



# CITY COUNCIL MEETING

Monday, September 16, 2024 at 6:00 PM  
Sandy City Hall and via Zoom

## AGENDA

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### TO ATTEND THE MEETING IN-PERSON:

Come to Sandy City Hall (lower parking lot entrance) - 39250 Pioneer Blvd., Sandy, OR 97055

### TO ATTEND THE MEETING ONLINE VIA ZOOM:

Please use this link: <https://us02web.zoom.us/j/82938323843>

Or by phone: (253) 215-8782; Meeting ID: 82938323843

## WORK SESSION

1. [Housing Production Strategy \(HPS\) Introduction](#)

## REGULAR MEETING

### PLEDGE OF ALLEGIANCE

### ROLL CALL

### CHANGES TO THE AGENDA

### PUBLIC COMMENT (3-minute limit)

The Council welcomes your comments at this time. The Mayor will call on each person when it is their turn to speak for up to three minutes.

-- If you are attending the meeting in-person, please submit your comment signup form to the City Recorder before the regular meeting begins at 7:00 p.m. Forms are available on the table next to the Council Chambers door.

-- If you are attending the meeting via Zoom, please complete the online comment signup webform by 4:00 p.m. on the day of the meeting:  
<https://www.ci.sandy.or.us/citycouncil/webform/council-meeting-public-comment-signup-form-online-attendees>.

### RESPONSE TO PREVIOUS COMMENTS

### CONSENT AGENDA

2. [City Council Minutes: September 3, 2024](#)
3. [Contract Amendment: Veolia Water North America](#)
4. [Amended Contract Approval: Goodfellows Bros. LLC](#)

## **NEW BUSINESS**

5. [Volunteer Time Off Policy](#)
6. [League of Oregon Cities 2025 Legislative Priorities](#)

## **REPORT FROM THE CITY MANAGER**

## **COMMITTEE / COUNCIL REPORTS**

## **STAFF UPDATES**

Monthly Reports: <https://reports.cityofsandy.com/>

## **ADJOURN**

## **EXECUTIVE SESSION**

The Council will meet in executive session pursuant to ORS 192.660(2)(f) & (h)

Americans with Disabilities Act Notice: Please contact Sandy City Hall, 39250 Pioneer Blvd. Sandy, OR 97055 (Phone: 503-668-5533) at least 48 hours prior to the scheduled meeting time if you need an accommodation to observe and/or participate in this meeting.



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** September 16, 2024  
**From:** Kelly O’Neill Jr., Development Services Director  
Nicole Underwood and Beth Goodman, EConorthwest  
**Subject:** Housing Production Strategy (HPS) Introduction

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## DECISION TO BE MADE:

This City Council work session includes a presentation from EConorthwest and the Oregon Department of Land Conservation and Development (DLCD) regarding the Housing Production Strategy (HPS). The City Council should be prepared to provide staff and the consultant with answers to the questions in the EConorthwest presentation.

## PURPOSE / OBJECTIVE:

The City of Sandy is required to develop a Housing Production Strategy (HPS) as mandated by [Oregon House Bill 2003](#), passed in 2019. This staff report outlines the purpose, requirements, and timeline for creating and implementing an HPS in Sandy.

## BACKGROUND / CONTEXT:

A Housing Production Strategy is an 8-year action plan that outlines specific steps a city will take to address the community’s unmet housing needs identified in its Housing Capacity Analysis (HCA). The Oregon Department of Land Conservation and Development (DLCD) will review and approve each city’s HPS to ensure it effectively meets housing needs, encourages necessary housing production, encourages preservation of existing lower-cost housing, increases opportunities for people experiencing homelessness to become housed, and promotes fair and equitable housing outcomes. Key Requirements of the Housing Production Strategy are found in [OAR 660-008-0045 through 660-008-0070](#).

## KEY CONSIDERATIONS / ANALYSIS:

**Contextualized Housing Need:** Cities must conduct a thorough analysis of their housing market and demographic conditions, considering various factors such as unmet housing needs of different groups of people (such as people with disabilities, people experiencing homelessness, People of Color, and other historically marginalized groups), existing housing policies, market conditions, and barriers to development. This analysis should also include data on homelessness, rent-burdened households, housing tenure, and the needs of people with disabilities.

**Community Engagement:** The HPS must detail how the city engaged with both housing consumers and producers, with a particular focus on involving state and federal protected classes, such as people with disabilities or People of Color.

**Specific Actions and Policies:** Sandy must outline concrete actions the City will take to support or increase housing production and preservation and promote fair and equitable housing outcomes. These may include infrastructure improvements, regulatory changes, financial incentives, and land use regulation changes, among others. Each action will be clearly defined and tailored to address Sandy's specific housing challenges.

- Sandy faces a significant barrier to housing production due to wastewater infrastructure limitations, which have led to a development moratorium. The HPS will include action(s) around addressing wastewater treatment deficiencies including pursuing funding from state and federal sources to upgrade the wastewater system. Without resolving this infrastructure issue, new housing development in the city of Sandy is severely limited. Therefore, while working to lift the moratorium, the HPS will also focus on preserving existing housing stock, promoting fair and equitable housing outcomes for current residents, and preparing the city to support future development once the moratorium is lifted. This approach ensures that Sandy can make progress on housing issues even with current limitations, while also positioning itself for growth when infrastructure improvements are completed.

**Implementation Timeline:** The HPS must include a clear schedule for adopting and executing each proposed action. This timeline should be realistic and account for the City's resources and capacity, while also demonstrating a commitment to timely implementation. The State will monitor the City's implementation of the HPS and may take actions (as described below) if the City is not implementing the actions in the HPS and in accordance with the timeline in the HPS.

**Equity Considerations:** The HPS must demonstrate how the proposed strategies will promote fair and equitable housing outcomes, when considering the actions in the HPS and the City's existing policies and programs to support housing development and preservation. This includes addressing the location of housing in relation to amenities and opportunities, ensuring Fair Housing practices, providing housing choices for protected classes, addressing homelessness, promoting affordable housing options, and mitigating gentrification and displacement.

## **TIMELINE AND PROCESS:**

**HCA Adoption:** Sandy adopted its Housing Capacity Analysis (HCA) in April 2024.

**HPS Adoption:** Sandy must adopt its HPS by December 31, 2025. The City must submit the adopted HPS to the Department of Land Conservation and Development (DLCD) within 20 days of adoption.

**DLCD Review:** DLCD will review and approve, approve with conditions, or remand the HPS within 120 days of submission. DLCD will allow a 45-day public comment period before final approval.

**Implementation and Evaluation:** Sandy will implement the strategies and conduct a mid-term evaluation to be shared with DLCD. The State is currently revising the HPS implementation rules, with draft rules including a year four (4) midpoint review. This review will require cities to summarize actions taken to address unmet housing needs and assess the effectiveness of these actions using the new

State Housing Production Dashboard and Housing Equity Indicators. The new rules will be finalized by December 2024. (See the [draft OAR 660-008-0150](#) for more details).

The new HPS rules include development of the Housing Acceleration Program, which will evaluate each city's progress in implementing its HPS and housing outcomes. A city can be referred into the Housing Acceleration Program for a number of reasons, including a failure to undertake action in its HPS, failure to adopt an HPS by the State's schedule (which is December 31, 2025, for Sandy), underperformance in meeting housing needs relative to other cities in the region, and LCDC referral.

DLCD will lead an audit of barriers to housing production, affordability, and choice for cities referred to the Housing Acceleration Program. DLCD may offer technical assistance and resources to cities in the Housing Acceleration Program. Exiting the program will result in an agreement between DLCD and the city to take specific actions within their control.

**Accountability:** The State is establishing the Housing Accountability and Production Office (HAPO), a new division within DLCD, joint with the State Building Codes Department. HAPO is charged with overseeing compliance with state housing laws related to the development process. (For more information, see [Senate Bill 1537, Sections 1 to 3](#)). HAPO's key responsibilities will include:

- Enforcing State regulations about housing laws related to development applications;
- Providing technical assistance to cities to help reduce housing development barriers;
- Coordinating State agencies to support residential development; and,
- Ensuring that local governments are taking actions to bring them into compliance with State housing laws related to development applications.

#### **BUDGET IMPACT:**

City of Sandy staff applied for a grant for consultant assistance. DLCD awarded the City of Sandy a grant of \$55,630 to pay for some of ECONorthwest's consulting work. The City has already signed an additional contract with ECONorthwest for a not to exceed amount of \$20,221. The total amount this project will cost is \$75,851 with the City of Sandy paying 26.7 percent of the consulting work.

#### **RECOMMENDATION:**

Provide staff and the consultant with answers to the questions in the ECONorthwest presentation:

- What do you see as barriers to developing housing affordable to residents of Sandy?
- What do you see as barriers to accessing housing affordable to residents of Sandy?
- What do you think about the potential approaches discussed this far?
- What ideas do you have for approaches the City should consider pursuing to address unmet housing needs?

#### **LIST OF ATTACHMENTS / EXHIBITS:**

Exhibit A. Presentation from ECONorthwest

Exhibit B. Presentation from DLCD

# Sandy Housing Production Strategy

City Council Meeting #1

September 16, 2024



# How is this Different than a Housing Capacity Analysis?

Item # 1.

## Housing Capacity Analysis


- Buildable lands inventory
- Housing market
- Demographics & socioeconomic characteristics
- Housing affordability
- Forecast of new housing
- Assessment of land sufficiency

## Housing Production Strategy

### **New State requirement: HB 2003 (2019)**

- Refined understanding of housing need
- Evaluation of gaps in existing policies
- Identification of potential strategies
- Evaluation of new strategies
- Assessment of whether the strategies help achieve fair and equitable outcomes
- HPS is an 8-year Action Plan for addressing needs not addressed through market-rate housing development

# Project Schedule Item # 1.

	Kickoff March 2024	Contextualized Housing Need March-Sept 2024	Strategies Development Sept 2024 -Feb 2025	Draft and Final HPS Jan-May 2025	Adoption April-May 2025
TECHNICAL ANALYSIS		<ul style="list-style-type: none"> <li>Characterize housing need</li> <li>Summarize prior outreach</li> </ul>	<ul style="list-style-type: none"> <li>Review existing policies and identify gaps</li> <li>Refine strategies</li> </ul>	<ul style="list-style-type: none"> <li>Compile HPS</li> </ul>	<ul style="list-style-type: none"> <li>Write findings</li> </ul>
OUTREACH		<ul style="list-style-type: none"> <li>Interviews (5)</li> <li>Joint CC/PC presentation</li> </ul> <p> <b>We are here</b></p>	<ul style="list-style-type: none"> <li>City Council work sessions (2)</li> <li>Joint PC/CC presentation</li> <li>Interviews (5)</li> </ul>	<ul style="list-style-type: none"> <li>Joint PC/CC presentation</li> <li>City Council presentation</li> </ul>	<ul style="list-style-type: none"> <li>Planning Commission presentation</li> <li>City Council presentation</li> </ul>
DELIVERABLE		<ul style="list-style-type: none"> <li>Contextualized Housing Needs memo</li> </ul>	<ul style="list-style-type: none"> <li>Memo 1: Existing policies &amp; gaps</li> <li>Memo 2: Evaluate &amp; refine</li> <li>Memo 3: Additional info</li> </ul>	<ul style="list-style-type: none"> <li>Draft HPS</li> <li>Final HPS</li> </ul>	<ul style="list-style-type: none"> <li>Ordinance Findings</li> </ul>





# Contextualized Housing Need

- People experiencing homelessness:
  - ◆ Temporarily or chronically
  - ◆ Alone or with children
- Racial or ethnic groups
- People over 65 years old
- People with disabilities

## Recent Stakeholder discussions in Sandy:

- Sandy Community Action Center
- Sandy Community/Senior Center
- Todos Juntos
- AntFarm
- City Council
  - ◆ Kathleen Walker
  - ◆ Laurie Smallwood

## Rising costs of housing, utilities, and necessities are straining residents.

- Particularly young families, single parents, lower-income workers, and seniors on fixed incomes
- Utility rates are an affordability issue
- Need for multiple jobs to make ends meet
- Increased demand for support services like food bank and energy assistance
  - ◆ Food Bank: average 280 visits per month up from 140 visits 2 years ago
- Some seniors lack awareness of or face difficulties accessing support services, particularly when information and applications are only available online.



## **Sandy has limited supports for residents experiencing homelessness.**

- Residents experiencing homelessness include local youth, lower-income workers, and people on social security
- Perceived community resistance to services
- Lack of transitional and emergency housing
- Mental health stability is a significant barrier to accessing housing

## **Sandy has limited housing options.**

- Shortage across all housing types (affordable, rental, entry-level, larger)
- Long waitlists for income-restricted units

## **Residents choose Sandy because of its perceived safety and ties to family and community.**

- This comes with transportation expenses (need for a car)
- Many seniors wish to remain in Sandy as they age but encounter barriers to aging in place



Item # 1.

# Developing the Housing Production Strategy

# What is a City's Role in Housing Development?

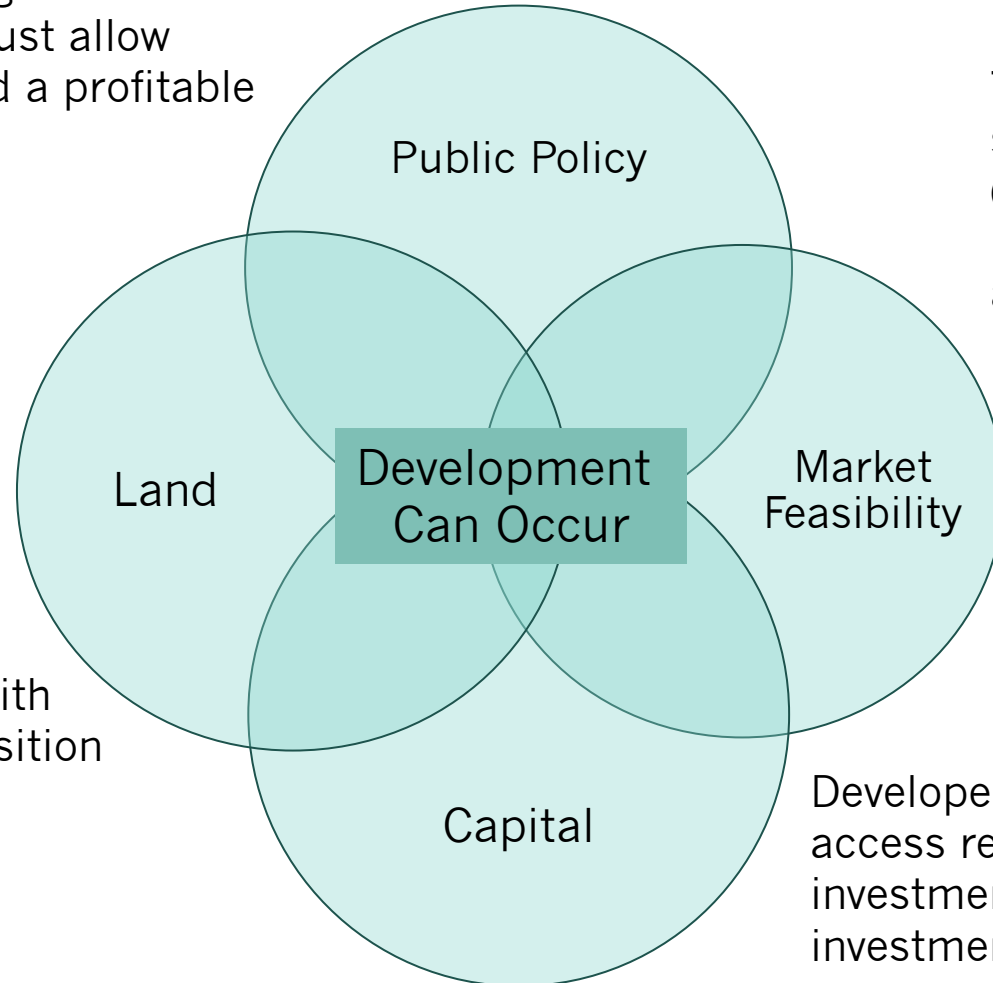
Item # 1.

Cities can directly influence public policy, land, and infrastructure

Cities may have limited influence on market feasibility

Policy—including zoning, density, and design requirements—must allow developer to build a profitable project

Developer must control the site with reasonable acquisition costs



There must be sufficient demand (rents, sales prices) to support a profitable project

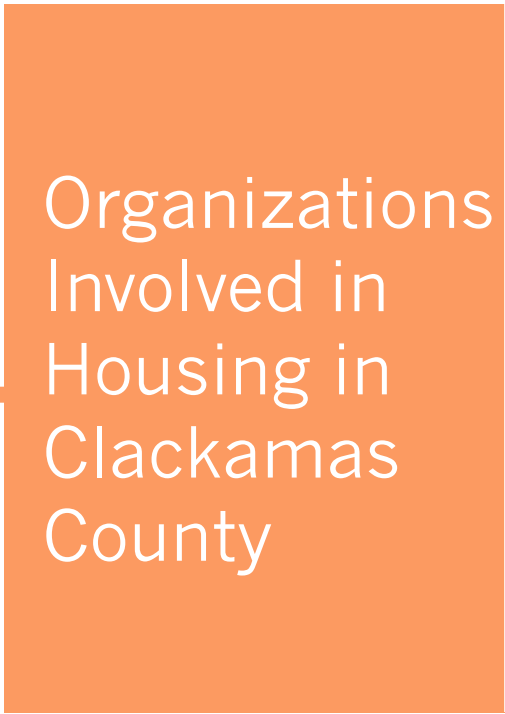
Developer must be able to access resources for investment (e.g., equity investment, bank loans)

# Who Does What for Housing in Sandy?

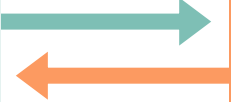
Item # 1.



- Public facility planning
- Urban Renewal funds
- Allow wider range of housing types
- Reduce parking requirements
- Connection to resources



- Clackamas County Community Development
- Housing Authority of Clackamas County
- Community Land Trusts
- AntFarm
- Developers
- Other partners



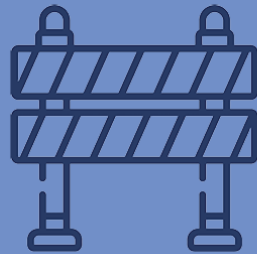
## Types of Strategies to Support Housing Production



Produce  
Informational  
Resources



Partner to  
Leverage Efforts  
and Resources



Remove  
Regulatory  
Barriers



Waive or  
Reduce Upfront  
or Ongoing  
Charges on  
Development



Allocate  
Funding



Land  
Acquisition and  
Disposition

Less Impactful

More Impactful



- Clear and Objective Audit
- Development Code Amendments
  - ◆ Allowed for Single Room Occupancy in residential zones
  - ◆ Established code provisions for ADUs
  - ◆ Removed or reduced minimum parking requirements
  - ◆ Allowed duplexes in all residential zones
  - ◆ Removing barriers to developing mass timber housing (on-going)
- Public facility planning
- Support for housing people who are homeless
  - ◆ Sandy Police Department working with Antfarm
- New income restricted housing units under construction
  - ◆ 78 units north of Bornstedt Park
- 2017 UGB expansion to add capacity for housing

- Wastewater capacity limitations
  - ◆ Development moratorium
  - ◆ High utility rates raise affordability concerns for residents
- Limitations of city funding and staff capacity
- High construction and financing costs driving up overall housing prices nationwide
- Limited funding available to support development of affordable housing and/or rehabilitation
- Ensuring higher density housing is in appropriate locations (access to services)
- Preserving community character and safety while supporting homelessness services and affordable housing

- What do you see as barriers to developing housing affordable to residents of Sandy?
- What do you see as barriers to accessing housing affordable to residents of Sandy?

## Suggestions for the City to help address unmet housing needs

- Expand city involvement in human services
  - ◆ Partner with existing service providers to improve/expand services
  - ◆ Implement utility and internet assistance program and/or bus vouchers for low-income residents
  - ◆ Offer rehabilitation assistance for homeowners/renters
- Support development of income-restricted, affordable housing
  - ◆ Monitor expiration date for income-restricted affordable housing
- Support/encourage more rental housing development
- Enhance outreach about available resources, especially for seniors
- Support development of transitional housing

- Pursuing funding for wastewater facility upgrades to allow for housing development
- Pursue financial resources to support housing development and preservation
  - ◆ Construction Excise Tax
  - ◆ TIF set-aside for affordable housing
  - ◆ Pursue weatherization funds through Community Action Agencies
  - ◆ Grants such as CDBG
- Development code changes such as:
  - ◆ Allow cottage cluster housing in all residential zones
  - ◆ Short term rental regulations
  - ◆ Manufacturing Housing Community Preservation Zone
  - ◆ Pre-approved plan sets for ADUs
  - ◆ Accessible design requirements

- Expedite permitting for income-restricted affordable housing
- Use Urban renewal for infrastructure improvements to support housing development
- Provide education and information to small developers
- Use public owned land for housing
  - ◆ Periodically inventory land to identify surplus land that could be used for affordable housing
- Support the conversion of underperforming or distressed commercial assets to housing
- Expand partnership with AntFarm to support homeless population
- Identify Fair Housing issues and partner to support education and outreach to address the issues

- What do you think about the potential approaches discussed this far?
- What ideas do you have for approaches the City should consider pursuing to address unmet housing needs?

- Continue to work on the HPS; provide additional detail on selected strategies
- Next Joint City Council and Planning Commission meeting: TBD



**EXHIBIT B**

# Goal 10 Housing Planning Framework

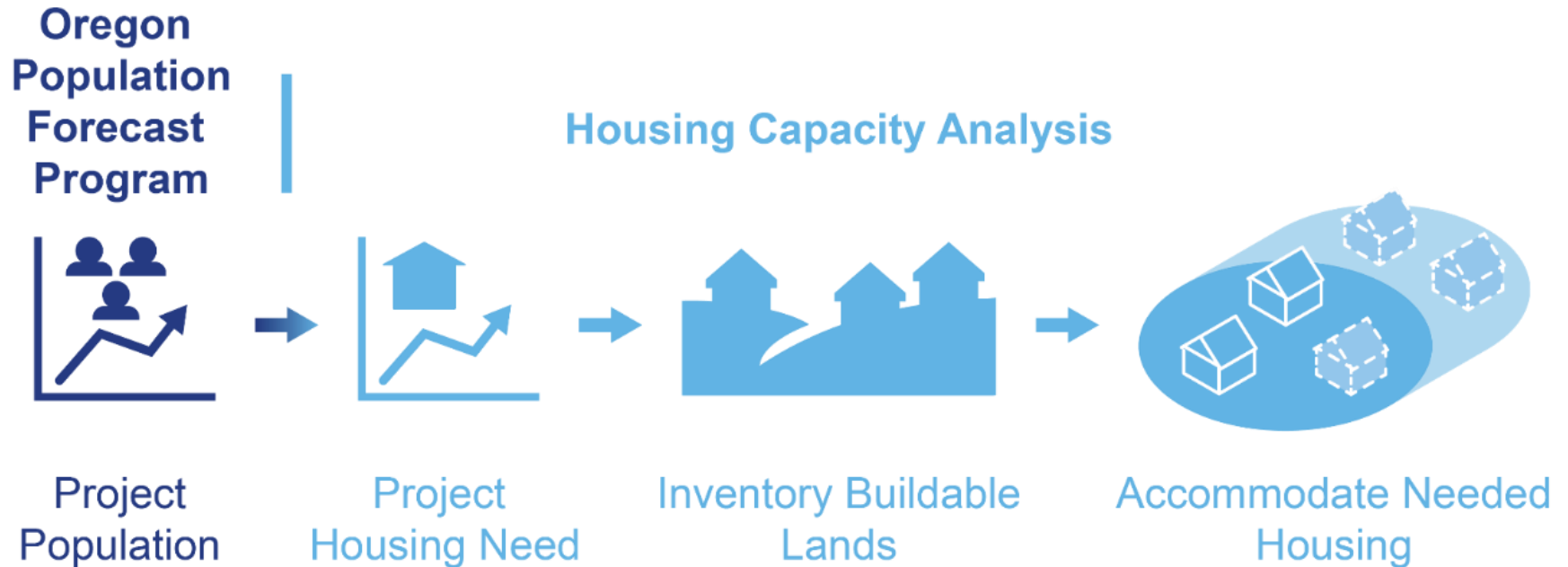


September 16, 2024

Kelly Reid, Regional Representative for Multnomah and Clackamas Counties

# \*OLD\* Goal 10 Framework

Item # 1.

