundaries of one or more of the Parties. In addition, one or more of the Parties own lands, public facilities, or both, within the territory protected by the levees. Each Party would therefore be negatively affected by losing the federal assistance offered by the NFIP. Consequently, the Parties, in conjunction with the Oregon Solutions Program of the State of Oregon ("Oregon Solutions"), have formed a partnership entitled "Levee Ready Columbia" to work together collaboratively to obtain the necessary certifications and accreditations to ensure that the territories protected by the levees continue to qualify for the NFIP and are protected from flooding (the "Project").
- G. Business Oregon's Infrastructure Finance Authority (the "IFA") has approved three loans, one administered by the City and two administered by the County that will pay for the majority of the costs of conducting the necessary analyses to maintain certification. The Parties are parties to one or more of three intergovernmental agreements that provide for payment of the IFA loans.
- H. Pursuant to a separate agreement with the State of Oregon's Business Oregon, the County will receive \$300,000 to be used to support the Project (the "Regional Solutions Support"). The Parties understand that \$200,000 of the Regional Solutions Support will be used to reduce the amount of the Project that will be financed with the IFA loans.
- I. The remaining \$100,000 of the Regional Solutions Support will be used to pay for certain Project costs that are not fundable through the IFA loans, and the purpose of this Agreement is to provide for payment of the remaining amount of such project costs that are not fundable through the IFA loans.

TERMS

The Parties agree as follows:

1. Cash Expenses. The IFA loans will fund the engineering analyses necessary to ascertain the levees' flood-control capacity. The Parties have determined that successful implementation of the Project requires funding outreach, public involvement, and coordination activities and expenditures that are not eligible for funding under the IFA loan (the "Cash Expenses"). The Cash Expenses generally fall within the following categories:

a. Communications / Stakeholder Engagement. In light of the magnitude of the work being performed as well as the breadth of stakeholders that are impacted, meaningful engagement with a large representation of diverse community members is required in order for the project to be a success. The stakeholder outreach and engagement budget will be used to fund the work required to increase community involvement, ensure jurisdictional stakeholders remain engaged in the process, and maximize the effectiveness of highly technical advisory committees. These activities will include, without limitation:

- Developing a "brand" or identity for the project and building a website to keep community members and stakeholders updated on progress and opportunities for engagement;
- Designing and printing signage, brochures, banners, and other materials to be used at meetings and events;
- Implementing an earned media strategy through the hosting of events;
- Development and implementation of online or print survey or similar instrument(s) to measure public involvement and effectiveness of outreach campaigns;
- Advertising events;
- Utilization of respected conveners, facilitators, and necessary staff support to ensure continued participation by the Districts, impacted jurisdictions, regional partners and other stakeholders; and
- Utilization of a technical expert to manage and facilitate meetings of technical experts and engineers representing the full range of stakeholders in the project.



- b. Project Management. MCDD will provide overall project management and communications / outreach staffing and will solicit and manage any necessary communications or facilitation consultant contracts and other consultant contracts necessary to implement the Cash Expenses.
2. The total Cash Expenses for fiscal year 2015/2016 amount to \$441,050 ("Reimbursement Expenses"), and the County will pay the first \$100,000 of the Reimbursement Expenses using the Regional Solutions Support received by the County. Each Party's proportionate share of the remaining \$341,050 Reimbursement Expenses are set forth in the following Allocation Schedule. A detailed description of the calculation used to generate the Allocation Schedule is attached as Exhibit A.

	Cash Expenses Responsibility
Fairview	\$7,098
Gresham	\$2,748
MCDD	\$64,322
PEN 1	\$15,151
PEN 2	\$16,385
Port	\$100,000
Portland	\$87,435
SDIC	\$16,044
SIDIC	\$8,623
Troutdale	\$13,426
County	\$9,818
<b>Total</b>	<b>\$341,050</b>

3. The work described in Section 1 will be conducted by consultants and staff hired by MCDD. After MCDD has invoiced the County for \$100,000, to be paid with the Regional Solutions Support received by the County, each party shall pay their portion of the Cash Expenses ("Cash Expenses Responsibility") to MCDD not later than 30 days following the date of invoice by MCDD to each Party for its Cash Expenses Responsibility under this Agreement. MCDD shall keep an accounting of expenses paid from the Cash Expenses Responsibility and shall report on such expenses quarterly to the Parties.
4. IGA Entity. MCDD, PEN 1, PEN 2, and SDIC have entered into an intergovernmental agreement pursuant to ORS 190.085 to create an intergovernmental entity to act as a joint contracting agency for the purposes of receipt and expenditure of funds and contracting for goods, services, and construction services for the Project. The entity is entitled the "Columbia Corridor Drainage Districts Joint Contracting Authority" ("CCDDJCA" or "JCA"). Upon 30 days' written notice to the Parties that the JCA has been created and is ready to conduct business, the JCA will assume the duties and responsibilities of MCDD



with regard to receipt and distribution of funding and entering into and administering contracts under this Agreement. MCDD, PEN 1, PEN 2 and SDIC remain jointly responsible for ensuring that they and JCA make payments and carry out their obligations under this IGA.

