

## **CITY OF PORTLAND AND CITY OF GRESHAM WHOLESALE SEWER SERVICE AGREEMENT**

This Agreement is entered into pursuant to ORS 190.010 and ORS 454.165 between the City of Portland (hereinafter called Portland) and the City of Gresham (hereinafter called Gresham), both municipal corporations of the State of Oregon, under the authority of the charters and laws applicable to Portland and Gresham. This Agreement between Portland and Gresham supercedes the Agreement between the parties for transportation and treatment of sewage dated November 16, 1995 (hereinafter called the 1995 Agreement). Portland and Gresham desire to supercede the 1995 Agreement to reflect clarification for payment of monthly service charges for connections from Portland into Gresham's system, and to allow any connections by Portland to Gresham to be taken off the total EDU's reimbursed to Portland for services Gresham receives.

### **I. PURPOSE AND INTENT OF AGREEMENT**

- A. To provide for transportation and treatment of sewage discharged from property within the portion of Gresham that lies within the tributary drainage area of Portland's Columbia Boulevard Wastewater Treatment Plant, for those properties shown in Exhibit A.
- B. To provide for Portland to recover costs of providing facilities and services for the transportation and treatment of sewage from Gresham.
- C. To provide for compliance with existing and future federal, state, and local requirements which are applicable to and binding on Portland and Gresham.
- D. To provide for transportation and treatment of sewage discharged from property within Portland which lies within the tributary drainage area of Gresham's treatment plant or for other reasons is best able to be transported and treated by Gresham, and for making arrangements for Portland to apply credits towards Gresham's bill for such sewage.

### **II. DEFINITIONS**

- A. Director

For Portland, the Director of the Bureau of Environmental Services or designee. For Gresham, its City Manager or designee.

- B. Code

The Code of the City of Portland, as amended from time to time. The original is on file with the Auditor's Office of the City of Portland.

- C. Equivalent Dwelling Unit (EDU)

The monthly wastewater discharge of a typical single family dwelling, including associated infiltration, which has been established to be 1000 cubic feet. For purposes of determining allowable numbers of connections under terms of this Agreement, EDU equivalencies shown in the Code shall be used.

### **III. PURCHASE OF SEWAGE TRANSPORTATION AND TREATMENT CAPACITY**

Gresham has previously purchased 693 EDU's as of 6/30/95 through payment of connection charges on a property by property basis under terms of the 1995 Agreement and Portland had purchased no EDUs from Gresham. As of 6/30/02, Gresham has connected a total of 729.6 EDUs to the portion of Portland's sewage transportation and treatment system, and Portland has connected a total of 76.4 EDUs to

Gresham's sewage transportation and treatment system, for which payment of connection charges will be required. For the purposes of this Agreement, purchase of sewage transportation and treatment capacity are subject to the following conditions:

- A. The purchased equivalent dwelling units of sewage transportation and treatment capacity shall not include the transfer of ownership of sewage transportation and treatment facilities to Gresham. Accordingly, Portland or Gresham may, at its discretion, modify, improve or remove from service sewage transportation and treatment systems used to transport and treat wastewater discharged from its respective system. However, neither Portland nor Gresham may intentionally disrupt the provision of sewage transportation and treatment services without prior mutual approval.
- B. Portland and Gresham agree that sewage transportation and treatment capacities purchased by either entity under terms of this Agreement are based on capacities and conditions of sewer system facilities and federal and state laws and regulations in existence and operating at the time this Agreement is entered into, and that capital maintenance and improvements will be necessary from time to time to maintain the level of sewage transportation and treatment capacities being purchased under terms of this Agreement and to ensure continuing compliance with federal and state laws and regulations.
- C. Portland will purchase EDU's from Gresham for connection charges on a property by property basis at Gresham's then current SDC rate and method set by resolution or ordinance at the time of physical connection. Gresham will purchase EDU's from Portland for connection charges on a property by property basis at Portland's then current SDC rate and method set by resolution or ordinance at the time of physical connection. With written agreement of both entities, equivalent capacity in the form of EDU's may be transferred between Portland and Gresham as necessary. The purchase of EDU capacity shall be completed as part of the regularly scheduled quarterly billings identified in Section VI.
- D. Upon completion of this Agreement and at the time of the next regularly scheduled billing identified in Section VI, Portland will purchase from Gresham 39.8 EDUs (the net difference between the number of current EDUs connected and the number of EDUs that have been purchased by each city) at the rate of \$1,900 per EDU (Gresham's current SDC rate), bringing the total amount of EDUs for each entity to those totals identified in this Section.