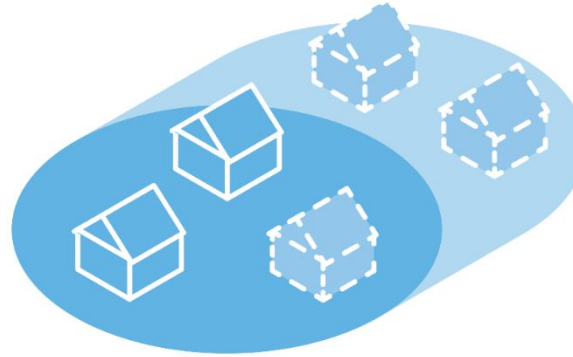


**Pilot a statewide housing analysis**



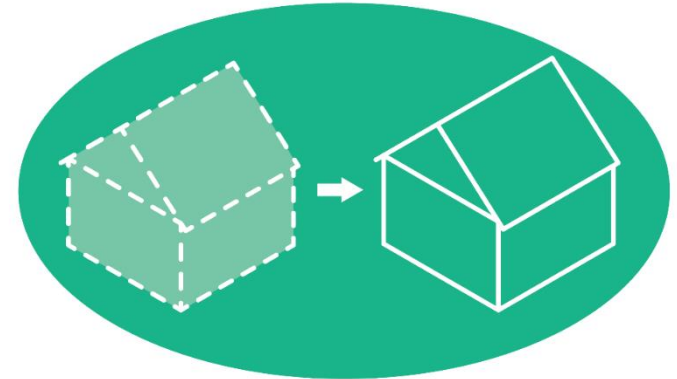
**Regional Housing Needs Analysis (RHNA)**

**Plan to accommodate needed housing on a regular schedule**



**Housing Needs/Capacity Analysis (HNA)**

**Promote the development of needed housing**



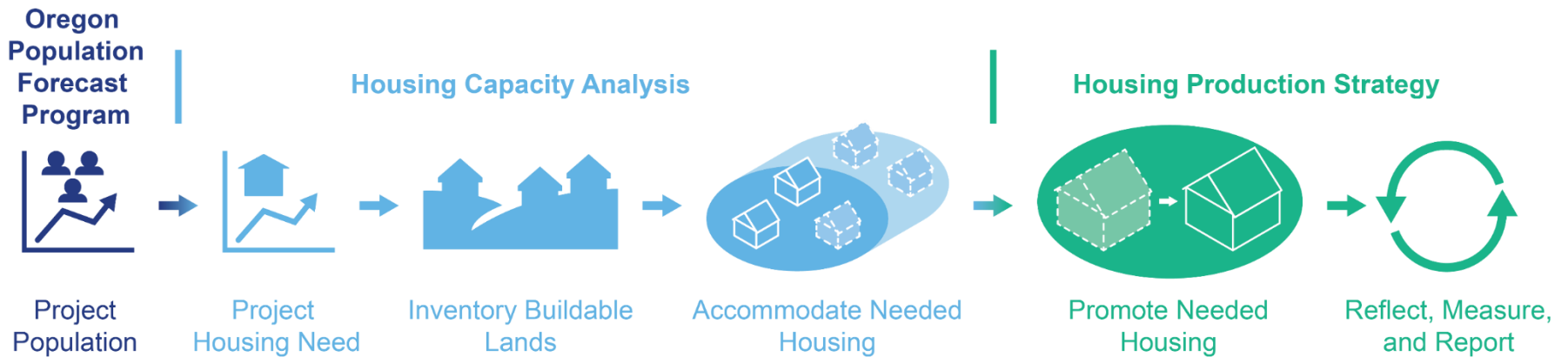
**Housing Production Strategy (HPS)**

# House Bill 2003

## (2019 Session)

# Goal 10 – Housing Planning

*“To provide for the housing needs of citizens of the state. Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*



# Evaluation of the HPS

Do the strategies address the housing need in the HCA and the Contextualized Housing Need?

Do the strategies, taken together, achieve fair and equitable housing outcomes?

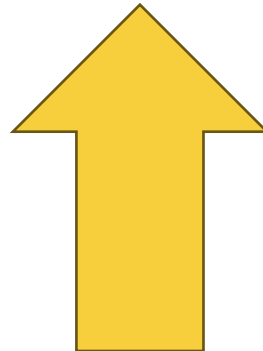
- Affordable homeownership and affordable rental housing
- Avoid gentrification or displacement and increase housing stability
- Housing options for residents experiencing homelessness
- Location of housing, affordable options within compact, mixed-use areas
- Housing Choice, affordable options in safe neighborhoods with high-quality amenities
- Fair Housing, especially for federal and state protected classes

# Oregon Housing Needs Analysis

# OHNA Rulemaking Topic Areas

## Major rulemaking topic areas:

<b>Housing Need &amp; Production</b> (Jan 1, 2025)	<b>Housing Acceleration</b> (Jan 1, 2025)	<b>Housing Capacity &amp; Urbanization</b> (Jan 1, 2026)
<ul style="list-style-type: none"> <li>• Implement OHNA; “needed housing”</li> <li>• Adoption-ready policy options</li> <li>• Integrate ‘affirmatively furthering fair housing’ into Goal 10</li> </ul>	<ul style="list-style-type: none"> <li>• Measure progress</li> <li>• Develop process to review local/state barriers to production</li> <li>• Create tools &amp; incentives for meaningful action to address barriers</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify methodologies &amp; assumptions to estimate capacity</li> <li>• Create greater clarity/certainty for UGB amendments, land exchanges, &amp; urban/rural reserves</li> <li>• Facilitate development-readiness of lands brought into the UGB</li> </ul>





Item # 1.



**DLCD**  
Department of  
Land Conservation  
& Development

**Thank you!**





# CITY COUNCIL MEETING

Tuesday, September 03, 2024 at 7:00 PM  
Sandy City Hall and via Zoom

## MINUTES

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### PLEDGE OF ALLEGIANCE

### ROLL CALL

#### PRESENT

Mayor Stan Pulliam  
Council President Laurie Smallwood  
Councilor Chris Mayton  
Councilor Rich Sheldon  
Councilor Kathleen Walker  
Councilor Don Hokanson

### CHANGES TO THE AGENDA

(none)

### PUBLIC COMMENT (3-minute limit)

(none)

### RESPONSE TO PREVIOUS COMMENTS

(none)

### CONSENT AGENDA

1. City Council Minutes: August 19, 2024
2. Approval of IGA with DLCD: Housing Production Strategy (HPS)
3. Contract Approval: Water Management and Conservation Plan Update

#### **MOTION: Adopt the consent agenda**

Motion made by Councilor Hokanson, Seconded by Councilor Sheldon.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Hokanson

**MOTION CARRIED: 6-0**

## PROCLAMATIONS

4. Sandy Area Chamber of Commerce 75th Anniversary

The Mayor read the proclamation, which was included in the meeting packet.

## RESOLUTIONS

5. Transportation System Development Charge Methodology and Rate Update

### **PUBLIC HEARING: Resolution 2024-17 - Adopting Updated TSDC Methodology**

#### Abstentions

(none)

#### Conflicts of Interest

(none)

#### Staff Report

The City Manager summarized the staff report, which was included in the meeting packet.

#### Public Testimony

(none)

#### Staff Recap and Recommendation

Staff recommended adopting the updated methodology, consistent with the recently updated Transportation System Plan.

### **MOTION: Close the public hearing**

Motion made by Councilor Sheldon, Seconded by Councilor Walker.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Hokanson

### **MOTION CARRIED: 6-0**

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#### Council Discussion

- Discussion on the need to consider all SDCs in a comprehensive manner
  - FCS Group is currently working on updating the water SDC; progress on the wastewater SDC is difficult because of the remaining uncertainty of the facilities plan. Staff is exploring whether a new SDC can be pursued without a finalized plan
  - Note that rates can be changed in the future without changing the methodology

**MOTION: Adopt Resolution 2024-17**

Motion made by Councilor Sheldon, Seconded by Councilor Walker.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Hokanson

**MOTION CARRIED: 6-0**

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**PUBLIC HEARING: Resolution 2024-21 - Adopting Updated TSDC Rate**Abstentions

(none)

Conflicts of Interest

(none)

Staff Report

The City Manager summarized the staff report, which was included in the meeting packet. It was noted that the proposed rate could be changed in the future if the Council desires.

Public Testimony

Kendal Pelton: raised concerns about the impact of high rates on residents. Following the testimony, it was suggested that the City should improve it's procedures related to providing a name and address for the record when giving testimony.

Staff Recap and Recommendation

Staff noted that SDCs are charged for new development, in contrast to utility rates that are borne directly by customers.

**MOTION: Close the public hearing**

Motion made by Councilor Sheldon, Seconded by Councilor Hokanson.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Hokanson

**MOTION CARRIED: 6-0**

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Council Discussion

(none)

**MOTION: Adopt Resolution 2024-21**

Motion made by Councilor Sheldon, Seconded by Councilor Walker.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Hokanson

**MOTION CARRIED: 6-0****OLD BUSINESS**

## 6. Design for Meinig Memorial Park Improvements and Restoration

The Parks and Recreation Director summarized the staff report, which was included in the meeting packet. Brian Martin with Lango Hansen was present to deliver presentation slides, which were also included in the packet.

Council discussion ensued on the following topics:

- Clarification on location of ADA access
- Discussion of plans for adjacent apartments
- Emphasis on importance of comprehensively considering parking needs
- Concern about erosion
- Suggestion that creek access should correspond to locations where most demand is
- Note that color of creek water cannot be changed
- Concern that it may be difficult to convince residents of the need to replace Fantasy Forest; Suggestion that it is not yet time to start again from scratch
- Note on the importance of ensuring that parents can see their children as they play on the playground equipment
- Reminder that the playground designs in the packet are merely conceptual
- Suggestion to ensure that playground features support all abilities
- Discussion of Sandy Style in relation to playground design
- Discussion of playground features in neighboring communities
- Suggestion to take advantage of the site grand when planning features
- Suggestion that the community prefers to retain the original character of Fantasy Forest
- Reminder that the look and feel of this park is very important, given it's long history and role in hosting major community events
- Suggestion to include features for different ability levels in different locations
- Note on the importance of proper lighting for safety, throughout the park
- Suggestion to include a spider pyramid climbing feature
- Comparison to Imagination Station in Troutdale
- Note on the importance of being able to walk a full loop on the trail system
- Discussion of the impacts of ADA requirements on trail alignment
- Discussion on the importance of aligning trails to minimize cost and impact to trees

- Suggestion to develop a restroom closer to Fantasy Forest
- Note to be mindful of the possibility of retaining flat space for future programming
- Discussion of accessibility challenges, soil compaction, and tree canopy in relation to proposed hillside seating
- Clarification on private property access in relation to the lower parking lot
- Concern about safety improvements to the sidewalk along Meinig Ave
- Suggestions to use the lower parking lot for staff
- Note on the importance of taking a comprehensive approach to project funding
- Suggestions to take better advantage of the gazebo and amphitheater
- Suggestion to construct the project in phases
- Statement that the input and preferences of the community will be critical to the project

## NEW BUSINESS

### 7. Contract Award: Deer Pointe Park Development, Phase 2

The Parks and Recreation Director summarized the staff report, which was included in the meeting packet. The Council asked for details on the public engagement process and feedback from neighbors, the possibility of basketball courts being used for additional purposes, and whether the 30% designs can be posted on the website.

**MOTION: Authorize the City Manager to execute an agreement to award Phase 2 of the Deer Pointe Park development project to Lango Hansen Landscape Architects, as included in the meeting packet**

Motion made by Councilor Mayton, Seconded by Councilor Sheldon.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Hokanson

**MOTION CARRIED: 6-0**

### 8. Declaration of City Council Vacancy: Seat #5

The Deputy City Manager summarized the staff report, which was included in the meeting packet.

**MOTION: Declare Sandy City Council Seat #5 to be vacant effective immediately**

Motion made by Councilor Sheldon, Seconded by Councilor Walker.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Hokanson

**MOTION CARRIED: 6-0**

9. Adoption of Process to Fill Vacancy of City Council Seat #5

The Deputy City Manager summarized the staff report, which was included in the meeting packet. The Council sought clarification on who is eligible to apply for the vacancy. It was noted that the vacancy process document includes evaluation criteria for the Council to use when reviewing applications, and Councilors can use their judgement as they determine how to apply those criteria.

**MOTION: Adopt the vacancy filling process for Council Seat #5, as provided in the meeting packet**

Motion made by Council President Smallwood, Seconded by Councilor Walker.

Voting Yea: Mayor Pulliam, Council President Smallwood, Councilor Mayton, Councilor Sheldon, Councilor Walker, Councilor Hokanson

**MOTION CARRIED: 6-0**

## REPORT FROM THE CITY MANAGER

- Update on the condition of the pedestrian recently hit by a vehicle on Pioneer Blvd
  - Staff is working with a traffic engineer on placement of speed feedback signs
  - Discussion as to the effectiveness of speed feedback signs
  - Suggestion to apply for Oregon Impact traffic enforcement grant funding
  - Discussion of ways to make crosswalks as safe as possible
- Update on demolition of the former bunk house
- Reminder to fill out the LOC legislative priorities survey
- Overview of plans to meet with representatives of LoveOne
- Note that the urban renewal grant application form is temporarily disabled while guidelines and priorities reassessed; plans are being made for the Board to meet with Elaine Howard on urban renewal strategic direction and budget priorities
- Update on the Finance Director recruitment

## COMMITTEE / COUNCIL REPORTS

### Councilor Hokanson

- Measures are needed to manage vehicle speeds on Hwy 26; installing them before drivers reach downtown would be preferable
- More painted crosswalks on Hwy 26 downtown are needed
- The Winterfest volunteer group needs to be mobilized

### Councilor Walker

- The Library Advisory Board continues to work on strategic planning
- The Sandy Trash Force is helping to address encampment issues. No trespassing signs would be helpful, as would handout materials stating litter regulations. A formal agreement between the City and the Trash Force group is needed.

- Trucks carrying rock for the new filtration plant continue to travel on Bluff Rd; an agreement is needed to ensure the truck do not travel during pickup and drop off times for the middle school
- Status report on elements of the drinking water reinvestment project, including the transmission line, pump station, and disinfection equipment, land use permits, budding schedules, and Alder Creek improvements

#### Councilor Sheldon

- Agreement on the need to address traffic and speeding; suggestion to secure Oregon Impact grant funding
- Suggestion to explore opportunities to ensure that the new parking lot on Pioneer does not simply become overflow parking for adjacent uses
- Emphasis that system development charges allow the City to keep rates for customers lower than they would be otherwise
- Thanks for the recent tour of Cedar Park

#### Council President Smallwood

- Concerns regarding door to door solicitors; suggestion that staff should explore possible regulations

#### Councilor Mayton

- Was not in attendance at the most recent Planning Commission meeting

#### Mayor Pulliam

- A work session with police staff on homelessness is needed
- Recap of back to school
- Related to manhole work on Dubarko: better signage and notice to drivers is needed

### **STAFF UPDATES**

Monthly Reports: <https://reports.cityofsandy.com/>

### **ADJOURN**



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** September 16, 2024  
**From:** Jenny Coker, Public Works Director  
**Subject:** Contract Amendment 3: Veolia Water North America – West, LLC

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**DECISION TO BE MADE:**

Whether to authorize the City Manager to execute Amendment No. 3 to the agreement with Veolia Water North America – West, LLC (Veolia) for Operations, Maintenance and Management Services at the City’s Drinking Water and Wastewater Treatment Plants

**BACKGROUND / CONTEXT:**

The City of Sandy entered into a five-year agreement with Veolia for operations, maintenance, and management services for the drinking water and wastewater treatment plants. The contract includes a provision for the City to extend the agreement for an additional five years. The original five-year agreement expired on March 1, 2024, and was extended by Amendment 1 at the February 20, 2024 Council meeting through June 30, 2024 as both parties entered into negotiations with the intention to renew for an additional five-year period. The City has been working to negotiate the amended and restated operations and maintenance agreement.

Both parties proposed a three-month extension of the current agreement through September 30, 2024 to continue negotiations. Legal complexities regarding changes to the Goods and Services provisions require additional analysis, therefore Veolia is proposing a third Amendment for an additional three month extension through December 31, 2024. In summary, new rules regarding prevailing wage require additional legal analysis by both Veolia and the City to complete before the Agreement can be amended and restated.

**KEY CONSIDERATIONS / ANALYSIS:**

As was discussed at the August 8th meeting of the Water & Wastewater System Improvements Oversight Committee, this amendment is necessary to continue to maintain a contract for operations services for the Drinking Water and Wastewater Treatment plant past September 30, 2024.

Veolia has been an excellent partner to the City in stabilizing and improving treatment and operations the last five years, as well as conducting stress testing of the system. This amendment will allow the City and Veolia to finalize the updated agreement for a new five year term, which staff will bring back to the Council by December 2024 for council consideration.

At the end of the next five years, the City will have completed upgrades to both the Wastewater and Water Treatment Plants, making it an appropriate time to conduct a new RFP process for contract



operations services. Until that time, remaining with Veolia is in the City's interest given the firm's substantial involvement with the improvement projects currently underway.

**BUDGET IMPACT:**

The fees for the current agreement are included within the BN 2023-25 budget.

**RECOMMENDATION:**

Authorize the City Manager to execute Amendment 3 with Veolia for a three-month extension.

**SUGGESTED MOTION LANGUAGE:**

"I move to approve Amendment 3 to the City's agreement with Veolia Water North America-West, LLC, as included in the agenda packet."

**LIST OF ATTACHMENTS / EXHIBITS:**

- Veolia Amendment 3
- Veolia Amendment 2
- Veolia Amendment 1
- Original Veolia Agreement

### AMENDMENT NO. 3 TO AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES

This Amendment No. 3 (this “**Amendment**”), with an effective date of October 1, 2024, is an amendment to that certain Agreement for Operations, Maintenance and Management Services, dated as of December 19, 2018 (the “**Agreement**”), by and between Veolia Water North America-West, LLC (“**VEOLIA**”), and the City of Sandy, Oregon (“**Owner**” and, together with Veolia, the “**Parties**”).

#### RECITALS

**WHEREAS**, Owner and VEOLIA entered into the Agreement in order to provide for the operation and maintenance of Owner’s wastewater treatment facility (defined in the Agreement as the “**Project**”); and

**WHEREAS**, the Parties entered into Amendment 1 of the Agreement on March 1, 2024 to, among other things, extending the term of the Agreement through June 30<sup>th</sup>, 2024; and

**WHEREAS**, the Parties entered into Amendment 2 of the Agreement on July 1, 2024 to, among other things, extending the term of the Agreement through September 30<sup>th</sup>, 2024; and

**WHEREAS**, the Parties wish to amend the Agreement in Amendment 3 to, among other things, extend the term of the Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained in this Amendment, the Parties agree as follows:

1. Capitalized terms used but not otherwise defined in this Amendment shall have the same meaning given to those terms in the Agreement.
2. Section 4.1 is hereby deleted and replaced in its entirety with the following:  
  
“The initial term of this Agreement shall be from the Commencement Date to December 31, 2024.”
3. The Parties agree that the Annual Base Fee is to remain per the March 1, 2024 rates. The annual Base Fee is \$ 735,395 for the Wastewater Services and \$242,650 for the Water Services. Veolia bills on a monthly basis as 1/12 of the amount of the annual fee.
4. VEOLIA has hired a worker on a temporary basis to support the Project (such temporary worker, the “Additional Worker”). The Parties will treat the Additional Worker as a Change in Scope, and VEOLIA will invoice the Owner for VEOLIA’s costs of such Additional Worker in accordance with Appendix E, Section E.2, with no markup.
5. This Amendment sets forth the entire agreement between the Parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Except as expressly modified or amended herein, all the terms and conditions set forth in the Agreement remain unchanged, in full force and effect, and are incorporated by reference. In the event of a conflict between the provisions of the Agreement and this

Amendment, the provisions of this Amendment shall govern and control.

6. This Amendment may be executed in multiple counterparts, each of which is deemed an original but together constitute one and the same instrument, and a signature delivered by facsimile, email, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signature. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity, and authority to enter into this Amendment on behalf of the respective legal entities of VEOLIA and the Owner. This Amendment shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

**CITY OF SANDY, OREGON**

By: \_\_\_\_\_  
Name:  
Title:

**APPROVED AS TO FORM**

By: *[Signature]*  
Name:  
Title: City Attorney

**VEOLIA WATER NORTH AMERICA-WEST, LLC**

DocuSigned by:  
By: *Aditya Paman*  
Name: Aditya Paman  
Title: President, Municipal water Contract Operations, West Region

## AMENDMENT NO. 2 TO AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES

This Amendment No. 2 (this “**Amendment**”), with an effective date of July 1, 2024, is an amendment to that certain Agreement for Operations, Maintenance and Management Services, dated as of December 19, 2018 (the “**Agreement**”), by and between Veolia Water North America-West, LLC (“**VEOLIA**”), and the City of Sandy, Oregon (“**Owner**” and, together with Veolia, the “**Parties**”).