5. To the maximum extent permitted by law and subject to the limitations of the Oregon Tort Claims Act, ORS Chapter 30, and the Oregon Constitution, each Party will defend, indemnify, and hold harmless the other Parties and their officers, employees, and agents from and against any and all liabilities, damages, claims, demands, judgments, losses, costs, expenses, fines, suits, and actions, whether arising in tort, contract, or by operation of any statute, including but not limited to attorneys' fees and expenses at trial and on appeal, relating to or resulting from the Party's performance of its responsibilities under this Agreement.
6. The laws of the State of Oregon will govern this Agreement and the Parties will submit to the jurisdiction of the courts of the State of Oregon.
7. This Agreement may be amended at any time with the written consent of all Parties.
8. Except as otherwise provided herein, the Parties may not assign any of their rights or responsibilities under this Agreement without prior written consent from MCDD.
9. All notices, communications, invoices, and payments required or permitted under this Agreement must be addressed as follows:

To County:           Multnomah County  
                          Chief Financial Officer  
                          501 SE Hawthorne Blvd, Suite 531  
                          Portland, OR 97214

To Portland:        City Debt Manager  
                          Office of Management and Finance  
                          1120 S.W. Fifth Avenue, Room 1250  
                          Portland, Oregon 97204-1988  
                          (503) 823-4222

To Gresham:        The City of Gresham  
                          Environmental Services Director  
                          1333 N.W. Eastman Parkway  
                          Gresham, Oregon 97030  
                          (503) 618-3000

To Gresham for     The City of Gresham  
Invoices and        City Debt Management Analyst

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Payments:	1333 N.W. Eastman Parkway Gresham, Oregon 97030 (503) 618-3000
To Fairview:	The City of Fairview City Manager 1300 NE Village Street Fairview, OR 97024
To Troutdale:	The City of Troutdale City Manager 219 E. Historic Columbia River Hwy. Troutdale, OR 97060
To the Port for notices and communications:	The Port of Portland P.O. Box 3529 Portland, Oregon 97208 Attention: Phil Ralston (503) 415-6331
To the Port for invoices and payments:	The Port of Portland P.O. Box 5095 Portland, Oregon 97208-5095 (503) 415-6000
To the Districts Except SIDIC:	Multnomah County Drainage District No. 1 Levee Ready Columbia Program Manager 1880 N.E. Elrod Drive Portland, Oregon 97211 (503) 281-5675
To SIDIC:	Sauvie Island Drainage Improvement Company Executive Director 29264 NW Sauvie Island Rd Portland, OR 97231

10. If any covenant or provision of this Agreement is adjudged void, such adjudication will not affect the validity, obligation, or performance of any other covenant or provision which in itself is valid if such remainder would then continue to conform with the terms and requirements of applicable law and the intent of this Agreement.
11. This Agreement constitutes the entire agreement between the Parties and supersedes any prior oral or written agreements or representations relating to the matters discussed herein.

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No waiver, consent, modification, or change of terms of this Agreement will bind the Parties unless in writing and signed by each Party.

12. This Agreement is not intended, and may not be construed as intending, to establish a precedent for any future cost-sharing agreements among any of the Parties pertaining to the Columbia Corridor and Sauvie Island levees. A Party's contribution under this Agreement creates no expectation that the Party is responsible for the maintenance or repair of the Columbia Corridor and Sauvie Island levees.
13. This Agreement may be executed in counterparts. Delivery of this executed Agreement by facsimile or e-mail will be sufficient to form a binding agreement.
14. This Agreement will terminate at such time as MCDD expends the last of the Reimbursement Expenses funds on the services described in Section 1 of this Agreement. A such time, MCDD will send notice of termination to the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

MULTNOMAH COUNTY

Approved as to form:

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

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

Date: \_\_\_\_\_

\_\_\_\_\_  
County Attorney

CITY OF PORTLAND

Approved as to form:

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

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Deputy City Attorney

CITY OF GRESHAM

Approved as to form:

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

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

\_\_\_\_\_  
City Attorney



Date: \_\_\_\_\_

CITY OF FAIRVIEW

Approved as to form:

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

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

Date: \_\_\_\_\_

\_\_\_\_\_  
City Attorney

CITY OF TROUTDALE

Approved as to form:

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

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

Date: \_\_\_\_\_

\_\_\_\_\_  
City Attorney

PORT OF PORTLAND

Approved as to Legal Sufficiency:

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

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Assistant General CounselMULTNOMAH COUNTY DRAINAGE  
DISTRICT NO. 1

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

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

Date: \_\_\_\_\_

SANDY DRAINAGE IMPROVEMENT  
COMPANY

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

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

Date: \_\_\_\_\_

SAUVIE ISLAND DRAINAGE IMPROVEMENT  
COMPANY

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

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

Date: \_\_\_\_\_

Acknowledged by Metro as a party to two of the intergovernmental agreements that provide for payment of the IFA loans, as described in Recital G, above:

METRO

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

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

Date: \_\_\_\_\_

Exhibit A      Allocation Methodology

## Exhibit A

### ALLOCATION METHODOLOGY

The Allocation Methodology for the Phase II loan can be found as exhibit D in the Intergovernmental Agreement for Levee Analysis Cost-Sharing Phase II (MCDD and SDIC). The documentation below describes the allocation methodology for the Cash Expenses. The total Cash Expense totals \$441,051.

**Step 1: Reduce total cash expenses by the Regional Partner contributions**

Phase II cash expenses cover the costs of communications and stakeholder engagement, Oregon Solutions, project facilitation, and staffing. The State of Oregon Regional Solutions Office, via the Regional Solutions Support, and the Port of Portland each have agreed to contribute a fixed dollar amount of \$100,000 towards the cash expenses..

Cash Expenses	\$441,051
Regional Solutions Support	-\$100,000
Port of Portland	-\$100,000
Remaining Cash Expenses	\$241,051

**Step 2: Determine the cash expense amounts for each drainage district by allocating the remaining costs as a percentage of the overall project size and cost. Project size was determined by the gross Infrastructure Finance Authority loan amount.**

	PEN 1	PEN 2	MCDD	SDIC	SIDIC
Levee System Project Cost	\$672,617	\$727,383	\$2,855,451	\$712,261	\$382,800
% of Overall Project	13%	14%	53%	13%	7%
Levee System Amount	\$30,303	\$32,770	\$128,644	\$32,089	\$17,246

**Step 3: Allocate obligation for each levee systems 50/50 between drainage districts (which assess owners of protected property) and "map-holder" jurisdictions**

	PEN 1	PEN 2	MCDD	SDIC	SIDIC
Drainage Districts	\$15,151	\$16,385	\$64,322	\$16,044	\$8,623
Jurisdictions	\$15,151	\$16,385	\$64,322	\$16,044	\$8,623



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**Step 4: Allocate jurisdiction obligations using jurisdictional acreage protected by levee system**

		<u>Protected Acres (%)</u>	<u>Obligation</u>
	<b>PEN 1</b>		
Portland		986 (100%)	\$15,151
	<b>PEN 2</b>		
Portland		1,612 (100%)	\$16,385
	<b>MCDD</b>		
Portland		7,466 (86.9%)	\$55,899
Gresham		367 (4.3%)	\$2,748
Fairview		608 (7.1%)	\$4,552
Multnomah County		150 (1.7%)	\$1,123
		8,591 (100%)	\$64,322
	<b>SDIC</b>		
Fairview		246 (15.9%)	\$2,546
Troutdale		1,297 (83.7%)	\$13,426
Multnomah County		7 (0.5%)	\$72
		1,550 (100%)	\$16,044
	<b>SIDIC</b>		
Multnomah County		15,400 (100%)	\$8,623

**Step 5: Aggregate jurisdiction obligations into list with drainage districts and Regional Partners\***

Port of Portland	\$100,000
PEN 1	\$15,151
PEN 2	\$16,385
MCDD	\$64,322
SDIC	\$16,044
SIDIC	\$8,623
Portland (\$15,151 + \$16,385 + \$55,899)	\$87,435
Gresham	\$2,748
Fairview (\$4,552 + \$2,546)	\$7,098
Troutdale	\$13,426
Multnomah County (\$1,123 + \$72 + \$8,623)	\$9,818
	<u>\$341,050</u>

\*There is a rounding error which results in a \$1.00 discrepancy.

**DRAFT INTERGOVERNMENTAL AGREEMENT**  
**for**  
**Levee Analysis Cost-Sharing**  
**Phase II (MCDD and SDIC)**

This Intergovernmental Agreement (this "Agreement") is authorized by ORS 190.010 and is made and entered into as of \_\_\_\_\_ (the "Effective Date") by and among Multnomah County (the "County"), a home rule county of the State of Oregon, the City of Portland ("Portland"), an Oregon municipal corporation; the City of Gresham ("Gresham"), an Oregon municipal corporation; the City of Fairview ("Fairview"), an Oregon municipal corporation; the City of Troutdale ("Troutdale"), an Oregon municipal corporation; the Port of Portland (the "Port"), a port district of the state of Oregon; Metro, an Oregon municipal corporation; Multnomah County Drainage District No. 1 ("MCDD"), a special purpose local government organized under ORS Chapter 547; and Sandy Drainage Improvement Company ("SDIC") a nonprofit drainage improvement corporation organized under ORS Chapter 554 (collectively, the "Parties," and each individually a "Party").