#### **IV. LIMITATIONS ON DISCHARGE**

Gresham and Portland shall adopt and enforce through vigorous inspection, sewer construction standards that minimize the amount of infiltration and inflow entering their respective sewer systems. Gresham and Portland shall enact, maintain and enforce ordinances and regulations prohibiting direct or indirect connections of roof drains, footing drains and all other stormwater and groundwater connections to any portion of their respective sewer systems served under terms of this Agreement.

Gresham shall not allow wastewater or infiltration and inflow to the sewer system that will cause the Columbia Boulevard Wastewater Treatment Plant (CBWTP) to exceed the limitations of its waste discharge National Pollution Discharge Elimination System (NPDES) permit, or otherwise be detrimental to efficient operation or the economical disposal of biosolids, or cause the treatment plant to be inoperable.

Portland shall not allow wastewater or infiltration and inflow to the sewer system that will cause the Gresham Wastewater Treatment Plant to exceed the limitations of its waste discharge NPDES permit, or otherwise be detrimental to efficient operation or the economical disposal of biosolids, or cause the treatment plant to be inoperable.

Neither Gresham nor Portland shall allow wastewater to be discharged to the others respective sewer system from properties located outside the area of the sewer system served under terms of this

Agreement as shown in Exhibit A without specific written permission of the Director of Portland's Bureau of Environmental Services, in the case of Portland, or the Gresham City Manager, in the case of Gresham.

## **V. CHARGES FOR TRANSPORTATION AND TREATMENT OF SEWAGE**

Charges to Gresham for sewage transportation and treatment services shall be based on a percentage of the average monthly bill charged by Portland to those retail residential customers located outside the Portland city limits, estimated by the Portland Director or designee, using Portland's city-wide average residential sanitary flow and approved Out-of-City rates. This percentage will be determined by deducting the following cost components per EDU, representing those services not provided to Gresham, from the average monthly Out-of-City residential bill (as shown in Appendix B):

- Account Service Charge
- Bureau of Maintenance Sewer Customer Response
- Source Control
- Environmental Monitoring
- Development Assistance
- Treatment costs representing a proportionate share for operation of Tryon Creek Wastewater Treatment Plant

The calculated percentage rate shall be rounded to two significant decimal places; i.e., 70.1% and 69.7% would both be rounded to 70%. The percentage of average monthly Out-of-City residential bill will be calculated at least every five fiscal years.

Calculation of charges to Gresham for sewage transportation and treatment services shall be determined by multiplying the current percentage rate, which shall be eighty (80) percent beginning in Fiscal Year 2002/2003 (as shown in Appendix B), times Portland's average monthly Out-of-City residential bill for each fiscal year to determine Gresham's charge per EDU. This amount will then be multiplied by the then current number of Gresham EDUs being treated by Portland, less the number of Portland EDUs being treated by Gresham, times the number of months in the billing cycle

## **VI. CONNECTION TO AND USE OF FACILITIES**

To avoid duplication of sewer construction, and upon approval by its administrator, both parties to this Agreement shall allow the other to connect to and use its sewer system to convey sewage to the other's sewage transportation and treatment system. However, Gresham shall not allow connections from properties within Gresham which discharge sewage to Portland's sewage transportation and treatment system to exceed 729.6 EDU's without purchase of additional capacity, as provided for within this Agreement. Also, Portland shall not allow connections from properties within Portland which discharge sewage to Gresham's sewage transportation and treatment system to exceed 76.4 EDU's without purchase of additional capacity, as provided for within this Agreement.