### RECITALS

**WHEREAS**, Owner and VEOLIA entered into the Agreement in order to provide for the operation and maintenance of Owner’s wastewater treatment facility (defined in the Agreement as the “**Project**”; and

**WHEREAS**, the Parties entered into Amendment 1 of the Agreement on March 1, 2024 to, among other things, extending the term of the Agreement through June 30<sup>th</sup>, 2024; and

**WHEREAS**, the Parties wish to amend the Agreement in Amendment 2 to, among other things, extend the term of the Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained in this Amendment, the Parties agree as follows:

1. Capitalized terms used but not otherwise defined in this Amendment shall have the same meaning given to those terms in the Agreement.
2. Section 4.1 is hereby deleted and replaced in its entirety with the following:  
  
“The initial term of this Agreement shall be from the Commencement Date to September 30, 2024.”
3. The Parties agree that the Annual Base Fee is to remain per the March 1, 2024 rates. The annual Base Fee is \$ 735,395 for the Wastewater Services and \$242,650 for the Water Services. Veolia bills on a monthly basis as 1/12 of the amount of the annual fee.
4. VEOLIA has hired a worker on a temporary basis to support the Project (such temporary worker, the “**Additional Worker**”). The Parties will treat the Additional Worker as a Change in Scope, and VEOLIA will invoice the Owner for VEOLIA’s costs of such Additional Worker in accordance with Appendix E, Section E.2, with no markup.
5. This Amendment sets forth the entire agreement between the Parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Except as expressly modified or amended herein, all the terms and conditions set forth in the Agreement remain unchanged, in full force and effect, and are incorporated by reference. In the event of a conflict between the provisions of the Agreement and this Amendment, the provisions of this Amendment shall govern and control.

6. This Amendment may be executed in multiple counterparts, each of which is deemed an original but together constitute one and the same instrument, and a signature delivered by facsimile, email, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signature. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity, and authority to enter into this Amendment on behalf of the respective legal entities of VEOLIA and the Owner. This Amendment shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

**CITY OF SANDY, OREGON**

By: Tyler Deems  
Name: Tyler Deems  
Title: City Manager

**APPROVED AS TO FORM**

Ashleigh Dougill  
By: \_\_\_\_\_  
Name: Ashleigh Dougill  
Title: City Attorney

**VEOLIA WATER NORTH AMERICA-WEST, LLC**

DocuSigned by:  
Aaditya Raman  
By: \_\_\_\_\_  
Name: Aaditya Raman  
Title: President, West



*Item # 3.*

## AMENDMENT NO. 1 TO AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES

This Amendment No. 1 (this “**Amendment**”), with an effective date of March 1, 2024, is an amendment to that certain Agreement for Operations, Maintenance and Management Services, dated as of December 19, 2018 (the “**Agreement**”), by and between Veolia Water North America-West, LLC (“**VEOLIA**”), and the City of Sandy, Oregon (“**Owner**” and, together with Veolia, the “**Parties**”).

### RECITALS

**WHEREAS**, Owner and VEOLIA entered into the Agreement in order to provide for the operation and maintenance of Owner’s wastewater treatment facility (defined in the Agreement as the “**Project**”; and

**WHEREAS**, the Parties wish to amend the Agreement to, among other things, extend the term of the Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained in this Amendment, the Parties agree as follows:

1. Capitalized terms used but not otherwise defined in this Amendment shall have the same meaning given to those terms in the Agreement.
2. Section 4.1 is hereby deleted and replaced in its entirety with the following:  
  
“The initial term of this Agreement shall be from the Commencement Date to June 30, 2024.”
3. The Parties agree that the Base Fee is to be adjusted pursuant to the terms of Appendix E, Section E.1.3, and that as of March 1, 2024, the Base Fee is \$735,395 for the Wastewater Services and \$242,650 for the Water Services.
4. Promptly after the effective date of this Amendment, VEOLIA will hire an additional worker on a temporary basis to support the Project (such temporary worker, the “**Additional Worker**”). The Parties will treat the Additional Worker as a Change in Scope, and VEOLIA will invoice the Owner for VEOLIA’s costs of such Additional Worker in accordance with Appendix E, Section E.2, with no markup.
5. This Amendment sets forth the entire agreement between the Parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Except as expressly modified or amended herein, all the terms and conditions set forth in the Agreement remain unchanged, in full force and effect, and are incorporated by reference. In the event of a conflict between the provisions of the Agreement and this Amendment, the provisions of this Amendment shall govern and control.

IN WITNESS WHEREOF, the Parties have executed and entered into this Amendment as of the date first written above.

**CITY OF SANDY, OREGON**

By: Tyler Deems  
Name: Tyler Deems  
Title: City Manager

**APPROVED AS TO FORM**

By: Josh Soper  
Name: Josh Soper  
Title: City Attorney

**VEOLIA WATER NORTH AMERICA-WEST, LLC**

By: Robert J. Kuta  
Name: Robert J. Kuta  
Title: Regional President

**AGREEMENT**  
**for**  
**OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES**  
**for the**  
**CITY of SANDY, OREGON**

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**AGREEMENT FOR OPERATIONS, MAINTENANCE  
AND MANAGEMENT SERVICES**

THIS AGREEMENT is made and entered into this 19<sup>th</sup> day of December 2018 (the “Effective Date”), by and between the City of Sandy, Oregon whose address for any formal notice is 39250 Pioneer Blvd, Sandy, OR 97055 (“Owner”) and Veolia Water North America-West, LLC (“VEOLIA”), whose address for any formal notice is 700 E Butterfield Rd, Suite 201, Lombard, IL 60148 with a contemporaneous copy to: 53 State Street, 14th Floor, Boston MA 02109, Attn: General Counsel. Owner and VEOLIA are each referred to as a “Party” and are collectively referred to as the “Parties.”

**STATEMENT OF PURPOSE**

WHEREAS, the Owner owns certain facilities and systems which are further described in Appendix C; and

WHEREAS, Owner desires to contract with VEOLIA to perform certain operation and maintenance services as further described in Appendix B under the terms and conditions set forth in this Agreement.

**1. SERVICES AND STANDARD OF PERFORMANCE**

- 1.1. Veolia shall, within the design capacity and capability of the Owner’s facilities, perform the services set forth in Appendix B in accordance with applicable law and the requirements set forth in Appendix C.
- 1.2. VEOLIA shall perform the services with the degree of skill and diligence normally employed by operations and maintenance personnel performing the same or similar services under the same conditions.
- 1.3. VEOLIA shall be responsible for the cost of operation, maintenance and fuel for Owner vehicles and equipment, unless otherwise agreed to between the parties. Owner shall retain title and ownership of such vehicles and equipment. Use of such vehicles and equipment by VEOLIA shall be limited to duties and use within the course and scope of this Agreement. Training for VEOLIA employees and other such activities are not part of the course and scope of this Agreement and therefore Owner vehicles and equipment should not be used for such matters.

**2. OWNER’S RESPONSIBILITIES**

- 2.1. Maintain and renew, with respect to all existing portions of the System, warranties, guarantees, easements, permits, authorizations and licenses that have been granted to the Owner, to the extent the maintenance thereof is not a responsibility of VEOLIA hereunder. All land, buildings, facilities, easements, licenses, structures, rights-of-way, equipment and vehicles presently or hereinafter acquired by Owner shall remain the exclusive property of Owner unless specifically provided for otherwise in this Agreement.
- 2.2. The Owner shall pay all amounts associated with the occupancy or operation of the Project and the performance of the obligations as listed in Appendix B including, but not limited to, all excise, ad valorem, property, franchise, occupational and disposal taxes, or other taxes associated with the Project. Taxes imposed upon VEOLIA’s net income and/or payroll taxes for VEOLIA’s employees are not included.

- 2.3. The Owner shall provide all registrations, licenses and insurance for Owner's vehicles and heavy equipment used in connection with the Project.
- 2.4. The Owner shall provide for VEOLIA's use of all vehicles and equipment currently in use at the Project, including the vehicles described in Appendix F. Such vehicles and equipment shall be in road safe condition. As stated above, VEOLIA shall be responsible for the cost of operation, maintenance and fuel for such vehicles and equipment, unless otherwise agreed to between the parties. Owner shall retain title and ownership of such vehicles and equipment. Use of such vehicles and equipment by VEOLIA shall be limited to duties and use within the course and scope of this Agreement. The parties may supplement this Agreement to provide for an agreed schedule of replacement of such vehicles and equipment and provision of any other insurance coverage deemed necessary or appropriate.
- 2.5. The Owner agrees to not offer employment or other compensation to Project Management and Supervisory personnel of VEOLIA directly working on this Project for a period of two (2) years after the end date of this Agreement or said employee's re-assignment from this Project.
- 2.6. Owner has provided to VEOLIA all data in Owner's possession relating to the Project. VEOLIA will reasonably rely upon the accuracy and completeness of the information provided by the Owner.

### **3. COMPENSATION AND PAYMENT**

Compensation for the services is described in Appendix E.

### **4. TERM**

- 4.1. The initial term of this Agreement shall be for five (5) years commencing on the Commencement Date. Thereafter, this Agreement may be renewed for a term of five (5) years ("Renewal Term") if approved in writing by both parties. If the Parties agree to a Renewal Term, the parties will strive to begin negotiations one hundred eighty (180) days prior to expiration.
- 4.2. Either Party may terminate this Agreement for a material breach of this Agreement by the other Party after giving written notice of the breach and allowing the other Party a reasonable time to correct the breach. Neither Party shall terminate this Agreement without giving the other Party thirty (30) days' written notice of intent to terminate for failure of the other Party to correct the breach within a reasonable time.
- 4.3. Beginning on the first anniversary of the Commencement Date, either Party may terminate this Agreement at its discretion either with or without cause, by giving at least one hundred twenty (120) days prior written notice.
- 4.4. For the initial term of the Agreement only, in the event Owner exercises its rights under Section 4.3 above, Owner shall reimburse Veolia for Veolia's demobilization costs and expenses not to exceed \$20,000 (the "Termination Payment"). If Owner terminates the Agreement under Section 4.3 after the first anniversary of the Commencement Date, Owner will reimburse Veolia up to \$20,000 for actual expenses. If Owner terminates the Agreement under Section 4.3 after the second anniversary of the Commencement Date, Owner will reimburse Veolia up to \$10,000 for actual expenses. There will be no reimbursement if the Owner exercises its rights under Section 4.3 after the third anniversary of the Commencement Date. The Termination Payment will be due on the effective date of termination.

- 4.5. Upon notice of termination by either Party, VEOLIA shall assist Owner in assuming or transferring the operation of the Project. If additional Cost is incurred by VEOLIA at the request of Owner, Owner shall pay VEOLIA such Cost within 30 (thirty) days of invoice receipt. If requested by Owner, VEOLIA will continue to provide the current operations staff for a period of up to ninety (90) days beyond the date of termination for a pro-rated Base fee. If the current staff are not available, VEOLIA will provide an operations staff for a period of up to ninety (90) days beyond the termination for a negotiated fee to include travel, per diem and associated labor costs.
- 4.6. Upon termination of this Agreement and all renewals and extensions of it, VEOLIA will return the Project to Owner in the same condition as it was upon the Commencement Date of this Agreement, ordinary wear and tear and repairs not approved by Owner excepted. If Owner incurs any additional costs associated with returning the Project to the original condition less ordinary wear and tear, VEOLIA shall pay Owner such costs within thirty (30) days of invoice receipt. Equipment and other personal property purchased by VEOLIA for use in the routine operation or maintenance practices of the Project and billed to the Owner in excess of the Base Fee shall become the property of the Owner upon termination of this Agreement, provided that Owner has reimbursed VEOLIA for such equipment and other personal property. However, any equipment or personal property that is purchased by VEOLIA and not billed to the Owner shall be the property of VEOLIA and shall be removed from the Project by VEOLIA at the termination of this Agreement.
- 4.7. Effect of termination. If the Agreement is terminated before the expiration date, Owner will compensate Veolia for work performed up until the effective date of the termination and any payments subject to Sections 4.4 and 4.5.

## **5. INDEMNITY AND LIABILITY**

- 5.1. VEOLIA agrees to indemnify, defend (with counsel reasonably acceptable to Owner) and hold harmless Owner and its officers, officials, employees and agents from and against all liability, loss, damage, expense, costs, including attorney fees, arising out of or associated with VEOLIA's work or duties as described herein, to the extent caused by (1) any willful misconduct, negligent act or omission of VEOLIA, its agents, any of its subcontractors, and anyone directly or indirectly employed by VEOLIA, its agents or its subcontractors, and anyone for whose acts any of them may be liable, (2) the negligent operation of the Project by or under the direction of Veolia, or (3) Veolia's failure to perform its duties under this Agreement, except to the extent caused by the Owner's willful misconduct, negligent act or omission.
- 5.2. It is understood and agreed that, in seeking the services of VEOLIA under this Agreement, Owner is requesting VEOLIA to undertake inherently unsafe obligations for Owner's benefit involving the presence or potential presence of hazardous substances. Therefore, to the fullest extent permitted by law, Owner agrees to hold harmless, indemnify, and defend VEOLIA from and against any and all claims, losses, damages, liability, and costs including, but not limited to, costs of defense arising out of or in any way connected with the presence, discharge, release, or escape of contaminants of any kind, excepting only such liability as may arise out of the negligent acts or omissions, or willful misconduct of VEOLIA, its employees or its subcontractors in the performance of services under this Agreement.
- 5.3. TO THE FULLEST EXTENT OF THE LAW AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL OWNER, VEOLIA, THEIR SUBCONTRACTORS OR THEIR OFFICERS OR EMPLOYEES BE LIABLE TO ANY



OTHER PARTY IN ANY ACTION OR CLAIM FOR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS, LOSS OF OPPORTUNITY, LOSS OF PRODUCT OR LOSS OF USE, WHETHER SUCH LIABILITY ARISES IN BREACH OF CONTRACT OR WARRANTY, TORT INCLUDING NEGLIGENCE, STRICT OR STATUTORY LIABILITY, OR ANY OTHER CAUSE OF ACTION. ANY PROTECTION AGAINST LIABILITY FOR LOSSES OR DAMAGES AFFORDED ANY INDIVIDUAL OR ENTITY BY THESE TERMS SHALL APPLY WHETHER THE ACTION IN WHICH RECOVERY OF DAMAGES IS SOUGHT IS BASED ON CONTRACT, TORT (INCLUDING SOLE, CONCURRENT OR OTHER NEGLIGENCE AND STRICT LIABILITY OF ANY PROTECTED INDIVIDUAL OR ENTITY), STATUTE OR OTHERWISE. TO THE EXTENT PERMITTED BY LAW, ANY STATUTORY REMEDIES, WHICH ARE INCONSISTENT WITH THESE TERMS, ARE WAIVED. Veolia's responsibility is to operate the facilities in compliance with current laws and regulations, to the extent of the facility's design, capabilities and physical capacity. It is not part of VEOLIA'S scope to test for or eliminate water borne bacteria or viruses except as required by current laws and regulations.

- 5.4. TO THE FULLEST EXTENT PERMITTED BY LAW AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, VEOLIA'S CUMULATIVE LIABILITY FOR PERFORMANCE OR NON-PERFORMANCE OF ANY OBLIGATION ARISING UNDER THE AGREEMENT (WHETHER ARISING UNDER BREACH OF CONTRACT, TORT, STRICT LIABILITY, OR ANY OTHER THEORY OF LAW OR EQUITY) INCLUDING, BUT NOT LIMITED TO ITS INDEMNITY OBLIGATIONS SPECIFIED IN SECTION 5.1 OF THE AGREEMENT, SHALL NOT EXCEED (1) ANY AVAILABLE AND RECOVERED PROCEEDS FROM INSURANCE REQUIRED BY THIS AGREEMENT UP TO THE SPECIFIED LIMITS (WITHOUT REGARD TO THE AMOUNT OF ANY DEDUCTIBLE WHICH MAY BE APPLICABLE UNDER ANY SUCH POLICY) AND (2) TO THE EXTENT INSURANCE IS NOT APPLICABLE, TEN MILLION (\$10,000,000) FOR THE DURATION OF THE AGREEMENT, PROVIDED THAT THE FOREGOING LIMITATION SHALL NOT APPLY TO ANY LOSSES RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF VEOLIA IN BREACH OF VEOLIA'S OBLIGATIONS UNDER THIS AGREEMENT.

## **6. FINES AND CIVIL PENALTIES**

- 6.1. Veolia shall be liable for fines or civil penalties which may be imposed by a regulatory or enforcement agency for violations occurring on or after the Commencement Date, as a result of the failure to comply with the terms and conditions of any duly authorized permit, court order, administrative order, law, statute, or ordinance for reasons resulting from VEOLIA's breach, negligence or willful misconduct during the term of this Agreement. Owner will assist VEOLIA to contest any such fines in administrative proceedings and/or in court prior to any payment by VEOLIA. VEOLIA shall pay the costs of contesting any such fines.
- 6.2. VEOLIA shall not be liable for fines or civil penalties that result from violations that occurred prior to the Commencement Date of this Agreement (unless covered by the existing agreement between the parties) or are otherwise directly related to the ownership of the Project. Any violation that occurred prior to the Commencement Date of this Agreement will be covered by the terms and conditions of the then-existing Agreement between the parties in which time the violation occurred.

6.3. OWNER shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on OWNER and/or Veolia that are not a result of Veolia's breach, negligence or willful misconduct, or are otherwise directly related to the ownership of the Project, and shall indemnify and hold Veolia harmless from the payment of any such fines and/or penalties.

## 7. INSURANCE

7.1. VEOLIA shall provide the following insurances throughout the term of the Agreement, and shall provide to Owner Certificates of Insurance demonstrating compliance with this provision:

1. Statutory Worker's Compensation and Employers Liability Insurance as required by the State in which the Project is located.
2. Automobile Liability Insurance with Two Million Dollars (\$2,000,000) combined single limits covering claims for injuries to members of the public and/or damages to property of others arising from the use of VEOLIA owned or leased motor vehicles, including onsite and offsite operations.
3. Commercial General Liability Insurance with limits of Five Million Dollars (\$5,000,000) per occurrence and in the aggregate, covering claims for injuries to members of the public or damages to property of others arising out of any covered act or omission of VEOLIA or any of its employees, or subcontractors.
4. Pollution Liability Insurance with limits of Five Million Dollars (\$5,000,000) per occurrence and in the aggregate, covering operation of the wastewater treatment facilities only.

7.2. VEOLIA shall add Owner and Owner's elected officials, officers, and employees, as additional insured in VEOLIA's commercial general liability, automobile liability, excess/umbrella, and contractor's pollution liability policies.

7.3. VEOLIA's commercial general liability, automobile liability, employer's liability, excess/umbrella, and contractor's pollution liability policies will be primary and non-contributory to any other coverage available to Owner.

7.4. VEOLIA will provide at least thirty (30) days written notice to Owner prior to any cancellation, non-renewal or adverse material change in coverage required in Section 7 (except ten (10) days' notice for non-payment of premium).

7.5. Owner will maintain the following insurances throughout the term of the Agreement, and shall provide VEOLIA with Certificates of Insurance to demonstrate compliance with this provision:

7.5.1. Property Damage Insurance for all property including Owner supplied vehicles and equipment for the full fair market value of such property. Owner will obtain a waiver of subrogation in favor of Veolia and Veolia's insurers.

7.5.2. Liability Insurance for all motor vehicles and equipment provided by Owner and operated by VEOLIA under this Agreement.

## 7.6. Certificates of Insurance (“COI”).

7.6.1. The Parties shall provide a COI evidencing the required insurance policies, limits, term of insurance, insured parties, and other information sufficient to demonstrate conformance with this Section 7 and its subsections. COI will reference the project name as identified on the first page of this Agreement.

7.6.2. In the event the COI provided indicates that any required insurance will expire during the period of this Agreement, the party shall furnish, on or before the expiration date, a renewed COI as proof that equal and like coverage for the balance of the period of the Agreement and any extension thereafter has been procured and in effect.

7.6.3. In the event a COI evidencing the renewed coverage is not available prior to the policy renewal date, that party shall provide to the other party, within fifteen (15) days of the policy’s renewal date(s). The party shall furnish the insurance certificates to the other party immediately upon the first party’s receipt.

## 8. LABOR DISPUTES

In the event activities by Owner’s employee groups or unions causes disruption in VEOLIA’s ability to perform its obligations under this Agreement, Owner, with VEOLIA’s assistance, or VEOLIA at its own option, may seek appropriate injunctive court orders during any such disruption, VEOLIA shall operate the facilities on a best efforts basis until any such disruptions cease, but VEOLIA cannot assure compliance with all contract conditions.

## 9. UNFORESEEN CIRCUMSTANCES

Neither Party shall be liable for damages, delays, or failure to perform its obligations under this Agreement if such failure is due to any Unforeseen Circumstance beyond its reasonable control. The Party invoking this clause shall notify the other Party immediately by verbal communication and in writing of the nature and extent of the contingency within ten (10) working days after its occurrence, and shall take reasonable measures to mitigate any impact of an Unforeseen Circumstance.

In the case of Unforeseen Circumstances Owner agrees to pay any undisputed Costs incurred by VEOLIA in connection with the Unforeseen Circumstance. Before payment is made, VEOLIA shall provide the Owner with an itemized list of Costs and explanations. Any disputed costs will be reviewed and negotiated by both parties to determine final payment.

## 10. ACCESS TO FACILITIES AND PROPERTY

10.1. Owner will make its facilities accessible to VEOLIA as required for VEOLIA’S performance of its services, and will secure access to any other Owner property necessary for performance of VEOLIA’s services.

10.2. VEOLIA shall provide 24-hour per day access to Project for Owner’s personnel. Visits may be made at any time by any of Owner’s employees so designated by Owner’s Representative. Keys for the Project shall be provided to Owner by VEOLIA. All visitors to the Project shall comply with VEOLIA’s operating and safety procedures.

## 11. CONTRIBUTIONS TO THE INDUSTRIAL ACCIDENT FUND

VEOLIA shall pay all contributions or amounts due the Industrial Accident Fund from VEOLIA incurred in the performance of this Agreement, and shall ensure that all subcontractors pay those amounts due from the subcontractors. (ORS 2798.220)

## 12. LIENS AND CLAIMS

VEOLIA shall not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished. (ORS 2798.220)

## 13. INCOME TAX WITHHOLDING

VEOLIA shall pay to the Oregon Department of Revenue all sums withheld from employees pursuant to ORS 316.167. (ORS 279B.220).

## 14. INDEPENDENT CONTRACTOR

14.1. VEOLIA is an independent contractor for all purposes and shall be entitled to no compensation other than the compensation expressly provided by this Agreement. As an independent contractor, VEOLIA is not entitled to indemnification by Owner or the provision of a defense by Owner under the terms of ORS 30.285. This acknowledgment by VEOLIA does not affect its independent ability (or the ability of its insurer) to assert the monetary affecting the assertion of any claim under the terms of the Oregon Tort Claims Act (ORS 30.260 to ORS 30.300).

14.2. Worker's Compensation Coverage. VEOLIA hereby certifies that it has qualified for State of Oregon Worker's Compensation coverage either as carrier-insured employer or as a self-insured employer. (ORS 279B.230).

## 15. MEDICAL CARE FOR EMPLOYEES

VEOLIA shall make payment of all sums to any person, co-partnership, association or corporation, furnishing medical, surgical and/or hospital care incident to the sickness or injury of VEOLIA's employee(s), all sums which VEOLIA agrees to pay for such services and all monies and sums which Owner collected or deducted from the wages of employees pursuant to any law, contract or contract for the purpose of providing or paying for such service. (ORS 279B.230).