**RECITALS**

- A. MCDD and SDIC (collectively, the "Districts") operate and maintain levees and drainage facilities along and in the vicinity of the Columbia River that lie within their respective jurisdictional boundaries, among other duties. The levees were originally constructed around 1916 and have been periodically upgraded by the U.S. Army Corps of Engineers (the "Corps") since then. Through intergovernmental agreements, MCDD has general management authority of SDIC (see the "District IGA," attached hereto as Exhibit A). All references to MCDD in this Agreement will mean MCDD acting on its behalf and on behalf of SDIC pursuant to the District IGAs.
- B. The Districts, along with Peninsula Drainage District No. 1 ("PEN 1") and Peninsula Drainage District No. 2 ("PEN 2"), have formed an intergovernmental entity entitled the "Columbia Corridor Drainage Districts Joint Contracting Authority" ("CCDDJCA" or "JCA") that has been delegated contracting authority and financial management for the four districts for this and other multi-district projects. The JCA will assume MCDD's duties and responsibilities under this Agreement upon notice to the Parties once the JCA is set up and functioning.
- C. The Federal Emergency Management Agency ("FEMA") provides federal assistance in the form of flood insurance to property owners located within areas at risk of flooding, provided the communities in which those properties are located participate in the National Flood Insurance Program (the "NFIP"). FEMA recognizes levees as providing flood protection to a particular area only if they are "certified" by a qualified private engineer or an eligible federal agency (including the Corps), and then "accredited" by FEMA.

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- D. The Corps evaluated and certified the levees in the Districts, which run along the Columbia Corridor (the "Columbia Corridor" encompasses 12,000 acres on the south shore of the Columbia River in the Portland, Oregon Metropolitan area), in 2007, which led to their accreditation by FEMA. The certification is valid until 2017. Expiration of the certification in 2017 could lead to de-accreditation by FEMA. MCDD and SDIC certifications must be renewed to remain accredited by FEMA.
- E. There are severe economic consequences if FEMA accreditation of a levee system is not maintained. Properties located within a flood zone that is protected by a non-accredited levee system lose access to the lower insurance rates offered through FEMA's NFIP. Without adequate flood insurance, those properties cannot access loans issued by federal agencies (e.g., Federal Housing Administration and Small Business Administration) and loans backed by the federal government (e.g., Veterans Administration, Fannie Mae, and Freddie Mac). In addition, properties within a flood zone that is protected by a non-accredited levee system also face floodplain development ordinances by jurisdictions that could severely restrict development in such areas.
- F. Lands protected by the levees along the Columbia Corridor are within the jurisdictional boundaries of one or more of the Parties. In addition, one or more of the Parties own lands, public facilities, or both, within the territory protected by the levees. Each Party would therefore be negatively affected by losing the federal assistance offered by the NFIP.
- G. To avoid the economic consequences of losing the federal assistance offered by the NFIP and the potential impact of local floodplain development standards, the MCDD and SDIC levees must remain certified and accredited. In order to renew the levees certification, an engineering analysis must be performed to ascertain the levees' flood-control capacity (the "Analysis"). MCDD and SDIC have or will enter into contracts with a consultant to complete a portion of this analysis (the "Project"). A detailed description of the Project is attached as Exhibit B. MCDD and/or SDIC will enter into contracts with additional consultants as needed to complete the Analysis.
- H. Business Oregon's Infrastructure Finance Authority (the "IFA") has approved a grant of \$50,000 for a portion of the Analysis to be conducted in MCDD, a grant of \$50,000 for a portion of the Analysis to be conducted in SDIC (collectively, the "Grant Portion"), a 0%-interest loan in the amount of \$1,499,880 (the "0% Portion"), and a 1.84% loan in the amount of \$1,967,832 (the "2% Portion", and with the 0% Portion, the "Loan Portion"), all to be awarded to the County to finance much of the cost of the Analysis (collectively, such award to the County, the "Loan"). The Parties anticipate that Loan disbursements will be made first from the Grant Portion, then from the 0% Portion, and last from the 2% Portion.
- I. The County has offered to contract for, receive, and manage the Loan and its repayment on MCDD's behalf. A copy of the draft Special Public Works Fund Planning Project Financing Contract is attached as Exhibit C. The other Parties have offered to reimburse the County for



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some portion of the Loan Portion principal and interest. The Parties wish to enter into this Agreement to effectuate these financial arrangements.