The party in whose jurisdiction the property is located shall require a sewer connection permit and shall collect all connection charges and/or assessments according to its laws and regulations as if the sewer were under its full jurisdiction. The party owning the sewer which transports the sewage for treatment shall not require payment of connection charges from the property owner, but shall collect all connection charges and or assessments according to its laws and regulations from the party in whose jurisdiction the property is located.

If a direct connection is to be made to any of the other party's trunks or interceptors, then the party owning the trunk or interceptor shall make the tap in the sewer. Before either party's crew may tap the sewer, the property owner shall obtain a sewer connection permit from the other City and pay the appropriate tap fee required. All connections will be made according to the "Rules for Sewer Connection" of the city owning the trunk or interceptor to which a connection is to be made. Also, the property owner

(or city requesting to connect) shall be required to provide a trench or hole with adequate shoring to allow safe access to the sewer.

Properties which lie within Portland's or Gresham's boundaries may require construction of new collection facilities. Because of topography or economy of scale or other reasons, construction of collection facilities may be most feasible in whole or in part within the boundaries of the other party. Therefore, Gresham and Portland shall cooperate in all matters relating to the provision of such collection facilities, but are not obligated by this Agreement to undertake capital construction projects upon request. Connection to and use of either party's collection system shall be in accordance with the provisions of this Agreement.

To facilitate calculation of the quantity of sewage from Gresham to Portland, Gresham shall keep records of the number, address, and equivalent dwelling units that have made connection to any system served by Portland. Gresham will forward such information quarterly to Portland within 30 days after completion of each quarter. Portland shall keep records of the number, address, and equivalent dwelling units that have made connection to any system served by Gresham, and will forward such information quarterly to Gresham within 21 days after completion of each quarter. In addition, for purposes of billing, connections completed any time during a given month will be considered to have been connected for the full month.

## **VII. TERMS OF AGREEMENT**

This Agreement shall be in effect on July 1, 2002, and be in effect in perpetuity or until terminated by either party. Either party may terminate this Agreement by giving the other party 18 months written notice. After such notice is given, the Agreement shall automatically terminate at the end of the 18 month period. Either party may reopen negotiations of any or all terms of the Agreement by giving the other party six months written notice of its desire to renegotiate the Agreement.

## **VIII. SEVERABILITY**

In the event any of the provisions of this Agreement shall be held to be impossible, invalid, or unenforceable, the remaining provisions shall be valid and binding upon the parties hereto.

## **IX. WAIVER**

One or more waivers by either party of any provision, condition, or covenant shall not be construed by the other party as a waiver or subsequent breach of the same by the other party.

## **X. INTERPRETATION**

This Agreement was drafted as a joint effort of Portland and Gresham. It therefore shall not be construed against any party preparing it, but shall be construed as if both parties had prepared it.

## **XI. INDEMNIFICATION**

### **A. Indemnification by the City of Portland**

To the maximum extent permitted by law, Portland shall hold harmless Gresham, its officers and employees and shall indemnify Gresham, its officers and employees for any claims or damages to property or injury to persons or for any penalties or fines which may be occasioned in whole or in part by Portland's failure to fully perform the obligations undertaken by Portland in this Agreement.

B. Indemnification by the City of Gresham

To the maximum extent permitted by law, Gresham shall hold harmless Portland, its officers and employees and shall indemnify Portland, its officers and employees, for any claims or damages to property or injury to persons or for any penalties or fines which may be occasioned, in whole or in part, by Gresham's failure to fully perform the obligations undertaken by Gresham in this Agreement.

APPROVED AND EXECUTED pursuant to the authority of the City Councils of the CITY OF PORTLAND and the CITY OF GRESHAM.