## 16. SAFETY AND HEALTH REQUIREMENTS

VEOLIA shall comply with all federal Occupational Safety and Health Administration (OSHA) requirements and with all Oregon safety and health requirements, including those of the State Workers' Compensation Division.

## 17. PAYMENT REQUIREMENTS (ORS 2798.220)

VEOLIA shall make payment promptly, as due, to all persons supplying to VEOLIA labor or material for the prosecution of the work provided for in this Agreement. (ORS 279B.220). If VEOLIA fails, neglects, or refuses to make a prompt payment of any claim for labor or services furnished to VEOLIA or a subcontractor, or by any person in connection with this contract as the claim becomes due, the Owner may pay the claim to the person furnishing the labor or services

and charge the amount of the payment against funds due or to become due to VEOLIA pursuant to this contract. The Owner's payment of a claim under this Section shall not relieve VEOLIA or VEOLIA's surety, if any, from responsibility for those claims.

## **18. HOURS OF WORK**

Veolia shall pay employees for overtime work performed under the terms of this Agreement in accordance with ORS 653.010 to ORS 653.261 and the Fair Labor Standards Act of 1938 (29 USC §201 et. seq.).

## **19. CHANGES**

Owner and VEOLIA may mutually make changes within the general scope of services of this Agreement. The contract price and schedule will be equitably adjusted pursuant to a written Change Order, Modification or Amendment to the Agreement executed by both parties.

## **20. NO THIRD PARTY BENEFICIARIES**

This Agreement gives no rights or benefits to anyone other than Owner and VEOLIA and has no third party beneficiaries.

## **21. JURISDICTION**

This Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.

## **22. SEVERABILITY AND SURVIVAL**

If any of the provisions contained in this Agreement are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

## **23. AUTHORITY**

Both Parties represent and warrant to the other Party that the execution delivery and performance of this Agreement has been duly authorized by the responsible parties thereof. Both parties warrant that all required approvals have been obtained and the executing Party below has such authority to bind the Party.

## **24. NOTICES**

All notices shall be in writing and delivered, mailed or e-mailed to each Party at the respective addresses written below. All notices shall be deemed given (i) if delivered personally or by messenger, upon delivery, (ii) if delivered or sent by overnight mail or overnight courier, on the scheduled day of delivery or such earlier time as is confirmed by the receiving Party, (iii) if sent by registered or certified first class mail, upon the sooner of the date on which receipt is acknowledged or the expiration of three (3) days after deposit in United States post office facilities properly addressed with postage prepaid, or (iv) if delivered or sent by e-mail, on the day of transmittal if transmitted during normal business hours or on the next business day if not transmitted during normal business hours. Notice of change of address shall be provided in the same manner, and such change shall not be deemed a modification or amendment to the Agreement.

Owner's Project Manager:  
 Mike Walker  
 Public Works Director  
 39250 Pioneer Blvd.  
 Sandy, OR 97055

Veolia's Project Manager:  
 Mike Greene, General Manager  
 10350 SW Arrowhead Creek Lane  
 Wilsonville, Oregon 97070

With Copies To:  
 Veolia Water North America-West, LLC  
 700 E. Butterfield Road, Suite 201  
 Lombard, IL 60148

Veolia Water North America-West, LLC  
 Attn: General Counsel  
 53 State Street, 14th Floor  
 Boston MA 02109

## **25. RECORDS**

VEOLIA agrees that Owner and its authorized representatives shall have access during normal business hours to all books, documents, papers and records that are directly related to the Project for the purpose of making any audit, examination, copies, excerpts and transcripts.

## **26. WORK IS PROPERTY OF OWNER**

All work, including but not limited to documents, drawings, papers, computer programs, photographs, and reports ("Deliverables"), performed or produced by VEOLIA under this Agreement shall be the property of Owner. VEOLIA may retain copies of said documents and materials as desired but will deliver all original materials to Owner upon Owner's written notice. Owner agrees that use of VEOLIA'S completed work product, for purposes other than identified in this Agreement, or use of incomplete work product, is at Owner's own risk. Except as provided by this Agreement, VEOLIA shall retain ownership of its business records and Owner shall have no right to view or obtain copies of such business records, except pursuant a subpoena lawfully issued by court of competent jurisdiction. Notwithstanding the foregoing, VEOLIA shall retain the right to use the ideas, concepts, know-how, and techniques derived from the rendering of the Deliverables, and VEOLIA shall be entitled to any and all protections afforded under state and federal statutory or common law with respect to any materials that were prepared, developed or used by VEOLIA prior to or outside the scope and course of completing the Services performed under the terms of this Agreement ("VEOLIA Intellectual Property"), and such VEOLIA Intellectual Property shall remain the intellectual property of VEOLIA and shall not be the property of Owner. In the event (and to the extent) that any Deliverable contains any items or elements that are VEOLIA Intellectual Property, VEOLIA grants to Owner an irrevocable, perpetual, royalty-free limited license to use, execute, display and/or perform such to the extent it is necessary to fulfill Owner's purposes under this Agreement.

VEOLIA shall maintain all records and accounts concerning the operation, maintenance and repair of the Project in accordance with generally accepted accounting principles. All such records and accounts shall be retained by VEOLIA and kept accessible for a minimum of three (3) years from the expiration or termination of this Agreement, except as required longer by law, or until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement, whichever date is later.

## **27. DUTY TO INFORM**

VEOLIA shall give prompt written notice to Owner's Project Manager if, at any time during the performance of this Agreement, VEOLIA becomes aware of actual or potential problems, faults or defects in the Project, any nonconformity with the Agreement, or with any federal, state, or local law, rule or regulation, or has any objection to any decision or order made by Owner. Any delay or failure on the part of Owner to provide a written response to VEOLIA shall constitute neither agreement with nor acquiescence in VEOLIA's statement or claim and shall not constitute a waiver of any of Owner's rights.

## **28. MEDIATION/TRIAL WITHOUT A JURY**

Should any Agreement-related dispute arise between the Parties, which does not involve claims made by or asserted against third parties, and if the dispute cannot be settled through negotiation in good faith, it is agreed that such dispute will be submitted to a mediator prior to any litigation, and the Parties hereby expressly agree that no claim or dispute arising under the terms of this Agreement shall be resolved other than first through non-binding mediation and only in the event said mediation efforts fail, then through litigation.

EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THE PERFORMANCE OF ANY SUCH RIGHTS OR OBLIGATIONS.

The Parties shall exercise good faith efforts to select a mediator who shall be compensated equally by the Parties. Mediation will be conducted in Sandy, Oregon, unless the Parties agree in writing otherwise. Parties agree to exercise good faith efforts to resolve all Agreement-related disputes through the mediation process. If a Party requests mediation and the other Party fails to respond within ten (10) days, or if the Parties fail to agree on a mediator within ten (10) days, a mediator shall be appointed by the presiding judge of the Clackamas County Circuit Court upon the request of either Party. The Parties shall retain all rights with respect to any dispute not covered by this Section. The period for mediation shall commence upon the appointment of the mediator and shall not exceed sixty (60) days, unless such time period is modified by written agreement of the Parties.

## **29. ENTIRE AGREEMENT**

This Agreement, together with all Appendices attached hereto, contains all representations and the entire understanding between the parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, or agreements, whether or not such correspondence, memoranda or agreements are in conflict with this Agreement, are intended to be replaced in total by this Agreement and its Appendices. The parties mutually declare there are no oral understandings or promises not contained in the Agreement which contains the complete, integrated, and final agreement between the parties.

Both parties indicate their approval of this Agreement by their signatures below, and each Party warrants that all corporate or governmental action necessary to bind the parties to the terms of this Agreement has been and will be taken.

Veolia Water North America-West, LLC

City of Sandy, Oregon

By: 

By: 

Title: Senior Vice President

Title: Kim Yamashita

Name: Keith Oldewurtel

Name: City Manager



APPENDIX A  
DEFINITIONS

- A.1. "Adequate Nutrients" means plant influent nitrogen, phosphorous, and iron contents proportional to BODs in the ratio of five (5) parts nitrogen, one (1) part phosphorous, and one-half (0.5) part iron for each one hundred (100) parts BODs.
- A.2. "Base Fee" means the compensation paid by Owner to VEOLIA for the base services defined in Appendix B of this Agreement for any year of the Agreement. The Base Fee is specified in Appendix E.1 and will be adjusted annually in accordance with Base Fee Formula specified in Appendix E.3. This compensation does not include payments for Requests by Owner that are incidental to or outside the Scope of Services.
- A.3. "Biologically Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentrations so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of Owner's NPDES permit. Biologically Toxic Substances include but are not limited to heavy metals, phenols, cyanides, pesticides, and herbicides.
- A.4. "BOD" means Biochemical Oxygen Demand over a five (5) day period.
- A.5. "Change in Law" means any of the following acts, events or circumstances to the extent that compliance with the change materially changes the Direct Cost of performing the work: the adoption, amendment, promulgation, issuance, modification, specifically changed by any local, state, federal or other governmental body. VEOLIA and Owner shall negotiate a mutually agreeable change in VEOLIA's Base Fee for any change in law which results in a significant change to the Direct Cost incurred to perform the scope of services. If the change results in a decrease in price, VEOLIA and Owner shall negotiate the change and apply a credit to the Base Fee.
- A.6. "Change in the Scope" are defined in Appendix B.4.
- A.7. "Commencement Date" shall mean March 1, 2019.
- A.8. "Cost" means the total of all Direct Cost and indirect cost determined on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP).
- A.9. "Direct Cost" means the actual cost incurred for the direct benefit of the Project, including but not limited to, expenditures for Project management labor, employee benefits, chemicals, lab suppliers, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools memberships and training supplies
- A.10. "Major Repairs" mean those Repairs that significantly extend equipment or facility service life and cost more than Two Thousand Dollars (\$2,000.00).
- A.11. "Preventive Maintenance" means those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or VEOLIA to maximize the service life of the equipment, sewer, vehicles, and facility.

A.12. "Project" means all equipment, vehicles, grounds, and facilities described in Appendix D and where appropriate, the operations, maintenance, and management of such.

A.13. "Repairs" means those non-routine/non-repetitive activities required for operational continuity, safety, and performance generally resulting from failure or to avert a failure of the equipment, sewer, vehicle, or facility or some component thereof. However, if the need for the repair is caused by VEOLIA negligent or misuse, such expenditure will not be a "repair" under this agreement, will not be deducted from the Repair Limit and will be VEOLIA's sole responsibility.

Scheduled replacement per manufacturer's recommendations of the following specific consumables shall not be considered Repairs and the cost for same (excluding labor for installation) shall be the responsibility of the City:

- Effluent disc filter media cloth covers
- Ultraviolet disinfection system lamps, ballasts, wipers and sleeves

A.14. "TSS" means total suspended solids.

A.15. "Unforeseen Circumstances" means an event or condition which has an effect on the rights or obligations of the parties under this Agreement, or upon the Project, which is beyond the reasonable control of the party relying thereon and constitutes a justification for a delay in or non-performance of action required by this Agreement, including but not limited to (i) an act of God, landslide, lightening, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war blockade, sabotage, insurrection, riot or civil disturbance or a pandemic event; (ii) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strike or work slowdowns or stoppages by employees of VEOLIA; (iii) the presence of Biologically Toxic Substances in the influent or the presence of hazardous wastes, materials or liquids in the influent or raw water supply, which detrimentally affect the machinery, infrastructure or processes at the Project; and (iv) loss of or inability to obtain service from a utility necessary to furnish power for the operation and maintenance of the Project.

**APPENDIX B  
SCOPE OF SERVICES**

VEOLIA SHALL:

**B.1. GENERAL**

- B.1.1. Subject to the Maintenance and Repairs Limit, alter as needed, the process and/or facilities to achieve the objectives of this Agreement; provided, however, that no alteration shall be without Owner's written approval if alteration shall cost in excess of One Thousand Dollars (\$1,000.00).
- B.1.2. Operate, maintain and/or monitor the Project such that the Project is staffed at least Monday through Friday, eight (8) hours per day and a reduced but sufficient number of hours per day (Saturday, Sunday, Holidays) as necessary to meet operational needs. VEOLIA shall be responsive to alarms and emergency calls 24 hours per day, 7 days per week, within one (1) hour of its occurrence. VEOLIA shall designate, as a minimum, one staff member as standby to respond to such calls.
- B.1.3. Staff the Project with a sufficient number of qualified employees who possess the managerial, administrative, and technical skills to perform the services specified in this Agreement, and where appropriate, the certification requirements mandated by the State.
- B.1.4. Pay all Costs incurred in normal Project operations except as otherwise included in Article 2 - Owner's Responsibilities.
- B.1.5. Perform Preventative Maintenance and Repairs for the Project, subject to the Repairs Limit.
- B.1.6. Maintain aesthetics of the facilities:
  - B.1.6.1. In general, maintain the WTP and WWTP site and grounds in a clean, neat, and orderly fashion to present a positive image of the facility and program.
  - B.1.6.2. Administrative and other occupied spaces shall be kept clean, dry, and habitable
  - B.1.6.3. Other spaces and floors shall be free of sewage, screenings, sludge, debris, etc.
  - B.1.6.4. Equipment, tools, and material will be properly stored
  - B.1.6.5. Trees and shrubs shall be kept trimmed, grass shall be maintained, and other grounds shall be free of noxious weeds
  - B.1.6.6. Maintain plant and site grounds at Hudson Rd. Pump Station and Revenue Ave. Reservoir per the scope of work and schedule in Appendix G. VEOLIA will present a plan for site and ground maintenance by April 1, 2019 with proposed costs. The plan will be agreed upon by both Parties, and the costs shall be billed to Owner in accordance Appendix E.1.1.3.
- B.1.7. Place at each permanently staffed Project facility, a copy of VEOLIA's Corporate Safety Program and provide all employees training specific to this Program, within forty-five (45) days from the Commencement Date of this Agreement. The cost of any capital improvement

required at the Project to bring the facilities within OSHA compliance will be paid by the Owner.

- B.1.8. Provide job related training for personnel in the areas including but not limited to operation, quality, maintenance, safety, supervisory skills, laboratory, and energy management. All such training shall be fully documented. Where employees are required by law or regulation to hold current licenses, certificates or authority to perform the work required of their respective positions, VEOLIA shall provide the training and agree with the employee to a reasonable time frame for the employee to qualify for such certificate, license or authority.
- B.1.9. In any emergency affecting the safety of persons or property, VEOLIA shall act without written amendment or change order, at VEOLIA's discretion, to prevent threatened damage, injury or loss; provided however, that VEOLIA shall obtain prior Owner approval for any emergency expenditure in excess of Five Thousand Dollars (\$5,000.00). VEOLIA will notify Owner as soon as reasonably possible and shall be compensated by Owner for any such emergency work notwithstanding the lack of written amendment or change order. VEOLIA will invoice Owner the amount mutually agreed to by the Parties for the emergency expenditure.
- B.1.10. Utilize Owner provided security devices during VEOLIA's hours of operation to protect against any losses resulting from theft, damage or unauthorized use of the Project. Existing security devices include: fencing, lockable structures, and limited intrusion alarm. Upon exiting the Project, VEOLIA shall make sure that all Project gates and structures are locked and that any security alarms are activated.
- B.1.11. Comply with all Federal and OR-OSHA regulations relating to bloodborne pathogens, confined space entry, fall protection, and any other applicable occupational health and safety requirements.
- B.1.12. Review the existing plant emergency action plan and provide an updated plan (if needed).
- B.1.13. VEOLIA shall provide Owner with a listing of any recommended Major Repairs that VEOLIA believes will be required for any of the facilities covered under the contract. Owner may choose to act on these recommendations upon review with Owner's Consulting Engineer. If Owner agrees with any of the recommendations provided, Owner shall attempt to budget for the necessary expenditure(s) in the next regularly scheduled biennial budget preparation cycle. However, VEOLIA shall not be relieved of its responsibilities to perform if the recommendations are not implemented and the City will be responsible for any fines, penalties or regulatory actions or consequences incurred if it can be demonstrated that such occurred as a result of these recommendations not being implemented. If VEOLIA believes the recommendation is necessary to perform its responsibilities and Owner continues to disagree, VEOLIA may terminate the Agreement pursuant to Section 4.3

## B.2. WASTEWATER TREATMENT PLANT

- B.2.1. Within the design capacity and capability of the Wastewater Treatment Plant (the "WW Plant"), manage, operate, and maintain the WW Plant so that effluent discharged from the WW Plant meets of the Clean Water Act and the requirements specified in NPDES Permit No. 102492 issued January 23, 2010 (copy attached), and other applicable/related permits issued by EPA, the State or local authorities, unless one or more of the following occurs: (1) WW Plant

influent does not contain Adequate Nutrients to support operation of the WW Plant's biological processes and/or contains Biologically Toxic Substances that cannot be removed by the existing processes and facilities; (2) dischargers into Owner's sewer system violate any or all regulations as stated in Section 13.12.080 of the Sandy Municipal Code; and (3) the flow, influent biochemical demand (BODs,) and/or total suspended solids (TSS) exceeds the WW Plant's design parameters that exceed the plants Maximum Allowable Headworks Loadings in which case Appendix C specifies responsibilities and remedies.

- B.2.2. Within the design capacity and capability of the WW Plant, operate the WW Plant in a manner such that odor and noise are minimized.
- B.2.3. Operate and maintain effluent filtration and UV disinfection systems. Replace disk filter media and UV system components per manufacturer's schedule
- B.2.4. Operate sodium hypochlorite disinfection system and recycled water pump station during land application season.
- B.2.5. Prepare and submit to appropriate agencies, all regulatory reports pertaining to routine operation and maintenance of the facilities specified herein. Veolia shall comply with all current local, State and Federal notice and reporting requirements, regarding violations, upsets, excursions, or emergencies related to the Plant.
- B.2.6. Assist the Owner with the NPDES permit renewal process by providing Project information within VEOLIA's possession and control. Any additional assistance requested by the Owner will be handled as a Change in Scope.
- B.2.7. Operate and maintain, to its design capacity and capability, the solids handling system, including polymer addition and pH adjustment, in compliance with the Bio-Solids handling plan and regulatory requirements.
- B.2.8. Provide hauling and disposal of screenings, grit, scum, sludges (including lime stabilized sludge cake), and biosolids (collectively, "Residuals") to existing disposal sites for land application. The Parties shall negotiate responsibility for additional costs associated with Residual removal due to unexpected loss of available permitted sites, or unforeseen mechanical failures which prohibit removal of solids from the facility to permitted sites. However, Veolia shall be solely responsible for costs that resulted from VEOLIA's negligent actions, inactions, or factors within VEOLIA's control; for example, unavailable truck drivers, repairs not completed in a timely manner, or similar.
- B.2.9. Where land application is used as the method for disposal of biosolids, VEOLIA shall comply with the State and Federal 40 CFR 503 regulations applicable to such method. Specifically, VEOLIA shall assist Owner in securing all permits and land use agreements, and perform soils and biosolids testing, and report the volume and quantity of biosolids land applied. VEOLIA may use the existing Owner secured permits and land application sites.
- B.2.10. Maintain positive working relationships with existing sludge disposal site owners and seek out new sludge disposal sites as needed.

- B.2.11. Provide computerized maintenance, process control and laboratory management systems for the Project and provide a monthly statistical summary of performance to Owner by the tenth (10th) of each month. Owner shall have the right to inspect these records during normal business hours. The maintenance program will include documentation of spare parts inventory. This system shall be capable of providing historical data.
- B.2.12. Perform all laboratory testing and sampling for process control and as currently required by the State and Federal Clean Water Act, NPDES permit NPDES referenced documents and all Federal or State issued permits. Develop, follow and maintain a QAJQC program for laboratory equipment processes and procedures and comply with all OR-OSHA and other applicable laboratory and chemical safe handling requirements. Additional laboratory testing and sampling requested by the Owner will be provided on a fee per test basis to be determined at the time of the request.
- B.2.13. Provide and document all Preventive Maintenance for the WW Plant. Owner shall have the right to inspect these records during normal business hours.
- B.2.14. Provide and document Repairs for the WW Plant. The Repairs Limit described in Appendix E shall not include the salary cost of VEOLIA's onsite personnel assigned to the project making such repair. However, due to the size, complexity, technical nature, or timing for completion of such repairs, VEOLIA may subcontract or provide VEOLIA personnel outside of the project to make such repairs and charge such services to the Repairs budget. VEOLIA will provide Owner with a monthly report on the expenditures of Repairs.
- B.2.15. Monitor wastewater pump station alarms reported to the WWTP SCADA computer and auto-dialer and convey this information to Owner personnel immediately. Owner and VEOLIA will develop a more detailed protocol for reporting and conveying this information after execution of the contract.
- B.2.16. Owner will be responsible for all power costs at the Wastewater Treatment Plant during the term of the Agreement. VEOLIA will be responsible for all other utility costs, (telephone, SCADA circuits, satellite internet) at the facility. The master water and wastewater SCADA computer is located at the water treatment plant and telephone lines are used for communications between the facilities. Solid waste disposal (trash and bar screenings) are collected by the Owner's solid waste franchisee at no cost to the project.

### B.3. WATER TREATMENT PLANT

- B.3.1. Within the design capacity and capability of the Water Treatment Plant (WTR Plant), manage, operate, and maintain the WTR Plant, as set forth in this Section B.3.1, so that finished water discharged from the WTR Plant meets the requirements specified by the State of Oregon and U.S. EPA for Public Water Systems and National Primary Water Treatment Regulations as required by the Safe Drinking Water Act and as outlined in Appendix C.
- B.3.1.1. For raw water sourced from Portland Water Bureau:

- Operate and maintain booster pumps;
- Set booster pump start/stop setpoints; and
- Operate and maintain Revenue Avenue transfer pumps including start/stop setpoints.

Operation and maintenance of the chemical feed system and the carbon filter stream is not included as part of the scope, and will be negotiated by the Parties at a later date.

**B.3.1.2. For the Alder Creek Water Treatment Plant:**

- Operate and maintain diversion dam and intake screens. Seasonally remove or install splash boards as necessary to provide positive suction head at raw water booster pump station;
- Operate and maintain raw water booster pump station and variable frequency drives;
- Operate and maintain streaming current monitors and chemical mixing and feed system.
- Operate and maintain clarifiers and filters; and
- Operate and maintain finished water pumps and set pump start/stop setpoints to maintain reservoir levels and adequate filter backwash water supply;
- Operate and maintain the on-site diesel generator, including all expendables (fuel, oil, etc.). Perform load bank testing at least bi-annually. This includes the diesel generator at the Terra Fern reservoir and pump station.

Maintenance of the underground piping of any diameter at this site will be performed by the Owner

**B.3.1.3. For Brownell Springs:**

- Operate and maintain chemical feed equipment;
- Maintain disinfectant inventory at the site by safely transporting and transferring small quantities of disinfectant to the site; and
- Maintain plant equipment, building and components.

