Memorandum of Understanding Clackamas River Water and the City of Oregon City Effective Date:

1. PARTIES

The parties of the Memorandum of Understanding (MOU) are the City of Oregon City (City) and the Clackamas River Water (CRW).

2. PURPOSE

This MOU is intended to provide the terms of payment for the Joint Engineering Study (Study) initiated by CRW and City. The parties intend that each party pay an equal share of the costs for consultant engineering services to deliver the Scope of Services (Scope) attached to this MOU as Exhibit A. The Scope was jointly prepared and agreed upon by both City and CRW staff during previous collaborative working sessions. The Scope is intended to address the various issues brought forth by both parties as part of the Settlement Agreement entered into by all parties on May 22^{nd} of 2014.

3. BACKGROUND

In May of 2014, the City, CRW and South Fork Water Board (SFWB), entered into a Settlement Agreement, attached to this MOU as Exhibit B (Agreement). The Agreement required the City and CRW to engage in discussions regarding the potential adjustment of service area boundaries, including possible withdrawal and annexation of certain lands, to better reflect the appropriate entity to serve certain areas based on which entity is most able to serve future developable lands. In the Agreement, both parties identified in Part II.C that a study should be performed to address those concerns (the Study). Both parties agree that the Study should be performed by a private consultant based on the Scope to develop preliminary illustrations to support discussions between the two water providers, facilitate and present workshops, and deliver maps, report, and valuation and methodology recommendations.

4. CONTRACT ADMINISTRATOR

The City shall serve as the contract administrator and primary contracting agency for the work described in the Scope. The City and CRW shall jointly review all project progress reports and project meetings and both parties shall be given an opportunity to respond. Change orders that increase CRW's cost share under this Agreement must be approved by CRW prior to authorization by the City.

5. COST SHARE

City shall contract with an engineering firm to perform the work described in the Scope (Exhibit 1). The City and CRW shall share equally all expenses billed by the consultant and approved within the Scope. The City shall receive invoices for the various project cost from the project contractor and shall calculate the respective financial responsibility of CRW and the City. The City shall invoice CRW monthly by the City for their proportional share of the associated invoices. Payment shall be due

within 30 days of invoice. Monthly billing generally shall encompass a full 30 days, but may not necessarily be specific to the first or last day of the month.

6. MOU TERM

The term of this MOU shall be from the date of execution of this MOU through the completion and payment of all services for the Study.

CITY OF OREGON CITY	CLACKAMAS RIVER WATER
Anthony J. Konkol, III City Manager	Todd Heidgerken General Manager
Dated:	Dated: 10-14-16