- J. MCDD, PEN 1, PEN 2, Portland, Metro, and the Port successfully completed an earlier Analysis of the related levee system in PEN 1 and PEN 2 pursuant to an earlier IGA, entered into as of June 1, 2014, where Portland received and managed a \$1.4 million IFA Loan ("Phase I Levee Analysis"). The Analysis under this Agreement, together with similar work to be performed on Sauvie Island pursuant to a separate IGA, will be Phase II.
- K. Pursuant to a separate agreement with the State of Oregon's Business Oregon, the County will receive \$300,000 to be used to support Phase II (the "Regional Solutions Support"). The Parties understand that \$166,085 of the Regional Solutions Support will be used to reduce the amount of the analysis that will be financed with the Loan; \$33,915 will be used to reduce the amount of the analysis to be done on Sauvie Island that will be financed with debt, and the remaining \$100,000 will be used to reimburse MCDD for expenses related to Phase II that are not eligible to be financed with the Loan.

**TERMS**

The Parties agree as follows:

- 1. The County will apply for and negotiate the Loan terms substantially similar to those in Exhibit C for a maximum of \$3,567,712. The Parties acknowledge and understand that the County and the IFA will be the sole parties to the Loan, that no other Party or entity will participate in the negotiations thereof, and that no Party except the County and MCDD has any rights or obligations under the Loan or to the IFA.
- 2. Notwithstanding the definition of "Recipient" as a reference to the County in the Loan terms, MCDD will fulfill all of the following obligations, as they may appear in the Loan terms and as interpreted by the County:
  - a. Apply the Loan proceeds and any funds received from the County pursuant to this Agreement (collectively, the "Project Proceeds") only to the costs of the Analysis; comply with deadlines relevant to the Analysis; complete the Analysis with funds other than the Project Proceeds once MCDD has received \$3,567,712 of Project Proceeds; and undergo required audits.
  - b. MCDD represents and warrants to the County that a reasonable estimate of the cost of the Analysis is \$3,567,712 and that MCDD will have adequate funds available to pay for the Analysis to the extent the cost thereof exceeds \$3,567,712.
  - c. To the best of its knowledge, MCDD has disclosed in writing to the County all facts that materially adversely affect the Analysis, MCDD's ability to perform all

obligations required by this Agreement, or the ability of the County to make all payments and perform all obligations required by its Financing Contract with the IFA. MCDD shall promptly notify the County of any adverse change in the activities, prospects, or condition (financial or otherwise) of (i) MCDD or the Analysis related to the ability of MCDD to perform all obligations required by this Agreement or (ii) of the Districts' ability to pay their proportional shares of the Loan Portion repayment.

- d. MCDD will comply with all applicable law, including but not limited to obtaining all applicable permits and approvals that may be necessary for performing the Analysis.
- e. MCDD will ensure all service providers performing the Analysis who are retained for their professional expertise are certified, licensed, or registered, as appropriate, in the State of Oregon for their professional specialties.
- f. MCDD will comply with all obligations to comply with the policies of the IFA, including but not limited to contracting requirements, and with state procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C; and, if applicable, with state labor standards and wage rates found in ORS chapter 279C.
- g. MCDD is encouraged to make good faith efforts as described in ORS 200.045 (available at <http://www.leg.state.or.us/ors/200.html>) in any contracting activity. Additional resources are provided by the Director of Economic & Business Equity at <http://www.oregon.gov/gov/MWESB/Pages/index.aspx>. Also, the Office of Minority, Women, and Emerging Small Business at the Oregon Business Development Department maintains a list of certified firms and can answer questions. Search for certified MWESB firms on the web at: <http://imd10.cbs.state.or.us/ex/dir/omwesb/>.
- h. MCDD will prominently place the following statement on all plans, reports, and contract solicitations relating to the Analysis: "This project was funded in part with a financial award from the Special Public Works Fund, funded by the Oregon State Lottery and administered by the Oregon Infrastructure Finance Authority."
- i. MCDD will permit the Parties and IFA and any party designated by them to inspect the property that is the subject of the Analysis and to make copies, at any reasonable time, of any accounts, books and records, including, without limitation, its records regarding receipts, disbursements, and contracts. MCDD shall supply any related reports and information as the County or the IFA may reasonably require.
- j. MCDD will retain and keep accessible all books, documents, papers, and records that are directly related to this Agreement or the Analysis for a minimum of three years following the completion of the Analysis. If there are unresolved issues at the end of

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such period, MCDD will retain the books, documents, papers, and records until the issues are resolved.