Maintenance of the underground piping of any diameter at this site will be performed by the Owner

**B.3.1.4. For Hudson Road Booster Pump Station and Revenue Ave. Transfer Pump Station:**

- Operate and maintain the on-site diesel generator, including all expendables, (fuel, oil, etc.) at the Hudson Rd. site and the natural gas generator at Revenue Ave. site including all expendables. Perform load bank testing at least biannually. Owner will be responsible for natural gas service at the Revenue Ave. site.
- Maintenance of the underground piping of any diameter at this site will be performed by the Owner

B.3.1.5. VEOLIA shall be responsible for meeting potable water quality limitations established therein unless the raw water supply contains substances, materials or liquids contained in the raw water supply, which detrimentally affect the machinery, infrastructure or processes at the WTR Plant.

B.3.2. Assist the Owner with the disposal of Residuals to permitted disposal sites. Any Cost of this service due to permitting requirements, increased or unusual quantities of material, or increases in landfill rates, hauling costs, or tipping fees shall constitute a change in scope and give cause for an adjustment in fee. Owner and VEOLIA agree that Owner is the Generator of the Residuals.

B.3.3. Perform all laboratory testing and sampling currently required by the State and Federal Safe Drinking Water Regulations at the entry point and upstream as shown in Appendix V. Develop, follow and maintain a QA/QC program for laboratory equipment process and procedures. Comply with OR-OSHA and all applicable laboratory and chemical handling safety requirements. Additional laboratory testing and sampling requested by the Owner will be provided on a fee per test basis to be determined at the time of the request.

B.3.4. Provide and document all Preventive Maintenance for the WTR Plant. Owner shall have the right to inspect these records during normal business hours.

B.3.5. Provide and document Repairs for the WTR Plant. The Repairs Limit described in Appendix E shall not include the salary cost of VEOLIA's onsite personnel assigned to the project making such repair. However, due to the size, complexity, technical nature, or timing for completion of such repairs, VEOLIA may subcontract or provide VEOLIA personnel outside of the project to make such repairs and charge such services to the Repairs budget. VEOLIA will provide Owner with a monthly report on the expenditures of Repairs.

B.3.6. Provide and document Repairs for the WTR Plant in a mutually-agreed format by the tenth (10th) day of each month.

B.3.7. Provide monthly water production, peak day and regulatory compliance data by source in a mutually-agreed format by the tenth (10th) day of each month.

B.3.8. Owner will be responsible for all power costs at the Water Treatment Plant and associated sites during the term of the Agreement. VEOLIA will be responsible for all other utility costs, (telephone, SCADA circuits, satellite internet, solid waste disposal) at the facility. The master water and wastewater SCADA computer is located at the water treatment plant and telephone lines are used for communications between the facilities

#### B.4. SCOPE CHANGES



- B.4.1. A Change in Scope of services shall occur when and as VEOLIA's costs of providing services under this Agreement change as a result of:
- B.4.1.1. Any change in Project operations, personnel qualifications, required certification, staffing or other cost which is a result of an Unforeseen Circumstance. VEOLIA will invoice Owner the amount mutually agreed to by the Parties. The undisputed invoice will be due and payable by Owner commencing the month following when the Change in Scope occurs.
  - B.4.1.2. The current WWTP NPDES permit is being renewed. Any change in Project operations, personnel qualifications, required certification, staffing or other cost as a result of the issuance of new Permit or permit renewal shall constitute a Change in Scope. Increases or decreases of not less than ten percent (10%) in the Wastewater Plant influent flow or loadings, as set forth in Appendix C, as demonstrated by a twelve month floating average compared to the twelve month period ending on the Commencement Date of this Agreement. The Parties must mutually agree upon compensation for the Changes in Scope.
  - B.4.1.3. Increases or decreases of not less than ten percent (10%) in the Water Plant average daily production, as set forth in Appendix C, as demonstrated by a twelve month floating average compared to the twelve month period ending on the Commencement Date of this Agreement. VEOLIA will invoice Owner the amount mutually agreed to by the Parties. The undisputed invoice will be due and payable by Owner commencing the month following when the Change in Scope occurs. Owner's request of VEOLIA, and VEOLIA's consent, to provide additional services. Owner and VEOLIA shall negotiate an increase in VEOLIA's Base Fee for these Changes in Scope
- B.4.2. At any time, the Owner may request VEOLIA to provide support services for Owner's capital projects. In this case VEOLIA shall propose a scope of services, schedule and budget identifying direct costs and overhead/profit charges. VEOLIA shall not proceed with any such capital project services without express written authorization of Owner.

**APPENDIX C  
CAPACITY AND CHARACTERISTICS**

**C.1. CAPACITY AND CHARACTERISTICS OF WASTEWATER TREATMENT PLANT**

C.1.1. Wastewater Treatment Plant Design Capacity is described as follows:

Parameter	Plant
Flow, million gallons/day	1.25
BODs, pounds per day	2,220
TSS, pounds per day	2,330
Daily Peaking Factor	2.0

All parameters shall be based on the design average dry weather flow with the Daily Peaking Factor being the multiplier applied to the design average dry weather flow. VEOLIA will measure and update actual Plant Design Capacity within ninety (90) days of the Commencement Date and provide Owner in writing with any changes to this Section C.1.1.

C.1.2. In the event any one of the Project influent characteristics, suspended solids, BODs, or flow, exceeds the design parameters stated above, VEOLIA shall take commercially reasonable efforts to return the plant effluent to the characteristics required by the NPDES permit in accordance with the following schedule after Project influent characteristics return to within design parameters.

<u>Characteristics Exceeding Design Parameters By:</u>	<u>Recovery Period Maximum</u>
10% or Less	5 days
Above 10% Less than 20%	10 days
20% and Above	30 days

Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then VEOLIA will have a thirty (30)-day recovery period after the influent is free from said substances or contains Adequate Nutrients.

C.1.3. VEOLIA shall not be responsible for fines or legal action as a result of discharge violations within the period that influent exceeds design parameters, does not contain Adequate Nutrients, contains Biologically Toxic Substances, and the subsequent recovery period. Notwithstanding anything to the contrary, Owner retains all liability, fines or legal action as a result of discharge violations within the period that influent exceeds design parameters, does not contain Adequate Nutrients, contains Biologically Toxic Substances, and the subsequent recovery period.

C.1.4. The Base Fee for services under this Agreement is based on the following Project influent characteristics as determined by a 12 month average (January- December of previous year):

Parameter	Plant
Avg flow, million gallons/day	1.62
BODs, pounds per day	2,362
TSS, pounds per day	2,289

## C.2. RAW WATER QUALITY AND FINISHED WATER REQUIREMENTS OF WATER TREATMENT PLANT

C.2.1. The facilities shall be operated and maintained in accordance with all applicable federal, state and local regulations pertaining to water treatment, contaminant monitoring, and reporting. All analytical methods used to demonstrate compliance shall be in accordance with methods approved by the Owner and State Agencies, as applicable. In the event the parameter does not have a method approved by Federal and State Agencies, VEOLIA will utilize alternate test methods approved by EPA in 40 CFR, 141, Subpart C.

### C.2.2. System Demand

VEOLIA shall assume an average day demand (ADD) for water of 1.098 mgd and a peak daily demand of 1.79 mgd at the commencement of this agreement. VEOLIA acknowledges that the Owner has the right to demand up to 3.5 mgd (including 0.5 mgd from the Portland Water Bureau source) on any day and VEOLIA shall undertake, as and when needed, the necessary arrangements to assure that sufficient personnel are available to satisfy additional demand overtime. If Owner communicates any changes in the average daily demand for water as listed above, this will constitute a Change in Scope, and an appropriate adjustment of fee shall be negotiated.

The Base Fee is based on the assumption that the supply of raw water for treatment shall be Brownell Springs and Alder Creek. VEOLIA shall accept 500,000 gallons/day of treated water from the City of Portland source, but any additional costs to treat Portland Water or the impacts associated with Portland Water is not covered in this Scope.

C.2.3. VEOLIA shall be responsible for meeting the water treatment performance standards established in Appendix B and C, but shall not be responsible for events outside the control of VEOLIA, which include but are not limited to:

- C.2.3.1. Materials or liquids contained in the raw water supply, which detrimentally affect the machinery, infrastructure or processes at the Project;
- C.2.3.2. Raw water supply is insufficient to meet demand;
- C.2.3.3. The demand for water exceeds the design capacity of the facilities specified in Appendix C;
- C.2.3.4. Vandalism; and/or
- C.2.3.5. Unforeseen Circumstances.

C.2.4. The estimated cost for services under this Agreement is based on an average day demand (ADD) of 1.098 mgd. Any change of ten percent (10%) in the average daily production based upon the prior calendar year (January–December of previous year) will constitute a Change in Scope.

Temporary increases in water production necessitated by equipment failure or to recover low reservoir levels shall not be included in these calculations.

**APPENDIX D  
LOCATION OF PROJECT**

VEOLIA agrees to provide the services necessary for the operation, maintenance, and management of the facilities described herein:

- D.1. All equipment, grounds, and facilities now existing within the current property boundaries of or being used to operate Owner's Wastewater Treatment Plant located at:

Wastewater Treatment Plant, 33400 SE Jarl Rd

- D.2. All equipment, grounds, and facilities now existing within the current property boundaries of or being used to operate Owner's Water Treatment Plant located at:

Facility	Address
Alder Creek Water Treatment Plant	52500 Hwy 26
Terra Fern Rd. Reservoir and Pump Station	51515 Terra Fern Dr.
Brownell Springs	48205 SE Dowling Rd.
Sandercock Reservoir	44334 Sandercock Ln.
Vista Loop Rd. Reservoir	41225 SE Vista Loop Dr.
Hudson Road Booster Pump Station	39175 Hudson Road
Revenue Avenue Reservoir and Transfer Station	17160 Revenue Ave.

APPENDIX E  
COMPENSATION, PAYMENT AND BASE FEE ADJUSTMENT FORMULA

E.1. COMPENSATION

E.1.1. Calculation of Compensation

- E.1.1.1. Owner shall pay to VEOLIA as compensation for services performed under this Agreement a Base Fee of **Five Hundred Fifty-Four Thousand Three Hundred Seventy-Six Dollars (\$554,376)** for the Wastewater Services and **One Hundred Eighty-Two Thousand Nine Hundred Twenty-Two Dollars (\$182,922)** for the Water Services for the first year of this Agreement. Subsequent years' base fees shall be determined as specified in Appendix E.3. The Base Fee includes the following cost incurred for the direct or indirect benefit of the Project: expenditures for Project management labor, employee benefits, chemicals, lab supplies, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities (excluding electricity, which shall be paid by Owner), tools, memberships, training and training supplies. The Base Fee is based on the assumption of treatment at the existing wastewater plant listed in Appendix D.2 and the characteristics listed in Appendix C.1.4. Any limitations on these expenditures as set forth in Appendix E.1.2.
- E.1.1.2. Owner expects to commence construction of an expansion to the existing WWTP during the term of this agreement. Owner will involve and consult with VEOLIA operations staff during planning and design of the new facilities. Additional labor or other costs attributable to construction of new WWTP facilities can be expected. Owner and VEOLIA will negotiate a Change in Scope for any additional services or expenses resulting from construction. Once a new wastewater plant has been constructed and completed acceptance testing and is online, the Parties agree to renegotiate the Base Fee.
- E.1.1.3. The services provided under this Agreement assume overtime for normal breakdowns or services required after hours. Any additional expenses including straight or overtime wages caused by Unforeseen Circumstances will be billed to the Owner for reimbursement. All additional expenses for water or wastewater treatment services shall be tracked and invoiced separately.

E.1.2. Limitations

- E.1.2.1. The total amount VEOLIA will be required to pay for Repairs and Maintenance will not exceed the annual Repairs Limit of Thirty Thousand (\$30,000.00) for the Wastewater services and Twenty Five Thousand (\$25,000.00) for the Water Services for the contract year identified under Appendix E.1.1 All repairs over \$2,000.00 will be deducted from the Repair Limit for the respective facilities.
- E.1.2.2. VEOLIA will bill the Owner for repairs over \$2,000 should the Repair Limit for a facility be exceeded prior to the end of the contract year or the Owner may choose to complete these repairs. Repairs (including labor) below the \$2,000 limit will be considered incidental to the project and included in the Base Fee. VEOLIA shall provide Owner with a detailed invoice of Repairs over the annual Repairs Limit,

and Owner shall pay VEOLIA for all Repairs performed by VEOLIA in excess of such limit. Any loss, damage or injury resulting from Owner's failure to provide for Repairs in excess of the Repairs Limit shall be the sole responsibility of Owner. VEOLIA shall rebate to Owner the entire amount that the cost of Repairs is less than the annual Repairs Limit. VEOLIA will ask for Client consent before any Repair expenditure over \$5,000.00

E.1.2.3. Repairs charged to the Repair Limit shall not include labor costs for VEOLIA personnel assigned to the Sandy project. Repairs charged to the Repairs Limit using VEOLIA staff not assigned to the Sandy project may include labor costs.

E.1.2.4. The repair or replacement budget shall be used for individual repairs on discrete pieces of equipment or process components. Repair expenses related to discrete failure events or separate and unrelated pieces of equipment not required to make a piece of equipment operable may not be aggregated or combined in order to surpass the \$2,000 threshold.

E.1.2.5. Any loss, damage or injury resulting from VEOLIA's negligence, misconduct or negligent maintenance shall be the sole responsibility of VEOLIA

#### E.1.3. Changes in Compensation

E.1.3.1. The Base Fee will be adjusted annually using the Base Fee Adjustment Formula shown in Appendix E.3, with an annual escalation not to go below two percent (2%) or exceed five percent (5%). Upon each contract year renegotiation, VEOLIA shall continue to invoice Owner at the previous amount until written agreement between the Parties as to the new contract year Base Fee, upon which VEOLIA shall issue an invoice retroactively adjusting the previous contract year Base Fee amount

E.1.3.2. The Parties will negotiate the Repairs Limit each year, three (3) months prior to anniversary of the Commencement Date hereof in accordance with Appendix E.1.3.1. Should Owner and VEOLIA fail to agree, the Repairs Limit will be determined by the prior year's Repairs Limit Amount plus application of the Consumer Price Index (CPI) component of the Base Fee Adjustment Formula shown in Appendix E.3.

E.1.3.3. The Parties will negotiate compensation for Changes in Scope in accordance with Appendix B.

#### E.2. PAYMENT OF COMPENSATION

E.2.1. One-twelfth (1/12th) of the Base Fee for the current year and any charges against the repairs limit occurring in the subject month be invoiced on the first of the month for each month that services are provided. Repairs will be reconciled quarterly.

E.2.2. Invoices, (including repairs expenses and out-of-scope services) for services at the Plant shall be identified as such on the invoice. Invoices, (including repairs expenses, and out-of-scope services) for services at the WTR Plant shall be identified as such on the invoice.

- E.2.3. All other compensation to VEOLIA is due on receipt of VEOLIA's invoice and payable within thirty (30) calendar days, unless disputed by Owner.
- E.2.4. All payments due Owner under Section E.1.2 above shall be due and payable within ninety (90) days following the end of the applicable contract year.
- E.2.5. Owner shall pay interest at an annual rate equal to 8% or such other percentage as may be allowed by statute, said amount of interest not to exceed any limitation provided by law, on payments not paid and received within thirty (30) calendar days, such interest being calculated from the due date of the payment.
- E.2.6. In the event of a contested billing, Owner may only withhold the contested portion from payment. The Owner will pay Veolia the undisputed portion in accordance with Appendix E.2.2.

### E.3. BASE FEE ADJUSTMENT FORMULA

$$ABF = BF \times AF$$

Where:

ABF = Adjusted Base Fee

BF = Base Fee specified in Appendix E.1.1

AF = Adjustment Factor as determined by the formula:

$$[((ECI).70 + (CPI).30)] + 1.02$$

Where:

ECI = The twelve month percent change (from the third quarter of the prior year to the third quarter in the current year) in the Employment Cost Index for Total Compensation for Private Industry Workers in the Pacific Census Division as published by U.S. Department of Labor, Bureau of Labor Statistics in the Detailed Report Series ID: CIU201000000249I.

CPI = The twelve month percent change (from September of the prior year to September of the current year) in the Consumer Price Index for All Urban Consumers: Water and Sewer and trash collection services (CUUR0000SEHG01) but not less than zero (0%).

APPENDIX F  
PROJECT VEHICLES AND EQUIPMENT

The Project includes all vehicles, rolling stock, and other equipment as follows:

Year	Make	Model/Description	Equipment/Vehicle ID No.
2002	Ford	1/2T 4x4 PU	
1994	Ford	C-9000 sludge spreader	
xxxx	Kubota	R 420 wheel loader	



## Appendix G

### HUDSON ROAD BPS AND REVENUE AVE. TPS LANDSCAPE MAINTENANCE REQUIREMENTS AND SPECIFICATION

#### SECTION A - SUMMARY

1. Contractor shall furnish all labor, tools, material and equipment required to maintain landscaped areas per the following sections during the term of the Agreement.
2. Contractor shall determine the number and frequency of visits required to maintain the landscaping per the specifications. It is assumed that the frequency of visits will vary depending on the season.
3. Project areas are shown on the attached landscape plans. Each site plans shows the tree, plant and shrub species on the sites. There is an irrigation plan for the Revenue Ave. site but not for the Hudson Rd. site. Manuals for the irrigation systems and irrigation programs are available at each site.

#### SECTION B - HERBICIDE PROGRAM

1. All herbicides shall be applied by or under the supervision of a currently licensed herbicide applicator. Notify the City of herbicide application type and schedule prior to seasonal application. Submit a record of rates, quantities and types applied conforming to Federal, State and Local regulations and submit copy to City.

#### SECTION C - PRODUCTS

Fertilizer, when required shall be Webfoot Organic deluxe 10-10-5 or Webfoot 5-15-10 cottonseed meal based fertilizer.

#### SECTION D - EXECUTION

**Fertilizing trees:** Fertilize individual trees or shrubs located outside of planting beds on an as-needed basis based on tree/shrub vigor or appearance.

**Weeding:** Planting beds are shown on the landscape sheets. Maintain clean, weed-free planting beds by pulling and removing all weeds from beds. Check beds for weeds at each scheduled mowing and during all other visits. Dispose of weeds removed off-site in an approved manner.

Weed other areas at each site per Section 6.

**Pruning:** Prune to shape plantings as needed or to conform to the natural growth patterns of each species. Remove all dead and diseased wood from the plantings.

**Mulching:** Maintain a two-inch mulch of sterile, commercial garden mulch (no

bark dust) on planting beds at all times. This includes the areas on both sides of the access drive outside the gate at the Revenue Ave. site. First application of new mulch shall be on or before April 1<sup>st</sup> of even-numbered contract years thereafter. Rake existing mulch in spring before applying new cover in order to break "crust" of old mulch.

**NOTE:** The access drive and parking areas at the Revenue Ave. and Hudson Rd. sites are made of permeable asphalt. No materials (mulch, sand, topsoil, etc.) may spilled, placed or stored on this surface.

**Spraying:** Spraying shall only be performed by a currently licensed applicator.

**Watering:** Per specified irrigation program. One-inch per week is sufficient during the growing season on established plantings. For areas watered with drip irrigation adjust watering as needed to maintain a one-inch per week equivalent. Contractor is encouraged to suggest changes to the irrigation schedule in order to conserve water and maintain landscape health. Review any changes to irrigation schedule with City prior to implementation.

Winterize irrigation system no later than November 1<sup>st</sup> of each year (earlier if threat of freezing weather exists) and start up irrigation system by June 1<sup>st</sup> (earlier if unusually warm or dry weather exists) of each year.

**Debris, clippings and trimmings:** Remove all debris, clippings and trimmings from weeding, pruning and general clean-up operations and dispose of in a legal manner off-site.

**Dead or dying plant materials:** Notify City of any damaged, dead or dying plant materials.

### **Field Grass / Low Wildflower Mix Maintenance**

Field Grass / Low Wildflower Mix areas are identified on the landscape plan. The seed mix at the Hudson Rd. site consists of Pro-Time PT 706 mix. The seed mix at the Revenue Ave. site consists of Pro-Time PT 710 mix. Neither site requires mowing however, cutting with a weed eater or string trimmer during the growing season is necessary when the height is greater than 6" - 8". Typically, this is twice annually, once in the spring and once again in June or July.

Selectively apply herbicide weed control by a licensed applicator sufficient to control invasive broadleaf weeds and grasses. Employ hand weeding methods where herbicide application would damage wildflowers or grasses.

Utilize clean, sharpened cutting equipment, free of bacteria, fungus, chemicals, etc. prior to use on project site. Collect clippings from cutting operations and dispose of in a legal manner off-site.

### **Water Quality Facility Area**

The Revenue Ave. site includes a water quality facility approximately 500 sq. ft.

in area. Do not mow water quality facility areas. Trim/prune native plants, sedges groundcover and grasses as needed. Do not apply herbicides in water quality facility areas. Remove weeds by hand only. Apply mulch as necessary until groundcover has filled in the pond side slopes.

Keep area around pond inlet and outlet piping clear.

Monitor runoff conditions in water quality facility; notify City of drainage or erosion problems.

### **Access Drive and Parking Areas**

The access drive and parking areas at the Revenue Ave. and Hudson Rd. sites are made of permeable asphalt. No materials (mulch, sand, topsoil, etc.) may spilled, placed or stored on this surface.

Police and sweep pedestrian walkways after mowing and during leaf season to maintain clean, safe surfaces, remove accumulated clippings and plant debris from walkways and entrances. Clean any paved surfaces soiled by landscape maintenance operations.

### **Weed Eradication**

Weed eradication shall include eradication by herbicide and non-herbicide methods (hand-pulling, mechanical cutting, etc.). Weed eradication program shall include but is not limited to the following noxious species:

Cirsium arvense (Canadian Thistle)  
 Convolvulus spp. (Morning Glory)  
 Cytisus scoparius (Scots Broom)  
 Dipsacus sylvestris (Common Teasel)  
 Eichornia crassipes (Water Hyacinth)  
 Festuca arundinaceae (Tall Fescue)  
 Hedera helix (English Ivy)  
 Holcus lanatus (Velvet Grass)  
 Lolium spp. (Rye Grasses)  
 Lotus corniculatus (Bird's Foot Trefoil)  
 Lythrium salicaria (Purple Loose Strife)  
 Melilotus spp. (Sweet Clover)  
 Myriophyllum spicatum (Eurasian Milfoil)  
 Phalaris arundinaceae (Reed Canary Grass)  
 Rubus discolor (Himalayan Blackberry)  
 Solanum spp. (Nightshade)  
 Trifolium spp. (Clovers)  
 Vicia spp. (Vetches)

Herbicide application shall be by manual 'spot spraying', wicking, or backpack methods per manufacturer's specifications. Herbicide use in waterways or swale areas shall be subject to approval by City and be strictly applied per manufacturer's recommendations.

Selective hand removal by non-herbicide methods shall be utilized if herbicide application threatens native plantings. All native plantings damaged by herbicide application shall be replaced immediately at no cost to City.  
Protect the site and waterways at all times from erosion and siltation.

### **Irrigation System Inspection and Maintenance**

The Contractor shall irrigate to maintain all plantings in a healthy, thriving condition.