CITY OF PORTLAND



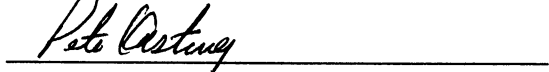
By: Dean Marriott, Director, Bureau of  
Environmental Services

Date: 11/1/02

By: Auditor


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

APPROVED AS TO FORM:



City Attorney

CITY OF GRESHAM



By: Rob Fussell, City Manager

Date: 10/18/02

By: Charles J. Becker, Mayor

Date: 10-17-02

APPROVED AS TO FORM:



City Attorney





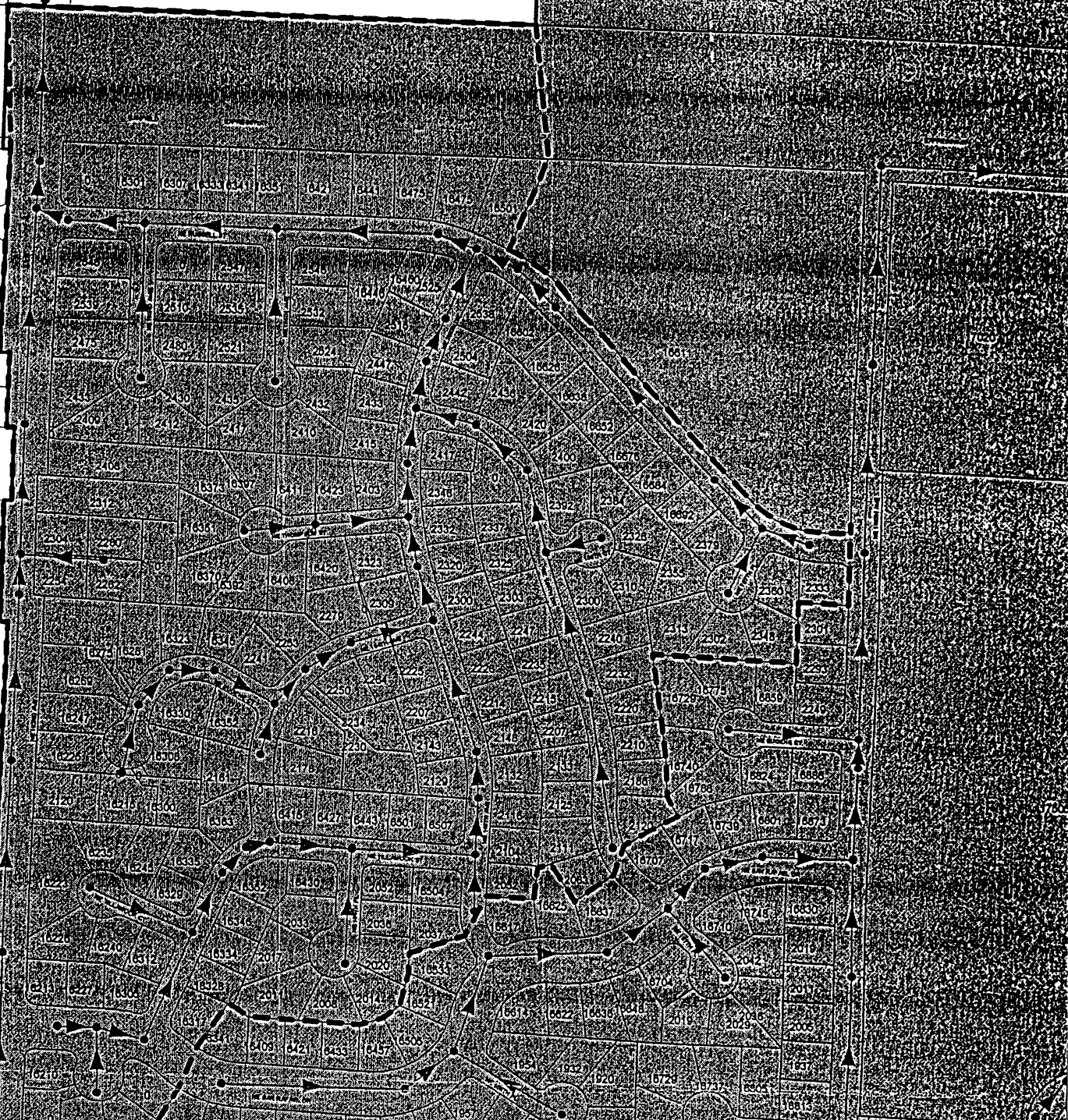
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EMPIRE HIGHWAY