3. Beginning on or soon after the date the County executes the Loan, MCDD will forward to the County copies of invoices MCDD receives from consultants retained by MCDD or SDIC for work performed as part of the Analysis up to a maximum of \$3,567,712, excluding general administration, community outreach, and legal costs. The County will submit the invoices to the IFA for loan disbursements, provided, however, to the extent the County has sufficient funds immediately available from the Regional Solutions Portion or any Prepayment, as defined below in Section 4.b, the County may elect not to submit all or a portion of such invoices to the IFA (the "Unsubmitted Amounts"). Upon receipt of loan disbursements, the County will arrange to send the loan disbursements, together with funds equal to any Unsubmitted Amounts, to MCDD or SDIC, as appropriate, as soon thereafter as reasonably possible. If the County elects not to submit any invoices received from MCDD to IFA in order to treat such amounts as Unsubmitted Amounts, the County will arrange to send funds equal to the Unsubmitted Amounts to MCDD or SDIC, as appropriate, as soon as reasonably possible. MCDD and SDIC will use the County's payments solely for payment of invoices for work performed as part of the Analysis. As manager of SDIC pursuant to the District IGAs, MCDD will be responsible for administering these requirements as more fully described in Section 2 of this Agreement.

4. Loan Portion Repayment:

- a. At least 30 days prior to any payment date on the Loan Portion (or upon request if a Party elects to prepay its share as set forth in Section 4.b below), the County will notify the Parties of their proportional shares of the Loan Portion repayment due and the total prepayment amount, based upon each Party's Reimbursement Percentage. As used in this Agreement, a Party's "Reimbursement Percentage" is the percentage calculated by dividing the amount of such Party's Principal Responsibility by the Current Outstanding amount, both as set forth in the below table (the "Allocation Schedule"). A detailed description of the calculation used to generate the Allocation Schedule is attached as Exhibit D. Within sixty days following each annual scheduled Loan Portion payment, the County will send to the Parties an updated Allocation Schedule, revised to reflect any reductions in principal attributable to such payments. The notice shall include the County's Local Government Investment Pool (LGIP) transfer account information to facilitate payment by LGIP transfer. Those Parties will pay the County no less than their proportional shares of the Loan repayment due within thirty days of such notification. The County's first payment date on the Loan Portion is expected to be December 1, 2017, and the final payment date is expected to be no later than December 1, 2024.



**Exhibit B**  
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	Principal Responsibility	Reimbursement Percentage
Fairview	\$123,908	3.75%
Gresham	\$49,116	1.49%
Metro	\$300,000	9.09%
MCDD	\$1,149,744	34.82%
Port	\$166,085	5.03%
Portland	\$999,183	30.26%
SDIC	\$268,027	8.12%
Troutdale	\$224,278	6.79%
County	\$21,286	0.64%
<b>Current Outstanding</b>	<b>\$3,301,627<sup>1</sup></b>	<b>100.00%</b>

- b. A Party may prepay all or any portion of its obligation under this Agreement at any time without penalty. Upon receipt of such amount (a "Prepayment"), the County will reduce such Party's Principal Responsibility and the Current Outstanding amount in the most recent Allocation Schedule by the Prepayment, less the amount of accrued interest attributable to such Prepayment. If the Prepayment is received after the County has submitted any invoice to the IFA for disbursement from the 2% Portion of the Loan, the County will promptly forward such amount to be applied as a prepayment of the Loan Portion and instruct the IFA to reamortize the loan over the remaining term of the loan. Within sixty days following the County's receipt of a Prepayment, the County will send to the Parties an updated Allocation Schedule, revised to reflect the reduction in principal and each Party's new Reimbursement Percentage.
5. If any Party fails to pay the County within sixty days of the mailing date of a notification under Section 4.a above, the County may declare the Party or Parties to be in default of this Agreement and will so notify MCDD and the defaulting Party or Parties. The defaulting Party or Parties will have thirty days to cure the default following the mailing date of the County's notification of default. If a defaulting Party's nonpayment results in any penalties or increases in the amounts due under the Loan, then such default shall not affect the amounts that the nondefaulting Parties are responsible for under this Agreement.
6. MCDD and SDIC pledge to include repayment of their obligations under this Agreement in their annual budgets. Each year, MCDD and SDIC shall appropriate sufficient funds to (a) make the loan repayment due the following fiscal year; and (b) maintain a reserve fund equal to one annual repayment. MCDD and SDIC agree to levy assessments and/or make other reductions in their annual budgets in order to fund this commitment.

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<sup>1</sup> This amount reflects a reduction of \$166,085 to the \$3,467,712 Loan Portion to account for the Regional Solutions Support.