Start irrigation when plants require supplemental water due to dry weather during the active growing season.

Flush and winterize system by November 1<sup>st</sup> of each year or earlier if weather exhibits threat of freezing. Verify that system is free of water in all components subject to freeze damage.

City will be responsible for backflow device testing on the irrigation systems at each site.

Adjust nozzles, heads, emitters and valves to provide consistent water application avoiding over or under-watering throughout native planting areas. Contractor is encouraged to suggest changes to the irrigation schedule in order to conserve water and maintain landscape health. Changes to irrigation system schedule must be reviewed and approved by City.

Notify City of irrigation system problems that cannot be addressed by adjustment or replacement of heads or emitters.

-----End Specification Section-----

**PLANT LIST**

SYMBOL	SCIENTIFIC NAME	COMMON NAME	SIZE	SPACING	QUANTITY
EV	EVERGREEN TREES				
FR	FRASER FIR	FRASER FIR	6'-8" BAB	10' OC	16
LY	LEWIS AND CLARK CYPRESS	LEWIS AND CLARK CYPRESS	6'-8" BAB	10' OC	17
PS	PSUEDOTSUGA MENZIESII	DOUGLAS-FIR	10'-12" BAB	20' OC	17
EX	EXCELSA REDCEDAR	EXCELSA REDCEDAR	6'-8" BAB	8' OC	19
WA	WATSONG CEDAR	WATSONG CEDAR	6'-8" BAB	8' OC	27
HE	WESTERN HEMLOCK	WESTERN HEMLOCK	10'-12" BAB	20' OC	11
VM	VINE MAPLE (CLUMP)	VINE MAPLE (CLUMP)	5 OC	AS SHOWN	14
MA	BIGLEAF MAPLE	BIGLEAF MAPLE	5 OC	AS SHOWN	6
GR	GREEN ARBOR VITAE	GREEN ARBOR VITAE	5'-8" BAB	3' OC	28
GR	GOLDEN ARBOR VITAE	GOLDEN ARBOR VITAE	5'-8" BAB	5' OC	54
CR	CRINKLE-LEAF CREEPER	CRINKLE-LEAF CREEPER	4" POT	36" OC	1,000
EC	ECLAWN	ECLAWN			
SE	SEED MIX A - ECLAWN	SEED MIX A - ECLAWN			
SM	SUNSHINE "FOX PLUS" MIX	SUNSHINE "FOX PLUS" MIX			
SE	SEED AT A RATE OF 100 LBS/ACRE	SEED AT A RATE OF 100 LBS/ACRE			
SE	SEED MIX B - EROSION CONTROL	SEED MIX B - EROSION CONTROL			
RE	"REGEN" - STERILE WINTER WHEAT	"REGEN" - STERILE WINTER WHEAT			
SE	SEED AT A RATE OF 90 LBS/ACRE	SEED AT A RATE OF 90 LBS/ACRE			
ET	EXISTING TREES TO REMAIN	EXISTING TREES TO REMAIN			
RE	REMOVE/REPLACE EXIST HEDGE	REMOVE/REPLACE EXIST HEDGE			
RE	RESTORE LANDSCAPING & REFERENCE TO ORIGINAL OR RECONSTRUCT ALONG ACCESS ROAD	RESTORE LANDSCAPING & REFERENCE TO ORIGINAL OR RECONSTRUCT ALONG ACCESS ROAD			

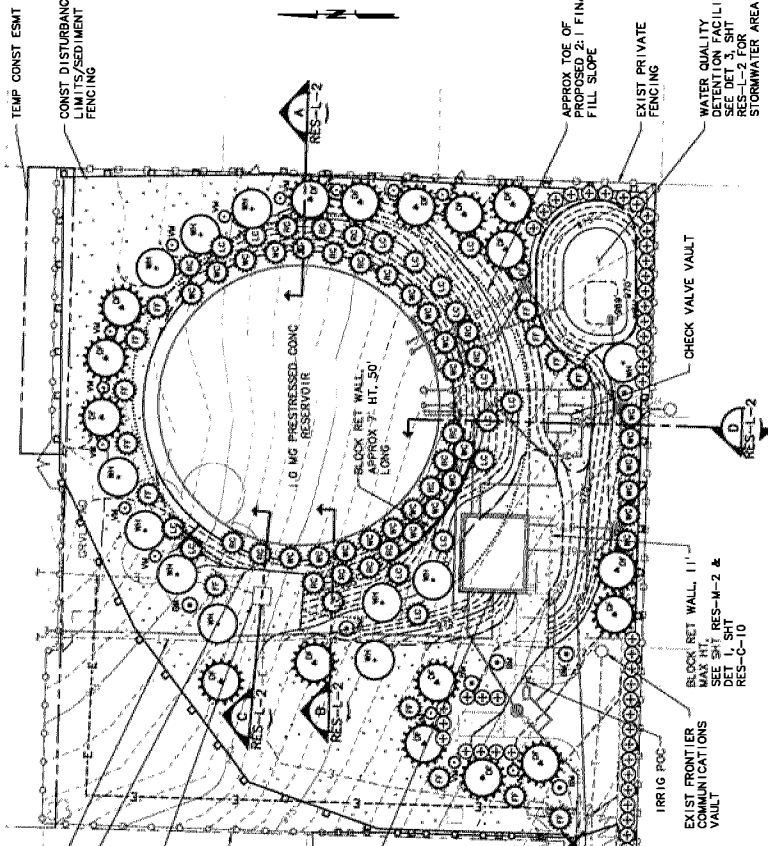
NOTE: LANDSCAPING WAS ADJUSTED FOR SIMILAR SPECIES WHERE REQUIRED DUE TO AVAILABILITY.

**NOTES**

- LANDSCAPE SITE WORK:**
- REMOVE EXISTING TREES PERMITTED TO REMAIN FROM ALL CONSTRUCTION OPERATIONS. DO NOT BROADCAST, LIFT, OR OTHERWISE DISTURB THE AREA WITHIN THE DRILLPIE OF TREES TO BE PRESERVED.
  - STOCKPILED TOPSOIL IS AVAILABLE FOR USE IN LANDSCAPE WORK. SURGRADE SOIL NOT ACCEPTABLE FOR USE IN PLANT PITS OR BEDS.
  - JUTE MATTING TO BE INSTALLED ON ALL SLOPES 2:1 AND STEEPER.
  - SEED MIX B (SEE WINTER WHEAT) TO BE INSTALLED IN ADDITION TO PLANTING AND SEEDING. SEPARATE JUTE MATTING STRANDS TO PLANT GROUND COVER.
- IRRIGATION:**
- DESIGN, PROVIDE, AND INSTALL AUTOMATIC IRRIGATION SYSTEM TO MEET INDUSTRY STANDARDS. SUBMIT PROPOSED SYSTEM LAYOUT TO ENGINEER AND OWNER FOR REVIEW.
  - VERIFY CONDITIONS AND DIMENSIONS PRIOR TO STARTING WORK. NOTIFY ENGINEER OF CONDITIONS THAT ARE A HINDRANCE TO COMPLETING WORK.
  - MAKE NECESSARY ADJUSTMENTS AND PROVISIONS FOR SLOPE CONDITIONS SO SYSTEM PERFORMS OPTIMALLY. ALL TREE PLANTING AND GROUND COVER ARE TO BE IRRIGATED.

**PLANTING**

- CHECK AND CONFIRM PLANT MATERIAL QUANTITIES. NO SUBSTITUTIONS WILL BE ALLOWED. CONTRACTOR TO SECURE AVAILABILITY OF PLANT MATERIALS SIX MONTHS PRIOR TO COMMENCEMENT OF WORK.
- PLANT TREES AND SHRUBS IN LOCATIONS SHOWN SPACED TO COMPLETELY FILL BEDS WITH THE QUANTITIES INDICATED IN THE PLANT LIST. RETAIN ALL LABELS ON PLANT MATERIAL UNTIL FINAL ACCEPTANCE.
- A WYDORRIZATE ADDITIVE IS REQUIRED FOR ALL SEEDING AND PLANTING.
- 60% CONIFER TREES PLANTED ON SLOPES AS SHOWN IN DETAIL.
- ALL TREES AND SHRUBS TO BE INSTALLED WITH GUARDS AS DETERMINED TO PROTECT FROM DAMAGE. GUARDS TO BE INSTALLED WITH STAKE FASTENERS. SEANT PROPOSED ANIMAL GUARD OR WIRE SCREENS WITH STAKE FASTENERS SEANT PROPOSED ANIMAL GUARD METHOD OR PRODUCT FOR REVIEW PRIOR TO PLANT INSTALLATION.
- MULCH ALL NEW PLANTING BEDS AND MINIMUM 24-INCH DIAMETER AROUND EACH TREE WITH 3" DEPTH COMPOSTED GARDEN MULCH PRODUCT BARK CHIPS OR BARK DUST ARE NOT ACCEPTABLE.
- GUARANTEE GERMINATION OF SEED PRIOR TO OCTOBER 1, PREFERRED PLANTING SEASONS ARE MARCH 15 TO JUNE 1 AND SEPTEMBER 15 TO NOVEMBER 1.
- PLANT MATERIAL WILL BE MAINTAINED THROUGHOUT THE CONSTRUCTION PERIOD AND GUARANTEED AFTER COMPLETION OF THE PROJECT FOR A PERIOD OF 2 YEARS.



**CITY OF SANDY**  
**PWB INTERMEDIATE PROJECT**  
**SCHEDULE B**  
**1.0 MG RESERVOIR AND**  
**TRANSFER PUMP STATION**

**RES-L-1**

PROJECT NO. 11-1-026 SCALE: AS SHOWN DATE: NOVEMBER 2012

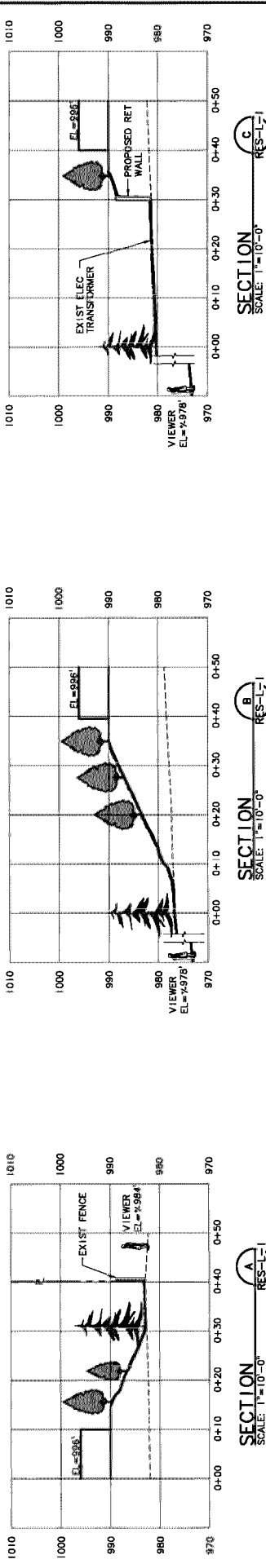
NOVEMBER 2012

**MSA**  
**Murray Smith & Associates, Inc.**  
**Engineers/Planners**

ED ST. STEWART, SUITE 200 P.O. BOX 48-25-MS  
 PARKWAY, UTAH 84304 TEL: 307-332-9622

**RECORD DRAWING**  
 SEE DISCLAIMER,  
 SHEET 1,  
 VERSION 4.1  
 12-9-97

NO.	DATE	BY	REVISION



**WATER QUALITY BASIN**

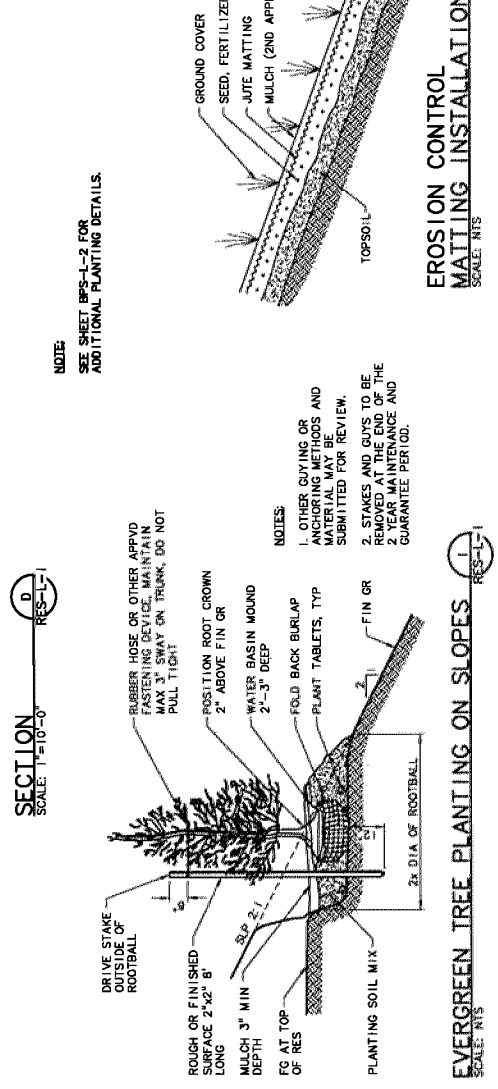
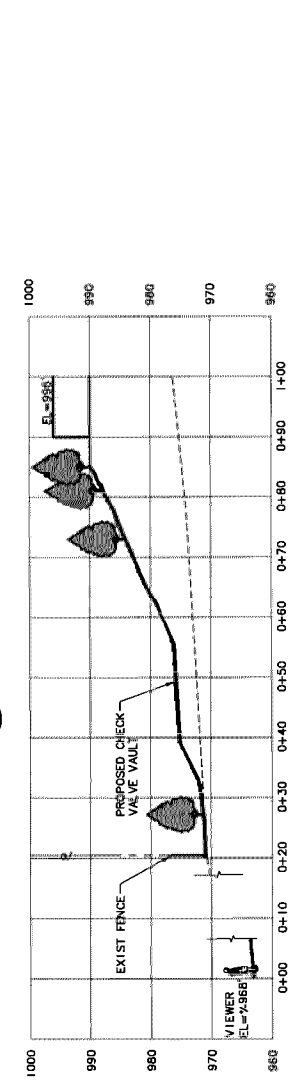
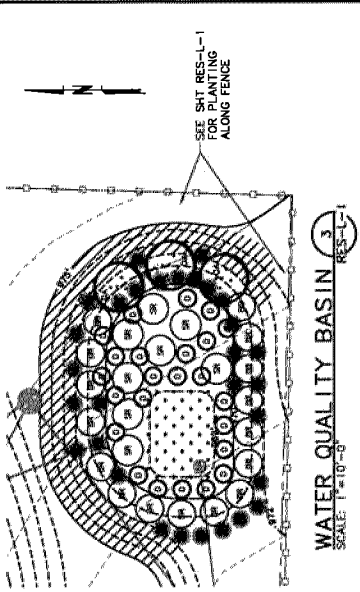
1. PROVIDE A 4" DEPTH OF COMPACTING MEDIUM MEETING SPECIFICATIONS IN CITY OF PORTLAND STORMWATER MANUAL OR EQUAL PARTS SAND/LIUM/2-WAY COMPOST WITH 0% FINE PARTICLES.

2. SUBMIT GROWING MEDIUM SAMPLE, SUPPLIER, SOURCE AND ANALYSIS INFORMATION FOR APPROVAL PRIOR TO DELIVERY.

3. GROUP PLANTS IN CLUSTERS LOCATE PLANTS WITHIN SPECIFIED MOISTURE ZONE.

**PLANT LIST**

SYMBOL	SCIENTIFIC NAME	COMMON NAME	PLANT TYPE	PERSENY/ PALMUSSE	SIZE	APPROX QUANTITY
BR	ZONE A - WET TO MOIST BOTTOM					
BR	ROSA PISOCARPA	SWAMP ROSE	SHRUB	E	1' GC	6' OC
BR	CORNUS SERICEA	REDTWIN DOGWOOD	SHRUB	D	1' GC	4' OC
BR	DESCHAMPSIA CAESPITOSA	TUFTED HAIRGRASS	FORB	E	4" POT	1' OC
BR	JUNCUS ENSIFOLIUS	DAGGERLEAF RUSH	RUSH	E	4" POT	1' OC
BR	ZONE B - MODERATELY MOIST TO DRY SIDE SLOPES					
BR	FRAXINUS LATIFOLIA	OREGON ASH	TREE	D	1" CAL	AS SHOWN
BR	POLYSTITICHUM MUNITUM	SWORD FERN	FERN	E	1' GC	4' OC
BR	ROSA GYMNOCARPA	BALDHIP ROSE	SHRUB	E	1' GC	6' OC
BR	BERBERIS REPENS	CREeping MAHONIA	GROUND COVER	E	4" POT	24" OC



**EROSION CONTROL MATTING INSTALLATION**

SCALE: 1"=10'-0"

NOTES:

- SEED, FERTILIZER, MULCH
- JUTE MATTING
- MULCH (2ND APPLICATION)
- TOPSOIL

**RECORD DRAWING**

SEE DISCUSSION SHEET 1, VERSION 4.1 12-9-97

**NOTICE**

IF THIS BAR DOES NOT MATCH THE DRAWING, IT IS NOT TO SCALE

NO. DATE BY REVISION

DESIGNED: JUF  
DRAWN: SO  
CHECKED: [ ]

DATE: 06/14  
BY: JUF  
RECORD DRAWING NO. 11/26/13 DAM ADDENDUM 2

**RESERVOIR SITE LANDSCAPING SECTIONS AND DETAILS**

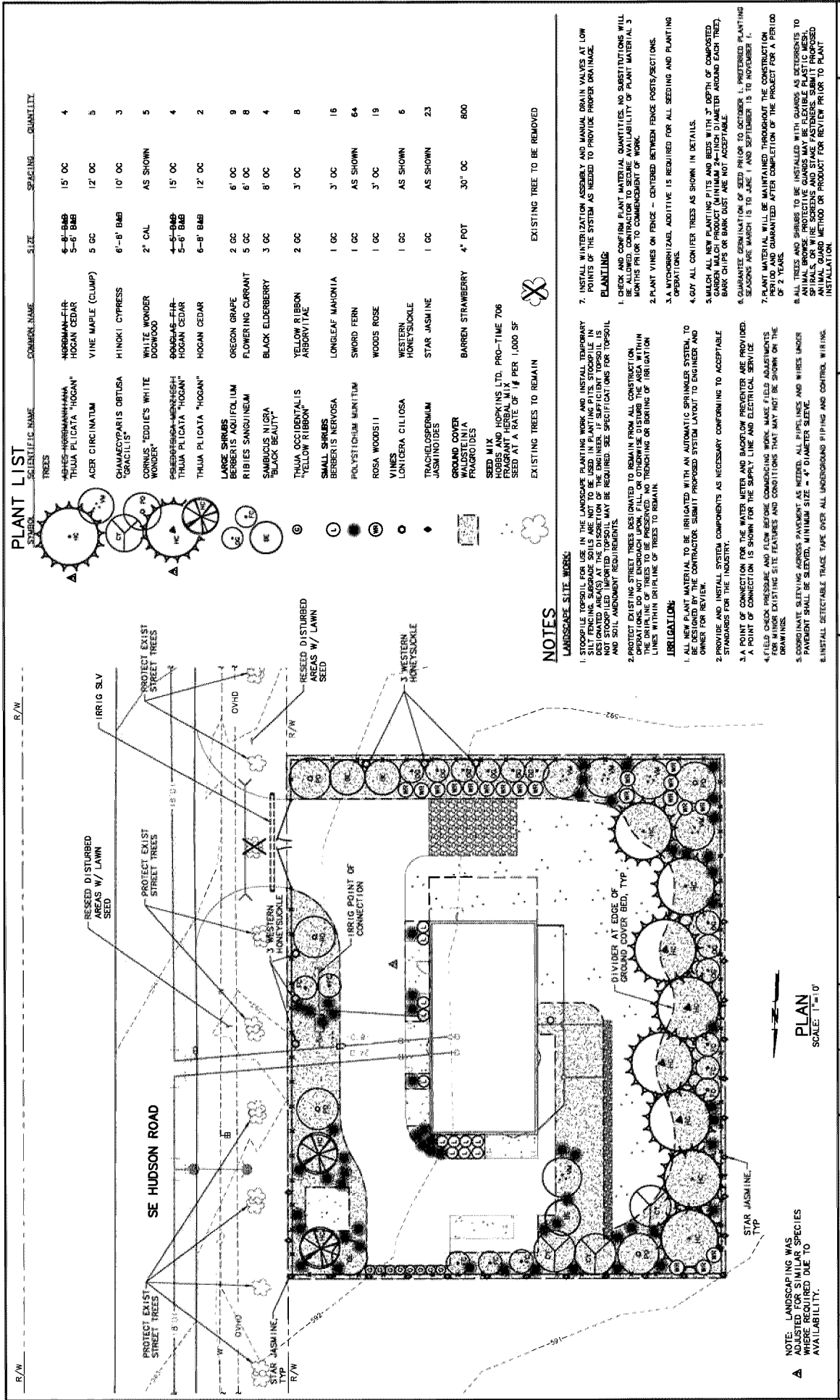
**CITY OF SANDY PWB INTERTIE PROJECT SCHEDULE B 1.0 MG RESERVOIR AND TRANSFER PUMP STATION**

PROJECT NO. 11-1222 SCALE: AS SHOWN DATE: NOVEMBER 2013

**RES-L-2**

10

Item # 3.



### PLANT LIST

SYMBOL	SCIENTIFIC NAME	COMMON NAME	SIZE	SPACING	QUANTITY
⊙	THUJA OCCIDENTALIS "YELLOW RIBBON"	YELLOW RIBBON ARBORVITAE	2 OC	3' OC	8
⊙	SMALL SHRUBS	LONGLEAF MANONIA	1 OC	3' OC	16
⊙	Berberis nervosa	BERBERIS NERVOSA	1 OC	AS SHOWN	64
⊙	Polystichum minutum	SWORD FERN	1 OC	3' OC	19
⊙	Rosa woodsii	WOODS ROSE	1 OC	AS SHOWN	6
⊙	VINES	WESTERN HONEYSUCKLE	1 OC	AS SHOWN	23
⊙	Lonicera ciliosa	STAR JASMINE	1 OC	AS SHOWN	800
⊙	Trachelospermum jasminoides	STAR JASMINE	1 OC	AS SHOWN	800
⊙	Ground cover	BARREN STRAWBERRY	4" POT	30" OC	800
⊙	Waldsteinia fragroides	BARREN STRAWBERRY	4" POT	30" OC	800
⊙	SEED MIX	HOBBS AND HOPKINS LTD. PRO-TIME 706 FRAGRANT HERBAL MIX SEED AT A RATE OF 1# PER 1,000 SF			
⊙	EXISTING TREES TO REMAIN				

### NOTES

**LANDSCAPE SITE WORK:**

1. STOOPLE TOPSOIL FOR USE IN THE LANDSCAPE PLANTING WORK AND INSTALL TEMPORARY SILT FENCING. SUBGRADE SOILS ARE NOT TO BE USED IN PLANTING PITS. STOOPLE IN DESIGNATED AREAS AT THE DISCRETION OF THE ENGINEER. IF SUFFICIENT TOPSOIL IS NOT AVAILABLE, THE CONTRACTOR SHALL BE REQUIRED TO OBTAIN TOPSOIL FROM ANOTHER SOURCE AND SOIL AMENDMENT REQUIREMENTS.
2. PROTECT EXISTING STREET TREES DESIGNATED TO REMAIN FROM ALL CONSTRUCTION OPERATIONS. DO NOT ENCROACH UPON, FILL, OR OTHERWISE DISTURB THE AREA WITHIN LINES WITHIN DRIPLINE OF TREES TO REMAIN.