144

(COLUMBIA RIVER HIGHWAY)

609 2604 15947 16009 16021 16039 16049 16117 16129  
2546 15943  
15931 16000 16028  
845 15907 15919 15930 2525 2526 16122  
15928 2511 2512  
15904 15912 15920 15924 15926 2443 2444 0  
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15816 15828 2349 2350  
15827 15843 2338  
2320 15931 16003 16019 16113 16127  
15824 15846 15912 15928 2258 16112 16126  
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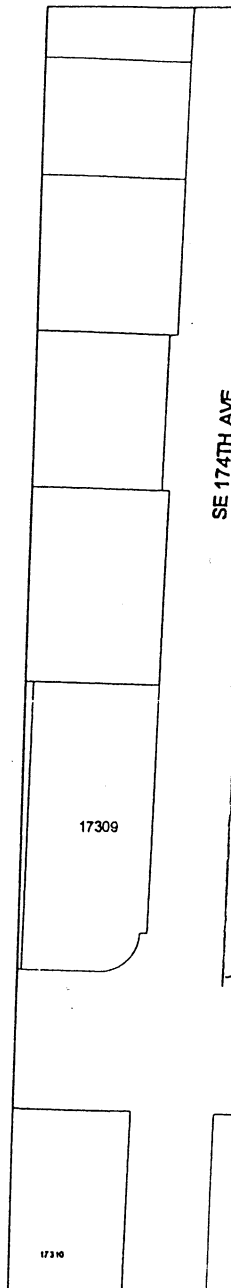
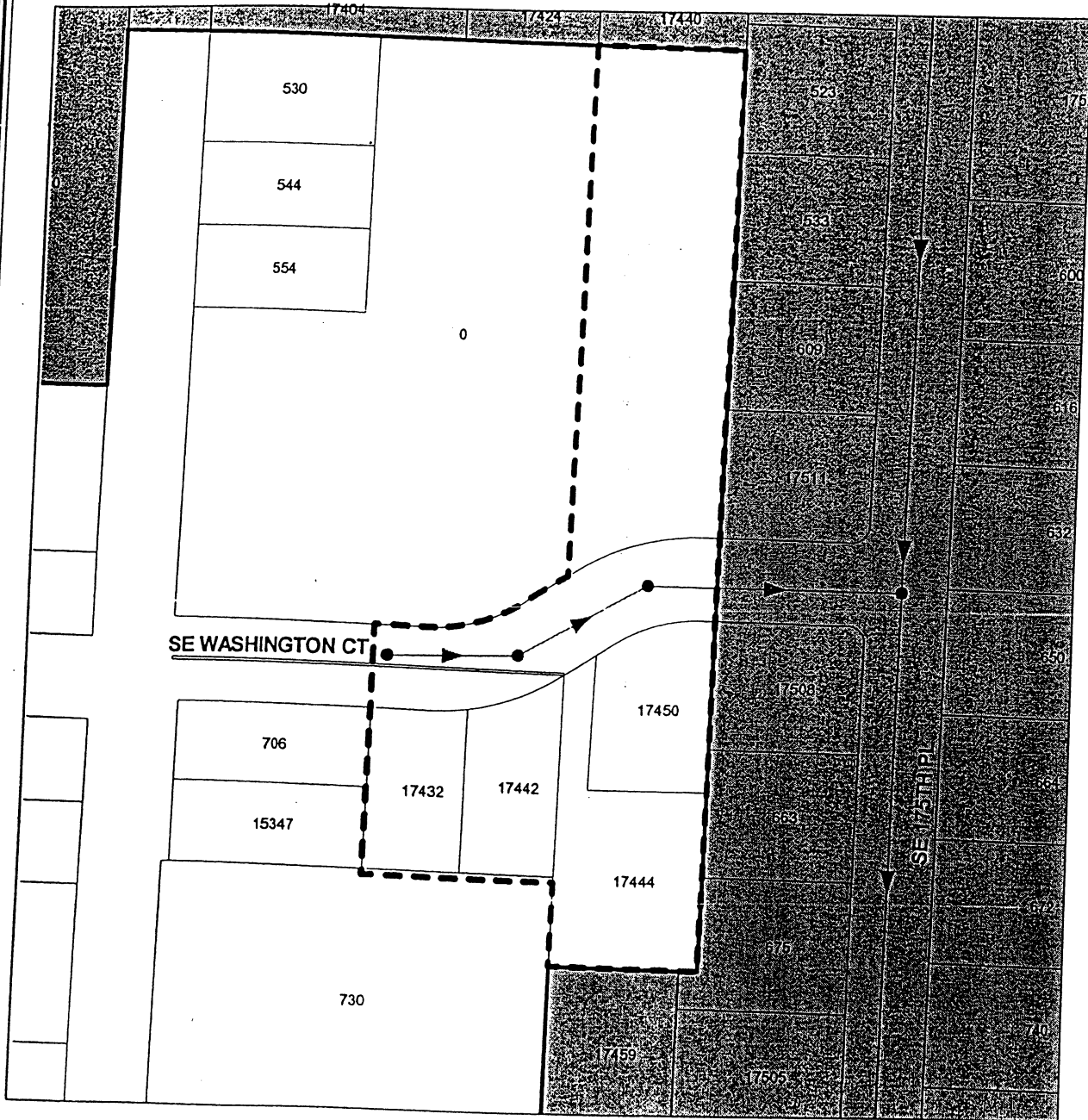