7. IGA Entity. MCDD, PEN 1, PEN 2, and SDIC have entered into an intergovernmental agreement pursuant to ORS 190.085 to create an intergovernmental entity to act as a joint contracting agency for the purposes of receipt and expenditure of funds and contracting for goods, services, and construction services for the Project. The entity is titled the Columbia Corridor Drainage Districts Joint Contracting Authority ("CCDDJCA" or "JCA"). Upon 30 days' written notice to the Parties that the JCA has been created and is ready to conduct business, the JCA will assume the duties and responsibilities of MCDD with regard to receipt and distribution of funding and entering into and administering contracts under this Agreement. MCDD and SDIC remain jointly responsible for ensuring that they and the JCA make payments and carry out their obligations under this IGA.
8. By mutual agreement, the Parties may agree to pay the entirety of the Loan from any lawfully-available funding source subsequently obtained to complete the requirements for renewed certification.
9. This Agreement may be terminated only by the County, only after (a) the Parties have paid the County their proportional shares of the principal and interest; and (b) the Loan Portion has been fully repaid.
10. The Parties acknowledge and agree that, notwithstanding the fact that the County will be using the Parties' contribution amounts to repay the Loan Portion, the County is the sole guarantor of the Loan Portion. In addition, except to the extent that a Party has agreed herein to provide funds to the County so that the County can make payments on the Loan Portion, and except for MCDD's obligations in Section 2 above, no Party is responsible for the County's performance of its obligations under the Loan. No Party is a guarantor of the performance of any other Party's obligations under this Agreement.
11. To the maximum extent permitted by law and subject to the limitations of the Oregon Tort Claims Act, ORS Chapter 30, and the Oregon Constitution, each Party will defend, indemnify, and hold harmless the other Parties and their officers, employees, and agents from and against any and all liabilities, damages, claims, demands, judgments, losses, costs, expenses, fines, suits, and actions, whether arising in tort, contract, or by operation of any statute, including but not limited to attorneys' fees and expenses at trial and on appeal, relating to or resulting from the Party's performance of its responsibilities under this Agreement.
12. The laws of the State of Oregon will govern this Agreement and the Parties will submit to the jurisdiction of the courts of the State of Oregon.
13. This Agreement may be amended at any time with the written consent of all Parties.
14. Except as otherwise provided herein, the Parties may not assign any of their rights or responsibilities under this Agreement without prior written consent from the County.

15. All notices, communications, invoices, and payments required or permitted under this Agreement must be addressed as follows:

To the County:	Multnomah County Chief Financial Officer 501 SE Hawthorne Blvd, Suite 531 Portland, OR 97214
To Portland:	City Debt Manager Office of Management and Finance 1120 S.W. Fifth Avenue, Room 1250 Portland, Oregon 97204-1988 (503) 823-4222
To Gresham:	The City of Gresham Environmental Services Director 1333 N.W. Eastman Parkway Gresham, Oregon 97030 (503) 618-3000
To Gresham for Invoices and Payments:	The City of Gresham City Debt Management Analyst 1333 N.W. Eastman Parkway Gresham, Oregon 97030 (503) 618-3000
To Fairview:	The City of Fairview City Manager 1300 NE Village Street Fairview, OR 97024
To Troutdale:	The City of Troutdale City Manager 219 E. Historic Columbia River Hwy. Troutdale, OR 97060
To the Port for notices and communications:	The Port of Portland P.O. Box 3529 Portland, Oregon 97208 Attention: Phil Ralston (503) 415-6331

To the Port for  
invoices and  
payments:      The Port of Portland  
                         P.O. Box 5095  
                         Portland, Oregon 97208-5095  
                         (503) 415-6000

To Metro:      Metro Debt Manager  
                         Finance & Regulatory Services  
                         600 N.E. Grand Avenue  
                         Portland, Oregon 97214  
                         (503) 797-1913

To the Districts:      Multnomah County Drainage District No. 1  
                         Levee Ready Columbia Program Manager  
                         1880 N.E. Elrod Drive  
                         Portland, Oregon 97211  
                         (503) 281-5675

16. If any covenant or provision of this Agreement is adjudged void, such adjudication will not affect the validity, obligation, or performance of any other covenant or provision which in itself is valid if such remainder would then continue to conform with the terms and requirements of applicable law and the intent of this Agreement.
17. This Agreement constitutes the entire agreement between the Parties and supersedes any prior oral or written agreements or representations relating to the matters discussed herein. No waiver, consent, modification, or change of terms of this Agreement will bind the Parties unless in writing and signed by each Party.
18. This Agreement is not intended, and may not be construed as intending, to establish a precedent for any future cost-sharing agreements among any of the Parties pertaining to the Columbia Corridor levees. A Party's contribution under this Agreement creates no expectation that the Party is responsible for the maintenance or repair of the Columbia Corridor levees.
19. This Agreement may be executed in counterparts. Delivery of this executed Agreement by facsimile or e-mail will be sufficient to form a binding agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.