**IRRIGATION:**

1. ALL NEW PLANT MATERIAL TO BE PROVIDED WITH AN AUTOMATIC SPRINKLER SYSTEM, TO BE DESIGNED BY THE CONTRACTOR. SUBMIT PROPOSED SYSTEM LAYOUT TO ENGINEER AND OWNER FOR REVIEW.
2. PROVIDE AND INSTALL SYSTEM COMPONENTS AS NECESSARY CONFORMING TO ACCEPTABLE STANDARDS FOR THE INDUSTRY.
3. A POINT OF CONNECTION FOR THE WATER METER AND BACKFLOW PREVENTER ARE PROVIDED. A POINT OF CONNECTION IS SHOWN FOR THE SUPPLY LINE AND ELECTRICAL SERVICE.
4. FIELD CHECK PRESSURE AND FLOW BEFORE COMMENCING WORK. MAKE FIELD ADJUSTMENTS FOR MINOR EXISTING SITE FEATURES AND CONDITIONS THAT MAY NOT BE SHOWN ON THE DRAWINGS.
5. CONDUIT SLEEVING ADDRESS PAVEMENT AS NEEDED. ALL PIPELINES AND WIRES UNDER PAVEMENT SHALL BE SLEAVED, MINIMUM SIZE = 4" DIAMETER SLEEVE.
6. INSTALL DETECTABLE TRADE TAPE OVER ALL UNDERGROUND PIPING AND CONTROL WIRING.

**PLANTING:**

1. CHECK AND CONFIRM PLANT MATERIAL QUANTITIES. NO SUBSTITUTIONS WILL BE ALLOWED WITHOUT THE WRITTEN APPROVAL OF THE ENGINEER. PLANT MATERIAL 3 MONTHS PRIOR TO COMMENCEMENT OF WORK.
2. PLANT VINES ON FENCE - CENTERED BETWEEN FENCE POSTS/SECTIONS.
3. MYCORRHIZAL ADDITIVE IS REQUIRED FOR ALL SEEDING AND PLANTING OPERATIONS.
4. GUY ALL CENTER TREES AS SHOWN IN DETAILS.
5. MULCH ALL NEW PLANTING PITS AND BEDS WITH 3" DEPTH OF COMPOSTED GARDEN MULCH PRODUCT (MINIMUM 3/4" INCH DIAMETER AROUND EACH TREE). BARK CHIPS OR BARK DUST ARE NOT ACCEPTABLE.
6. GUARANTEE GERMINATION OF SEED PRIOR TO OCTOBER 1. PREFERRED PLANTING SEASONS ARE MARCH 15 TO JUNE 1 AND SEPTEMBER 15 TO NOVEMBER 1.
7. PLANT MATERIAL WILL BE MAINTAINED THROUGHOUT THE CONSTRUCTION PERIOD AND GUARANTEED AFTER COMPLETION OF THE PROJECT FOR A PERIOD OF 2 YEARS.
8. ALL TREES AND SHRUBS TO BE INSTALLED WITH GUARDS AS DETAILMENTS TO PROTECT FROM DAMAGE. GUARDS SHALL BE INSTALLED WITH GUARD STRAPS. GUARD STRAPS OR WIRE SCREENS AND STAKE FASTENERS SHALL BE INSTALLED. ANIMAL GUARD METHOD OR PRODUCT FOR REVIEW PRIOR TO PLANT INSTALLATION.

EXISTING TREE TO BE REMOVED

**RECORD DRAWING**  
SEE DISCLAIMER,  
SHEET 1,  
VERSION 4.1  
12-9-97

DESIGNED BY: [ ]  
CHECKED BY: [ ]

DATE: [ ]

**BOOSTER PUMP STATION PLANTING PLAN**

**CITY OF SANDY PWB INTERTIE PROJECT SCHEDULE C BOOSTER PUMP STATION**

PROJECT NO.: 11-1285 SCALE: AS SHOWN DATE: NOVEMBER 2012

**Murray Smith & Associates, Inc.**  
Engineers/Planners  
101 N. 1st Avenue, Suite 800  
Portland, Oregon 97201 TEL: 503-255-4622

**MSA**

**PLAN**  
SCALE: 1"=10'

NOTE: LANDSCAPING WAS ADJUSTED FOR SIMILAR SPECIES WHERE REQUIRED DUE TO AVAILABILITY.



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** September 16, 2024  
**From:** Rochelle Anderholm-Parsch, Parks and Recreation Director  
**Subject:** Amended Approval for the Public Improvement Contract for the Construction of Cedar Park (Goodfellows Bros. LLC.)

---

## DECISION TO BE MADE:

Whether to amend the previous motion of approval for the contract with Goodfellow Bros. LLC and authorize the execution of all change orders executed pursuant to the terms of the contract.

## PURPOSE / OBJECTIVE:

This amendment will allow the City Manager and the project manager to manage change orders within the confines of the contract language.

## BACKGROUND / CONTEXT:

On January 16, 2024, the Council awarded a contract not to exceed \$3,548,815 to Goodfellow Bros. LLC for the construction of Cedar Park. The motion was stated and passed as follows: "Authorize the City Manager to execute a contract with Goodfellow Bros., LLC for the construction of Cedar Park in an amount not to exceed \$3,548,815, which includes the amount recommended by staff plus additional funding for vehicular concrete and electrical conduit."

The motion language provided explicitly capped the amount at \$3,548,815, but staff have since realized that it inadvertently restricted the ability to apply the threshold value for change order approval set forth in the contract. This threshold allows for change orders to be approved by the City Manager and/or designee up to 15% of the NTE contract value without needing further Council approval. Amending Council's motion language authorizing this contract will align it with the contract's original terms, allowing the specified threshold for change orders to be adhered to.

As advised by the City's attorney, the process for change orders is outlined in Article 6 of the general conditions. Specifically, Article 6.1.3 addresses changes in pricing, stating that in the absence of applicable unit prices or other agreements, the changed work will be priced according to specific provisions. Importantly, the sum of the individual markups for a General Contractor's Modification cannot exceed 15%, regardless of the number of subcontractor tiers involved without additional Council authorization and approval.



**KEY CONSIDERATIONS / ANALYSIS:**

- To date, the total project estimated change orders represent only approximately 5% of the construction costs.
- The total resources allocated for the project, covering construction costs, soft costs, and owner-provided/purchased play equipment, amount to \$7,153,000.
- The contract award for Goodfellow Bros. LLC was in the amount of \$3,548,815.00, and the award for American Ramp Company was \$2,238,227.95.
- Change Order Update:
  - Goodfellow Bros. LLC (GBI) has processed and approved Change Orders 1 & 2 totaling \$200,968.43.
  - GBI Proposed Change Orders under review total \$29,537.01, with estimated additional change orders ranging from \$30,000 to \$35,000.
  - American Ramp Company (ARC) has processed and approved Change Orders totaling \$37,487.77.

**BUDGET IMPACT:**

The project operates with a tight contingency fund for accommodating change orders. However, the project remains on track to stay within budgeted resources.

The reduced contingency is partially due to the inclusion of add alternatives #3 & #4 (Vehicular Concrete and Electricity Connections around the loop path) in the amount of \$54,230. These add alternatives were included under the existing contingency funds, without requesting additional funding.

**RECOMMENDATION:**

Staff recommends that the Council amend and restate its motion of approval for the contract with Goodfellow Bros. LLC to allow all subsequent change orders to be executed pursuant to the terms of the contract, enabling the City Manager and project manager to manage these change orders within the contract's language.

**SUGGESTED MOTION LANGUAGE:**

"I move to approve the contract with Goodfellow Bros. LLC. for the construction of Cedar Park in the amount of \$3,548,815 (as subsequently amended by change orders 1 & 2 totaling \$200,968.43), and all subsequent change orders executed pursuant to the terms of the contract, up to the appropriate threshold value set forth in the contract."

**LIST OF ATTACHMENTS / EXHIBITS:**

- Staff report Contract Award Cedar Park Construction
- Staff report Contract Award Construction of Community Campus Pump Track, Jump Line, and Skate Park (included to show that the different motion language used to approve this contract does not require amendment)



# STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** September 16, 2024  
**From:** Tyler Deems, City Manager  
**Subject:** Volunteer Time Off Policy

---

## DECISION TO BE MADE:

Whether to implement a formal volunteer time off policy to allow employees to volunteer with specific types of non-profit agencies and receive their regular rate of pay without the use of other paid leave.

## PURPOSE / OBJECTIVE:

To allow employees the opportunity to serve the Sandy community without impacting their ability to use their vacation time for leisure and recreation. This policy will also allow for a direct benefit to the Sandy community to ensure volunteers have the ability to attend board meetings, events, and provide services during times when they would normally be required to be at work.

## BACKGROUND / CONTEXT:

For several years the City of Sandy has been fortunate to have employees who volunteer their time with local non-profit agencies for the betterment of the Sandy community. Generally speaking, if these volunteer activities have occurred during normal working hours, the employee has used their vacation leave.

Several months ago, Councilor Sheldon approached me with questions about the City's volunteer policies, and expressed interest in exploring the adoption of a formal policy allowing employees who chose to volunteer the option to use paid volunteer time in lieu of their vacation. Since that time, I've researched examples of similar policies and have drafted the attached Volunteer Time Off Policy for the Council's review. While there are not examples of policies like this in nearby communities, I was able to find examples from cities and universities in other states.

## KEY CONSIDERATIONS / ANALYSIS:

The City has been very lucky to have dedicated staff who volunteer their time outside of work to a variety of organizations that benefit the Sandy community. Some examples of current organizations where employees volunteer their time are Sandy Area Chamber of Commerce, Mt. Hood Hospice, TIP (Trauma Intervention Program), and Sandy Fire District.

The purpose of the proposed policy is to allow staff to use their vacation time for true vacation purposes – leisure and recreation, not for acts of service that benefit the community in which they live and work. If

implemented, the policy would dictate that the use of this leave could not negatively impact City operations, would be subject to supervisor approval, and would not exceed 20 hours per calendar year. Examples of volunteering that would not be eligible under the Policy include coaching a youth sports team, attending a field trip with your child, or supporting political/religious organizations.

The attached draft policy outlines employee eligibility, types of organizations which may or may not qualify, process to request the use of volunteer paid time off, and reasons why the request may be denied.

**BUDGET IMPACT:**

No direct impact to the budget is identified at this time. There is the possibility for a slight increase in overtime costs for specific departments where other employees may have to cover a shift during the use of volunteer paid time. As with any program that allows for employees to be away from their work, negligible indirect costs may occur (slightly longer hold time on the phone, for example).

**RECOMMENDATION:**

Discuss the merits of the policy and ask questions about current policies and practices.

**SUGGESTED MOTION LANGUAGE:**

"I move to authorize the City Manager to implement the volunteer time off policy as outlined in the attached document."

**LIST OF ATTACHMENTS / EXHIBITS:**

- Volunteer Time Off Policy

## VOLUNTEER TIME OFF POLICY

### **PURPOSE**

The purpose of the volunteer time off policy is to create community engagement and support volunteer activities that enhance and serve the City of Sandy community and address issues that impact quality of life.

### **POLICY**

This policy provides regular full-time with up to 20 hours of paid time off for volunteering with organizations that provides a service to the City of Sandy community. Paid time off is prorated for regular part-time employees. Employees must have completed their probationary period and be in good standing to be eligible.

Volunteer time off is renewed annually on January 1 of each year. Under no circumstances will volunteer time off be carried forwarded into another calendar year; the paid time will be lost if not used in the appropriate year.

Eligible organizations include non-profit 501(c)(3) organizations, local, state, or federal government agencies. Examples include:

- Volunteering to serve the homeless
- Picking up trash in local parks
- Serving on a non-profit board

Ineligible uses of volunteer time off include:

- Promoting a religious organization/program
- Volunteering for political causes or candidates
- Participating in any behavior that discriminates on the basis of race, color, religion, gender identity, pregnancy (including childbirth and related medical conditions), sexual orientation, national origin, age, disability, genetic information, veteran's status, domestic violence victim status, or any other status protected by applicable federal, Oregon, or local law.

Volunteer time off is optional, and no employee is required to volunteer. Volunteer time off is not considered hours worked, and therefore is not used to calculate overtime or compensatory time.

Employees must request volunteer time off in writing through their supervisor for approval. Employees should make every reasonable attempt to ensure their request does not conflict with peak operational needs and work responsibilities. Supervisors may deny the request based on staffing, business and operational needs, or budgetary constraints.

Employees will not be reimbursed for mileage, or any other expenses incurred in the course of their volunteer activities.

Additional questions related to this policy should be directed to the Human Resources Director.

DRAFT



## STAFF REPORT

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**Meeting Type:** City Council  
**Meeting Date:** September 16, 2024  
**From:** Jeff Aprati, Deputy City Manager  
**Subject:** League of Oregon Cities 2025 Legislative Priorities

---

### DECISION TO BE MADE:

Provide the League of Oregon Cities (LOC) with the Council's top five legislative priorities for the 2025 session of the Oregon Legislature

### BACKGROUND / CONTEXT:

In preparation for the 2025 session of the Oregon Legislature, LOC is again polling its member cities to identify the most important policy issues to focus its legislative advocacy agenda.

Several LOC policy committees produced a total of 24 proposed priorities. Each city council is being asked to identify its **top five** legislative priorities.

In preparation for this discussion, staff prepared an online survey for the Council. Council members were asked to score all proposed priorities on a scale from 1 to 5. (with 1 being 'least important,' and 5 being 'most important'). Staff received responses from four Councilors.

Staff tabulated the responses and calculated weighted averages for each item. Under this method, items with scores closest to 5 are the highest consensus priorities of the Councilors who responded.

### KEY CONSIDERATIONS / ANALYSIS:

The five proposed legislative priorities with the highest average scores were:

- **INFRASTRUCTURE FUNDING** (score: 5.00)  
*The LOC will advocate for a comprehensive infrastructure package to support increased investments in water, sewer, stormwater and roads. This includes: funding for system upgrades to meet increasingly complex regulatory compliance requirements; capacity to serve needed housing and economic development; deferred maintenance costs; seismic and wildfire resiliency improvements; and clarity and funding to address moratoriums. The LOC will also champion both direct and programmatic infrastructure investments to support a range of needed housing development types and affordability.*
- **2025 TRANSPORTATION PACKAGE** (score: 3.75)  
*The LOC supports a robust, long-term, multimodal transportation package focused on: stabilizing funding for operations and maintenance for local governments and ODOT; continued investment in transit and bike/ped programs, safety, congestion management, and completion*

*of projects from HB 2017. As part of a 2025 package, the funding level must maintain the current State Highway Fund (SHF) distribution formula and increase investments in local programs such as Great Streets, Safe Routes to Schools, and the Small City Allotment Program. In addition, the package should find a long-term solution for the weight-mile tax that stabilizes the program with fees that match heavier vehicles' impact on the transportation system. The funding sources for this package should be diverse and innovative. Additionally, the package should maintain existing choices and reduce barriers for local governments to use available funding tools for transportation investments.*

- **PLACE-BASED PLANNING** (score: 3.50)  
*The LOC will advocate for funding needed to complete existing place-based planning efforts across the state and identify funding to continue the program for communities that face unique water supply challenges.*
- **LODGING TAX FLEXIBILITY** (score: 3.25)  
*The LOC will advocate for legislation to increase flexibility to use locally administered and collected lodging tax revenue to support tourism-impacted services.*
- **RESTORATION OF RECREATIONAL IMMUNITY** (score: 3.25)  
*The LOC will introduce legislation to protect cities and other landowners who open their property for recreational purposes from tort liability claims.*

(A listing of all 24 scores is attached to the staff report).

#### **RECOMMENDATION:**

Confirm that the five issues listed above are indeed the top consensus priorities of the Council, or make adjustments if desired. The full text and explanation of LOC's proposed priorities is attached to the staff report for reference.

Once the Council has confirmed its selections, staff will fill out the electronic submission form on the Council's behalf.

#### **LIST OF ATTACHMENTS / EXHIBITS:**

- Complete scoring list of all 24 proposals
- Full text and explanation of LOC's proposed legislative priorities

<b><u>POLICY</u></b>	<b><u>SCORE</u></b>
<b>INFRASTRUCTURE FUNDING</b>	<b>5.00</b>
SHELTER AND HOMELESS RESPONSE	3.00
EMPLOYMENT LANDS READINESS AND AVAILABILITY	1.75
FULL FUNDING AND ALIGNMENT FOR HOUSING PRODUCTION	2.75
<b>RESTORATION OF RECREATIONAL IMMUNITY</b>	<b>3.25</b>
BEHAVIORAL HEALTH ENHANCEMENTS	2.75
CONTINUED ADDICTION POLICY REFORM	2.25
BUILDING DECARBONIZATION, EFFICIENCY, AND MODERNIZATION	1.25
INVESTMENT IN COMMUNITY RESILIENCY AND CLIMATE PLANNING RESOURCES	2.00
ADDRESS ENERGY AFFORDABILITY CHALLENGES FROM RISING UTILITY COSTS	3.00
<b>LODGING TAX FLEXIBILITY</b>	<b>3.25</b>
MARIJUANA TAX	2.25
ALCOHOL TAX	2.50
DIGITAL EQUITY AND INCLUSION	1.75
CYBERSECURITY & PRIVACY	2.00
RESILIENT, FUTUREPROOF BROADBAND INFRASTRUCTURE AND PLANNING INVESTMENT	2.75
ARTIFICIAL INTELLIGENCE (AI)	2.50
<b>2025 TRANSPORTATION PACKAGE</b>	<b>3.75</b>
FUNDING AND EXPANDING PUBLIC AND INTER-COMMUNITY TRANSIT	2.50
SHIFT FROM A GAS TAX TO A ROAD USER FEE	2.50
COMMUNITY SAFETY AND NEIGHBORHOOD LIVABILITY	2.25
<b>PLACE-BASED PLANNING (water supply)</b>	<b>3.50</b>
OPERATOR-IN-TRAINING APPRENTICESHIPS	2.75





**2024 LOC Member Voter Guide**

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## 2024 Member Voter Guide

**Background:** Each even-numbered year, the LOC appoints members to serve on seven policy committees, which are the foundation of the League's policy development process. Composed of city officials, these committees analyze policy and technical issues and recommend positions and strategies for the upcoming two-year legislative cycle. This year, seven committees identified 23 legislative policy priorities to advance to the full membership and LOC Board of Directors. It's important to understand that the issues that ultimately do not rise to the top based on member ranking are not diminished with respect to their value to the policy committee or the LOC's advocacy. These issues will still be key component of the LOC's overall legislative portfolio for the next two years.

**Ballot/Voting Process:** Each city is asked to review the recommendations from the seven policy committees and provide input to the LOC Board of Directors, which will formally adopt the LOC's 2025-26 legislative agenda. While each city may have a different process when evaluating the issues, it's important for cities to engage with your mayor and entire council to ensure the issues are evaluated and become a shared set of priorities from your city. During its October meeting, the LOC Board will formally adopt a set of priorities based on the ranking process and their evaluation.

Each city is permitted one ballot submission. **Once your city has reviewed the proposed legislative priorities, please complete the electronic ballot to indicate the top 5 issues that your city would like the LOC to focus on during the 2025-26 legislative cycle.** The lead administrative staff member (city manager, city recorder, etc.) will be provided with a link to the electronic ballot. If your city did not receive a ballot or needs a paper option, please reach out to Meghyn Fahndrich at [mfahndrich@orcities.org](mailto:mfahndrich@orcities.org) or Jim McCauley at [jmccauley@orcities.org](mailto:jmccauley@orcities.org).

**Important Deadline:** The deadline for submitting your city's vote is **5 p.m. on September 27, 2024.**

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## Community and Economic Development Committee

Contact: Jim McCauley, jmccauley@orcities.org

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### INFRASTRUCTURE FUNDING (CO-SPONSORED BY WATER AND WASTEWATER COMMITTEE)

**RECOMMENDATION:** *The LOC will advocate for a comprehensive infrastructure package to support increased investments in water, sewer, stormwater and roads. This includes: funding for system upgrades to meet increasingly complex regulatory compliance requirements; capacity to serve needed housing and economic development; deferred maintenance costs; seismic and wildfire resiliency improvements; and clarity and funding to address moratoriums. The LOC will also champion both direct and programmatic infrastructure investments to support a range of needed housing development types and affordability.*

**Background:** Cities continue to face the challenge of how to fund infrastructure improvements – to maintain current, build new, and improve resiliency. Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia, and the funds are depleting and unsustainable without significant program modifications and reinvestments. This priority will focus on maximizing both the amount of funding and the flexibility of the funds to meet the needs of more cities across the state to ensure long-term infrastructure investment. The 2024 LOC Infrastructure Survey revealed the increasing need for water and road infrastructure funding. The results show \$11.9 billion of infrastructure funds needed (\$6.4 billion for water and \$5.5 billion for roads).

Combined with the federal-cost share decline on water infrastructure projects – despite the recent bi-partisan infrastructure law investment – cities face enormous pressure to upgrade and maintain water infrastructure. At the same time, cities across the state are working urgently to address Oregon’s housing crisis. To unlock needed housing development and increase affordability, the most powerful tool the Legislature can deploy is targeted investments in infrastructure to support needed housing development.

## SHELTER AND HOMELESS RESPONSE

**RECOMMENDATION:** *The LOC will support a comprehensive homeless response package to fund the needs of homeless shelter and homeless response efforts statewide. Funding should include baseline operational support to continue and strengthen coordinated regional homeless response and include a range of shelter types and services, including alternative shelter models, safe parking programs, rapid rehousing, outreach, case management, staffing and administrative support, and other related services. The LOC will also support capital funding for additional shelter infrastructure and site preparation. Oregon's homeless response system must recognize the critical role of cities in homeless response and meaningfully include cities in regional funding and decision-making, in partnership with counties, community action agencies, continuums of care, housing authorities, and other service provider partners.*

**Background:** The LOC recognizes that to end homelessness, a cross-sector coordinated approach to delivering services, housing, and programs is needed. Despite historic legislative investments in recent years, Oregon still lacks a coordinated, statewide shelter and homeless response system with stable funding. Communities across the state have developed regional homeless response collaboratives, beginning with the HB 4123 pilot communities funded by the Legislature in 2022 and the more recently established Multi-Agency Collaboratives and Local Planning Groups created by Governor Kotek's [Executive Order on Affordable Housing and Homelessness](#). As Oregon continues to face increasing rates of unsheltered homelessness, the LOC is committed to strengthening a regionally based, intersectional state homeless response system to ensure all Oregonians can equitably access stable housing and maintain secure, thriving communities.

