



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Staff Report

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Agenda Date: 11/2/2016

Status: Agenda Ready

To: City Commission

Agenda #: 7c.

From: Public Works Director John Lewis

File Type: Report

SUBJECT:

Memorandum of Understanding with Clackamas River Water for Payment Terms for a Joint Engineering Study

RECOMMENDED ACTION (Motion):

Approve Memorandum of Understanding (MOU) between the City and Clackamas River Water (CRW) for payment terms for a Joint Engineering Study of CRW service boundary adjustments and withdrawals within City limits, water service analysis for future developable lands, and valuation methodology for CRW assets.

BACKGROUND:

On May 22, 2014, the City, Clackamas River Water (CRW), Sunrise Water Authority, Clackamas Regional Water Supply Commission and South Fork Water Board (SFWB), entered into a Settlement Agreement (Agreement). The agreement included a provision that the Study be completed in 2 years. In May 2016, the agreement was amended to change the deadline for completion of the Joint Engineering Study to May 22, 2018. One of the Agreement terms require the City and CRW to engage in discussions regarding the adjustment of service area boundaries, including withdrawal of territory 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, Section II.C, a methodology is required to determine the value of CRW assets for which CRW will be compensated upon withdrawal of CRW service area. A Joint Engineering Study (Study) is needed to analyze the service area boundaries, withdrawal areas, and the valuation methodology for CRW assets. Both parties agree that the Study should be performed by a private engineering consultant based on an agreed upon scope of services 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.

The Study will be funded by both CRW and the City, and this Memorandum of Understanding (MOU) between the two parties is intended to provide the terms of payment for the Study initiated by CRW and the 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), 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, 2014.

The MOU has been approved by CRW Board and signed by the CRW General Manager, Todd Heidgerken, on October 14, 2016.