## MULTNOMAH COUNTY

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

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

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
County Attorney

## CITY OF PORTLAND

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

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

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Deputy City Attorney

## CITY OF GRESHAM

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

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

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
City Attorney

## CITY OF FAIRVIEW

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

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

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
City Attorney

## CITY OF TROUTDALE

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

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

Date: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
City Attorney

**Exhibit B**  
**Page 11 of 14**

PORT OF PORTLAND

Approved as to Legal Sufficiency:

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

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Assistant General Counsel

METRO

Approved as to form:

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

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Assistant Metro AttorneyMULTNOMAH COUNTY DRAINAGE  
DISTRICT NO. 1

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

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

Date: \_\_\_\_\_

SANDY DRAINAGE IMPROVEMENT  
COMPANY

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

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

Date: \_\_\_\_\_

Exhibit A	Intergovernmental Agreement between MCDD and SDIC
Exhibit B	Detailed Project Description
Exhibit C	Draft Special Public Works Fund Planning Project Financing Contract
Exhibit D	Allocation Methodology



**Exhibit B**  
**Page 13 of 14**

**Exhibit D**

**ALLOCATION METHODOLOGY**

**Step 1: Allocate Regional Partner repayment responsibility between Phase II loans**

Phase II is comprised of work being performed on the levees managed and operated by Sauvie Island Drainage Improvement Company (SIDIC), MCDD and SDIC. The Regional Partners (Metro, Port of Portland, and State of Oregon Regional Solutions Office) are either contributing cash or assuming a portion of the repayment obligations for the IFA loans (such contribution and assumption, the "RP Amount"). The RP Amount is allocated between SIDIC, MCDD and SDIC according to the size of the IFA award packages approved for each in Phase II. Thus, SIDIC will receive an allocation of 9.69% (\$382,800/\$3,950,512), and MCDD and SDIC will receive a total allocation of 90.31% (\$3,567,712/\$3,950,512) of the total Regional Partner contributions. Below is the RP Amount for each Regional Partner and the total dollar amount of the RP Amount to be allocated between MCDD/SDIC and Sauvie Island:

Metro	\$300,000
Port of Portland	\$200,000
State of Oregon Regional Solutions Office	\$200,000
Total RP Amount	\$700,000
RP Amount for SIDIC (9.69% X \$700,000)	\$67,830
RP Amount for MCDD & SDIC (90.31% X \$700,000)	\$632,170

Because SIDIC is outside of Metro's jurisdictional boundary, the entire RP Amount for SIDIC is allocated between the Port and the State. Below are the allocations of each Regional Partner's RP Amount to SIDIC, MCDD and SDIC:

	SIDIC SDIC	MCDD & SDIC
Metro	\$0	\$300,000
Port of Portland	\$33,915	\$166,085
State of Oregon Regional Solutions Office	\$33,915	\$166,085
Total RP Amount	\$67,830	\$632,170

**Step 2: Determine the amount remaining after reducing the total amount of the MCDD & SDIC IFA Loan by the total RP Amount**

MCDD & SDIC IFA Loan	\$3,567,712
MCDD & SDIC Total RP Amount	-\$632,170
Remaining MCDD/SDIC IFA Loan Amount	\$2,935,542



**Step 3: Determine the loan obligations for each of MCDD and SDIC by allocating the remaining IFA Loan Amount using levee miles and applying the two \$50,000 IFA grants**

Levee miles in MCDD: 13.4 (80.04%)  
 Levee miles in SDIC: 3.3 (19.96%)

	MCDD	SDIC
Allocated IFA Loan Amount	\$2,349,488	\$586,054
IFA grant	-\$50,000	-\$50,000
Allocated IFA Loan Obligation	\$2,299,488	\$536,054

**Step 4: Allocate obligation for each levee systems 50/50 between drainage districts (which assess owners of protected property) and "map-holder" jurisdictions**

	MCDD	SDIC
Drainage districts	\$1,149,744	\$268,027
Jurisdictions	\$1,149,744	\$268,027

**Step 5: Allocate jurisdiction obligations using jurisdictional acreage protected by levee system**

	Protected Acres (%)	Obligation
<b>MCDD</b>		
Fairview	608 (7.1%)	\$81,369
Gresham	367 (4.3%)	\$49,116
Multnomah County	150 (1.7%)	\$20,075
Portland	7,466 (86.9%)	\$999,183
	8,591 (100%)	\$1,149,744
<b>SDIC</b>		
Fairview	246 (15.9%)	\$42,538
Multnomah County	7 (0.5%)	\$1,210
Troutdale	1,297 (83.7%)	\$224,278
	1,550 (100%)	\$268,027

**Step 6: Aggregate jurisdiction obligations into list with drainage districts and Regional Partners**

Fairview (\$81,369 + \$42,538)	\$123,908
Gresham	\$49,116
Metro	\$300,000
MCDD	\$1,149,744
Port of Portland	\$166,085
Portland	\$999,183
SDIC	\$268,027
Troutdale	\$224,278
Multnomah County (\$20,075 + \$1,210)	\$21,286
	\$3,301,627