# EXHIBIT

AREAS IN PORTLAND THAT FLO



15

1208

16133

1135

1200

NE MULTNOMAH ST

115

1146

NE 161 ST AVE

893

1134

FLows TO  
GRESHAM  
1109

0

16106

16124

16126

0

0

1128

1125

1120

16230

1014

1016

1022

1047

1044

1010

16045

16065

16121

16131

1027

16221

928

16034

16050

NE HOLLADAY ST

16060

16110

16120

16136

925

## EXHIBIT B

### Breakdown of Monthly Sanitary Sewer Bill for Typical Single Family Residential Customer FY 2003 Approved Rates

	Portland's In-City Rates	Portland's Out-of-City Rates	Gresham Would Pay	
<b>Account Service</b>	<b>\$ 2.71</b>	<b>\$ 2.33</b>	-	
<b>Sanitary Sewer Service</b>				
Maintenance	<b>\$ 4.46</b>	<b>\$ 3.83</b>	\$3.54	
<i>Maintenance Planning</i>	0.62	0.53	0.53	
<i>BOM-Sewer Repair</i>	1.43	1.23	1.23	
<i>BOM-Sewer Cleaning and Inspection</i>	1.06	0.91	0.91	
<i>Sewer Customer Response</i>	0.35	0.30	-	
<i>Pump Station Maintenance</i>	1.00	0.86	0.86	
Source Control	<b>0.27</b>	<b>0.23</b>	-	
Environmental Monitoring	<b>0.40</b>	<b>0.35</b>	-	
Development Assistance	<b>0.22</b>	<b>0.19</b>	-	
Treatment	<b>5.94</b>	<b>5.11</b>	4.94	
<i>Columbia Blvd.</i>	5.75	4.94	4.94	
<i>Tryon Creek</i>	0.19	0.16	-	
System Planning	<b>0.31</b>	<b>0.27</b>	0.27	
Facility Design and Construction Management	<b>1.31</b>	<b>1.12</b>	-	
Capital	<b>12.75</b>	<b>10.97</b>	10.97	
<i>Transportation and Treatment @ 86.25%</i>	11.00	9.46	9.46	
<i>Pump Stations @ 13.75%</i>	1.75	1.50	1.50	
<b>Monthly Sanitary Charge</b>	<b>\$ 25.76</b>	<b>\$ 22.17</b>	<u>\$19.71</u>	
<b>Total Average Monthly Bill</b>	<b>\$ 28.47</b>	<b>\$ 24.50</b>	<u><u>\$19.71</u></u>	80%