## EMPLOYMENT LANDS READINESS AND AVAILABILITY

**Legislative Recommendation:** *The LOC will support incentives, programs and increased investment to help cities with the costs of making employment lands market-ready, including continued investment in the state brownfields programs. The LOC also recognizes the deficit of industrial land capacity in strategic locations and will support efforts to build a more comprehensive industrial lands program by strengthening the connection between the DLCDC Goal 9 Program and Business Oregon IL programs and resources.*

**Background:** Infrastructure cost is a significant barrier for cities that are looking to increase the supply of market-ready industrial land. Cities require a supply of industrial land that is ready for development to recruit and retain business operations. For sites to be attractive to site selectors, the basic infrastructure must be built out first. For example, the Regionally Significant Industrial Site (RSIS) program within Business Oregon is designed to help cities with the cost of readiness activities

through a reimbursement program, but many cities are not able to take advantage of this program due to a lack of staff capacity and up-front capital for investments.

## FULL FUNDING AND ALIGNMENT FOR HOUSING PRODUCTION

**RECOMMENDATION:** *The LOC will advocate to maintain and increase state investments to support the development and preservation of a range of needed housing types and affordability, including: publicly supported affordable housing and related services; affordable homeownership; permanent supportive housing; affordable modular and manufactured housing; middle housing types; and moderate-income workforce housing development. In addition, the LOC will seek opportunities to address structural barriers to production of different housing options at the regional and state level. This includes: streamlining state agency programs, directives, funding metrics, and grant timelines that impact development; aligning state programs with local capital improvement and budget timelines; and increasing connections between affordable housing resources at Oregon Housing and Community Services (OHCS) with the land use directives in the Oregon Housing Needs Analysis (OHNA) and Climate Friendly and Equitable Communities (CFEC) programs at the Department of Land Conservation and Development (DLCD).*

**Background:** Recent legislation and executive orders have made significant changes to the state’s land use planning process, including new housing production directives for cities and counties. These updates have resulted in extensive, continuous, and sometimes conflicting efforts that are not supported by adequate state funding. Cities do not have the staff capacity or resources needed to implement existing requirements. Additional state support is needed to assist local implementation, including technical assistance and education for local staff and decision makers, and workforce development. The state should prioritize implementation and coordination of existing programs in the 2025-2026 legislative sessions before considering any new policies.

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### General Government Committee

Contact: Scott Winkels, [swinkels@orcities.org](mailto:swinkels@orcities.org)

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## RESTORATION OF RECREATIONAL IMMUNITY

**RECOMMENDATION:** *The LOC will introduce legislation to protect cities and other landowners who open their property for recreational purposes from tort liability claims.*

**Background:** An adverse court ruling stemming from a recreational injury sustained on a city owned trail opened cities and other public and private landowners to tort claims for injuries sustained by people who are recreating. The Legislature enacted a temporary restoration of the immunity in 2024 that will expire

on July 1, 2025. Legislation to make the immunity permanent will be needed for cities to offer recreational amenities without fear of tort liability lawsuits or excessive risk premiums.

## BEHAVIORAL HEALTH ENHANCEMENTS

**RECOMMENDATION:** *The LOC will introduce and support legislation to expand access to behavioral health treatment beds and allow courts greater ability to direct persons unable to care for themselves into treatment through the civil commitment process.*

**Background:** While Oregon has historically ranked at or near the bottom nationally for access to behavioral healthcare, the state has made significant investments over the past four years. It will take time for investments in workforce development and substance abuse treatment to be realized, and areas for improvement remain. The standard for civilly committing a person into treatment remains very high in Oregon, and as a result, individuals who present a danger to themselves or others remain untreated, often producing tragic results. Additionally, the number of treatment beds for residential care does not meet demand, with services unavailable in multiple areas of the state.

## CONTINUED ADDICTION POLICY REFORM

**RECOMMENDATION:** *The LOC will Introduce and support legislation to allow drug related misdemeanors to be cited into municipal court; provide stable funding for services created in HB 4002 in 2024; allow more service providers to transport impaired persons to treatment; establish the flow of resources to cities to support addiction response; and monitor and adjust the implementation of HB 4002.*

**Background:** The Legislature passed significant changes to Oregon's approach to the current addiction crisis with the creation of a new misdemeanor charge designed to vector defendants away from the criminal justice system and into treatment. Changes also included: sentencing enhancements for drug dealers; investments in treatment capacity; and expanded access to medical assisted addiction treatment. HB 4002 did not include stable funding for the services created or provide cities with direct access to resources, or the ability to cite the new offense into municipal courts. Additionally, the new law will likely require adjustments as the more complicated elements get implemented.

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## Energy and Environment Committee

Contact: Nolan Pleše, nplese@orcities.org

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### BUILDING DECARBONIZATION, EFFICIENCY, AND MODERNIZATION

**RECOMMENDATION:** *The LOC will support legislation to protect against any rollback and preemptions to allow local governments to reduce greenhouse gas emissions from new and existing buildings while ensuring reliability and affordability. In addition, the LOC will lead and back efforts that support local governments, including statewide capacity, expertise, and resources to allow local governments to pursue state and federal funding and continue to support off-ramps for local governments unable to meet the state's new building performance standards.*

**Background:** Homes and commercial buildings consume nearly one-half of all the energy used in Oregon, according to the Oregon Department of Energy. Existing buildings can be retrofitted and modernized to become more resilient and efficient, while new buildings can be built with energy efficiency and energy capacity in mind.

Oregon cities, especially small to mid-sized and rural communities, require technical assistance and financial support to meet the state's goals. Without additional support, some communities will be unable to meet the state's building performance standards. Off-ramps are necessary to protect cities unable to meet the state's goals to ensure they are not burdened by mandates they can't meet.

Some initiatives may include local exceptions for building energy codes and performance standards, statewide home energy scoring, or financial incentives from the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), state incentives, and other financial incentives like CPACE (Commercial property-assessed clean energy).

For cities to meet their climate resilience and carbon reduction goals while maintaining home rule authority, their flexibility must be preserved to allow for a successful transition from fossil fuels. State pre-emptions should not prohibit cities from exceeding state goals and achieving standards that align with their values.

### INVESTMENT IN COMMUNITY RESILIENCY AND CLIMATE PLANNING RESOURCES

**RECOMMENDATION:** *The LOC will support investments that bring resiliency and climate services (for mitigation and adaptation) together in coordination with public and private entities, and work to fill the existing gaps to help communities get high-quality assistance. These resources are needed for local governments to effectively capture the myriad of available state and federal funding opportunities that cannot be accessed due to capacity and resource challenges. The LOC will work with partners to identify barriers and potential*



*solutions towards resiliency opportunities, such as local energy generation and battery storage, and to support actions that recognize local control.*

**Background:** Oregon communities have unique resources and challenges, and increasingly need help to plan for climate and human-caused impacts and implement programs to reduce greenhouse gases. Oregon should focus on maintaining the reliability of the grid while supporting safe, healthy, cost-effective energy production that includes external costs.

Although many opportunities for building resiliency exist, not all will not be built or managed by cities. Cities support efforts to build resiliency hubs in coordination with public, private, and non-profit interests and will seek more investments in programs that support resiliency hubs.

Cities also have a broad range of perspectives on how to address the impacts of the climate crisis. Concerns about costs and reliability during this energy transition have surfaced in many cities. At the same time, others who share those concerns also aim to have stronger requirements that meet their cities' climate goals. To meet these challenges, cities oppose additional mandates but support exceptions and additional support that recognize each city's unique perspectives, resources, and experience while preserving local authority.

Oregon's small to mid-sized communities and rural communities are particularly in need of technical assistance, matching funds, and additional capacity to address climate impacts. Without assistance, these communities face unfunded mandates due to low resources and capacity challenges to go after many available opportunities.

### **ADDRESS ENERGY AFFORDABILITY CHALLENGES FROM RISING UTILITY COSTS**

**RECOMMENDATION:** *The LOC will: support actions to maintain affordable and reliable energy resources; invest in programs and new technology that support energy efficiency, renewable energy, and battery storage to help reduce overall energy costs and demands; and address grid challenges during peak energy demand and the associated rising costs, while balancing the pace of energy production and power supply that impact rates.*

**Background:** In recent years, rising utility costs have increased the energy burden on Oregonians, particularly low-income Oregonians, those with fixed incomes, and those who are unable to work. Costs contributing to these increases include, infrastructure upgrades, maintenance, and modernization, climate impacts from increased extreme weather events (wildfires, ice storms, snowstorms, flooding, etc.) and mitigation costs associated with them, fuel costs, inflation, legislative and gubernatorial actions, and investments in new energy-producing technology, and battery storage, are some of many reasons that are impacting utility rates.

While many investment opportunities exist, more cooperation and collaboration

needed to find a path forward that reduces the need for large rate increases that impact Oregonians. Rate increases should balance and prioritize vital labor, infrastructure, and mitigations necessary to sustain present and future energy demands with compensation.

In addition, the LOC would advocate for new tools and utilizing existing tools to modernize rate structures to provide flexibility and account for the time of year of rate increases (phasing in of rate increases) and recognize the higher burden for low and moderate-income and fixed-income Oregonians.

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### Finance and Taxation Committee

Contact: Lindsay Tenes, ltenes@orcities.org

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#### LODGING TAX FLEXIBILITY

**RECOMMENDATION:** *The LOC will advocate for legislation to increase flexibility to use locally administered and collected lodging tax revenue to support tourism-impacted services.*

**Background:** In 2003, the Legislature passed the state lodging tax and restricted local transient lodging tax (TLT) by requiring that revenue from any new or increased local lodging tax be spent according to a 70/30 split: 70% of local TLT must be spent on “tourism promotion” or “tourism related facilities” and up to 30% is discretionary funds.

Tourism has created an increased demand on municipal service provision. Some of the clearest impacts are on roads, infrastructure, public safety, parks, and public restrooms. Short term rentals and vacation homes also reduce the housing supply and exacerbate housing affordability issues.

Cities often play an active role in tourism promotion and economic development efforts, but requiring that 70% of lodging tax revenue be used to further promote tourism is a one-size fits all approach that does not meet the needs of every tourism community. Cities must be allowed to strike the balance between tourism promotion and meeting the needs for increased service delivery for tourists and residents.

#### MARIJUANA TAX

**Legislative Recommendation:** *The LOC will advocate for legislation that increases revenue from marijuana sales in cities. This may include proposals to restore state marijuana tax losses related to Measure 110 (2020), and to increase the 3% cap on local marijuana taxes.*

**Background:** The state imposes a 17% tax on recreational marijuana products. Until

the end of 2020, cities received 10% of the state's total tax revenues (minus expenses) on recreational marijuana products. Measure 110 largely shifted the allocation of state marijuana revenue by capping the amount that is distributed to the recipients that previously shared the total amount (the State School Fund, the Oregon Health Authority, the Oregon State Police, cities and counties) and diverted the rest to drug treatment and recovery services. Starting in March of 2021, quarterly revenue to cities from state marijuana taxes saw a decrease of roughly 74%. Marijuana revenue has also been on a downward trend because the market is oversaturated, which has continually reduced sale prices (high supply, steady demand). Marijuana is taxed on the price of the sale and not on volume.

## ALCOHOL TAX

**RECOMMENDATION:** *The LOC will advocate for increased revenue from alcohol taxes. This includes support for any recommendation by the HB 3610 Task Force on Alcohol Pricing to increase the beer and wine tax that maintains 34% shared distribution to cities. This may also include legislation to lift the pre-emption on local alcohol taxes.*

**Background:** Cities have significant public safety costs related to alcohol consumption and must receive revenue commensurate to the cost of providing services related to alcohol.

Oregon is a control state and the Oregon Liquor and Cannabis Commission (OLCC, formerly known as the Oregon Liquor Control Commission) acts as the sole importer and distributor of liquor. Cities and other local governments are preempted from imposing alcohol taxes. In exchange, cities receive approximately 34% share of net state alcohol revenues. The OLCC has also imposed a 50-cent surcharge per bottle of liquor since the 2009-2011 biennium, which is directed towards the state's general fund. Oregon's beer tax has not been increased since 1978 and is \$2.60 per barrel, which equates to about 8.4 cents per gallon, or less than 5 cents on a six-pack. Oregon's wine tax is 67 cents per gallon and 77 cents per gallon on dessert wines. Oregon has the lowest beer tax in the country and the second lowest wine tax.

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### **Broadband, Cybersecurity, Artificial Intelligence (AI), and Telecommunications Committee**

Contact: Nolan Plese, [nplese@orcities.org](mailto:nplese@orcities.org)

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## DIGITAL EQUITY AND INCLUSION

**RECOMMENDATION:** *The LOC will support legislation and policies that help all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy through programs such as digital*

*navigators, devices, digital skills, and affordability programs like the Affordable Connectivity Program (ACP) and the Oregon Telephone Assistance Program (OTAP – also known as Lifeline) that meet and support community members where they are.*

**Background:** Connectivity is increasingly relied on for conducting business, learning, and receiving important services like healthcare. As technology has evolved, the digital divide has become more complex and nuanced. Now, the discussion of the digital divide is framed in terms of whether a population has access to hardware, to the Internet, to viable connection speeds, and to the skills they need to effectively use it. Recognizing individual knowledge and capacity, abilities, and lived experience is now vital, and programs that offer devices, digital literacy skills, cybersecurity, and support for internet affordability, are critical to closing the digital divide.

## **CYBERSECURITY & PRIVACY**

**RECOMMENDATION:** *The LOC will support legislation that addresses privacy, data protection, information security, and cybersecurity resources for all that use existing and emerging technology like artificial intelligence (AI) and synthetic intelligence (SI), including, but not limited to: funding for local and state government cyber and information security initiatives; interagency and government coordination and cooperative arrangements for communities that lack capacity; statewide resources for cyber and AI professionals and workforce development; vendor and third-party vendor accountability; regulations of data privacy; or standards for software/hardware developers to meet that will make their products more secure while ensuring continued economic growth. The LOC will oppose any unfunded cybersecurity and/or AI mandates and support funding opportunities to meet any unfunded insurance requirements.*

**Background:** Society's continued reliance on technology will only increase with the emergence of artificial intelligence (AI) and synthetic intelligence (SI). This will mean an increased risk for cybercrimes. Cybersecurity encompasses everything that pertains to protecting our sensitive and privileged data, protected health information, personal information, intellectual property, data, and governmental and industry information systems from theft and damage attempted by criminals and adversaries.

Cybersecurity risk is increasing, not only because of global connectivity but also because of the reliance on cloud services to store sensitive data and personal information. As AI and SI technology and adoption accelerate, the ability to guard against cyber threats and threats created through AI will increase. Strengthening coordination between the public and private sectors at all levels is essential for decreasing risks and quickly responding to emerging threats. This ensures resilience is considered to reduce the damage caused by cyber threats.

## RESILIENT, FUTUREPROOF BROADBAND INFRASTRUCTURE AND PLANNING INVESTMENT

**RECOMMENDATION:** *The LOC will support legislation to ensure broadband systems are built resiliently and futureproofed, while also advocating for resources to help cities with broadband planning and technical assistance through direct grants and staff resources at the state level. The LOC will oppose any preemptions that impede local government's ability to maintain infrastructure standards in the local rights-of-way. Municipalities' have a right to own and manage access to poles and conduit and to become broadband service providers.*

### **Background:**

#### Broadband Planning and Technical Assistance

Most state and federal broadband infrastructure funding requires communities to have a broadband strategic plan in place in order to qualify. Many cities do not have the resources or staff capacity to meet this requirement. Cities will need to rely on outside sources or work with the state for assistance and support the state setting up an office to aid local governments.

#### Resilient and Long-Term Systems

As broadband continues to be prioritized, building resilient long-term networks will help Oregonians avoid a new digital divide as greater speeds are needed with emerging technologies like artificial intelligence (AI). Important actions that will ensure resilient broadband include: dig once policies; investing in robust middle-mile connections; ensuring redundancy and multiple providers in all areas' sharing current and future infrastructure to manage overcrowding in the right-of-way (ROW); and undergrounding fiber instead of hanging it on poles. Additionally, infrastructure should be built for increased future capacity to avoid a new digital divide by allowing Oregon to determine speeds that reflect current and future technology.

#### Optional Local Incentives to Increase Broadband Deployment

Cities need flexibility to adequately manage public rights-of-ways (ROW). Instead of mandates, the state should allow cities the option to adopt incentives that could help streamline broadband deployment. Flexibility for cities to fund conduit as an eligible expense for other state infrastructure (most likely water or transportation projects) would reduce ROW activity. Additionally, local governments can work with state and federal partners to streamline federal and state permitting to reduce delays in broadband deployment.

#### Regulatory Consistency Amidst Convergence

With rapid changes in communication, standards and policy should keep pace. When a converged technology utilizes differing communications technologies, it may be

required to adhere to multiple standards and regulations, or providers may argue that some parts of their service is not subject to regulations. The LOC will support legislation that addresses the inconsistency of regulations applied to traditional and nontraditional telecommunications services as more entities move to a network-based approach.

## ARTIFICIAL INTELLIGENCE (AI)

**RECOMMENDATION:** *The LOC will support legislation that promotes secure, responsible and purposeful use of artificial intelligence (AI) and synthetic intelligence (SI) in the public and private sectors while ensuring local control and opposing any unfunded mandates. Cities support using AI for social good, ensuring secure, ethical, non-discriminatory, and responsible AI governance through transparent and accountable measures that promotes vendor and third-party vendor accountability, improving government services while protecting sensitive data from use for AI model learning, and fostering cross-agency, business, academic, and community collaboration and knowledge sharing.*

**Background:** While artificial intelligence (AI) and synthetic intelligence (SI) are not new, the recent advancements in machine learning and the exponential growth of artificial and synthetic intelligence require governments and providers to be responsible and purposeful in the use of this technology. The opportunities and risks that AI and SI present demand responsible values and governance regarding how AI systems are purchased, configured, developed, operated, or maintained in addition to ethical policies that are transparent and accountable. Policies should also consider the implication of AI on public records and retention of information on how AI is being used. Additionally, governments need to consider how procurements are using AI, how they are securing their systems, and any additional parties being used in the process.

AI systems and policies should:

- Be Human-Centered Design - AI systems are developed and deployed with a human-centered approach that evaluates AI-powered services for their impact on the public.
- Be Secure & Safe - AI systems should maintain safety and reliability, confidentiality, integrity, and availability through safeguards that prevent unauthorized access and use to minimize risk.
- Protect Privacy - Privacy is preserved in all AI systems by safeguarding personally identifiable information (PII) and sensitive data from unauthorized access, disclosure, and manipulation.
- Be Transparent - The purpose and use of AI systems should be proactively communicated and disclosed to the public. An AI system, its data sources,

operational model, and policies that govern its use should be understandable, documented, and properly disclosed publicly.

- **Be Equitable** - AI systems support equitable outcomes for everyone; urban, rural, suburban, frontier, and historically underrepresented communities. Bias in AI systems should be effectively managed to reduce harm to anyone impacted by its use.
- **Provide Accountability** - Roles and responsibilities govern the deployment and maintenance of AI systems. Human oversight ensures adherence to relevant laws and regulations and ensures the product's creator is ultimately responsible for reviewing the product prior to release and held accountable.
- **Be Effective** - AI systems should be reliable, meet their objectives, and deliver precise and dependable outcomes for the utility and contexts in which they are deployed.
- **Provide Workforce Empowerment** - Staff are empowered to use AI in their roles through education, training, and collaborations that promote participation and opportunity.

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### **Transportation Committee**

Contact: Jim McCauley, [jmccauley@orcities.org](mailto:jmccauley@orcities.org)

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## **2025 TRANSPORTATION PACKAGE**

**RECOMMENDATION:** *The LOC supports a robust, long-term, multimodal transportation package focused on: stabilizing funding for operations and maintenance for local governments and ODOT; continued investment in transit and bike/ped programs, safety, congestion management, and completion of projects from HB 2017. As part of a 2025 package, the funding level must maintain the current State Highway Fund (SHF) distribution formula and increase investments in local programs such as Great Streets, Safe Routes to Schools, and the Small City Allotment Program. In addition, the package should find a long-term solution for the weight-mile tax that stabilizes the program with fees that match heavier vehicles' impact on the transportation system. The funding sources for this package should be diverse and innovative. Additionally, the package should maintain existing choices and reduce barriers for local governments to use available funding tools for transportation investments.*

**Background:** Oregon has one of the country's most transportation-dependent economies, with 400,000 jobs (1 in 5) related directly to transportation via rail, road, and ports. The State Highway Fund (SHF) is the primary revenue source for the state's transportation infrastructure, and comes from various sources, including gas

and diesel tax, weight mile tax, vehicle registration fees, vehicle title fees, and driver's license fees. These funds are distributed using a 50-30-20 formula, with 50% to the state, 30% to counties, and 20% to cities. Continued investment in transportation infrastructure is critical for public safety objectives such as "[Safe Routes to Schools](#)" and the "[Great Streets](#)" program. The Legislature must develop a plan to match inflationary costs and a plan to transition from a gas tax to an impact fee based on miles traveled to stabilize transportation investment.

## FUNDING AND EXPANDING PUBLIC AND INTER-COMMUNITY TRANSIT

**RECOMMENDATION:** *The LOC supports expanding funding for public transit operations statewide, focusing on inter-community service, service expansion, and a change in policy to allow for the use of funds for local operations and maintenance.*

**Background:** During the 2017 session, HB 2017 established Oregon's first statewide comprehensive transit funding by implementing a "transit tax," a state payroll tax equal to one-tenth of 1%. This revenue source has provided stable funding of more than \$100 million annually.

These funds are distributed utilizing a formula. Investments made since the 2017 session helped many communities expand and start transit and shuttle services to connect communities and provide transportation options. Many communities, however, still lack a viable public transit or shuttle program and would benefit greatly from expanded services.

## SHIFT FROM A GAS TAX TO A ROAD USER FEE

**RECOMMENDATION:** *The LOC supports replacing Oregon's gas tax with a Road User Fee (RUF) while protecting local government's authority to collect local gas tax fees. An RUF will better measure a vehicle's impact on roads and provide a more stable revenue stream.*

**Background:** Oregon's current gas tax is 40 cents per gallon. Depending on the pump price, the gas tax represents a small portion of the overall cost of gas. Due to the improved mileage of new vehicles and the emergence and expected growth of electric vehicles, Oregon will continue to face a declining revenue source without a change in the fee structure. Capturing the true impact of vehicles on the transportation system requires a fee structure that aligns with use of roads. The federal tax has remained at 18 cents per gallon since 1993, effectively losing buying power or the ability to keep up with inflation.

## COMMUNITY SAFETY AND NEIGHBORHOOD LIVABILITY

**RECOMMENDATION:** *The LOC supports a strong focus on funding safety improvements on large roads, such as highways and arterials, that run through all communities. This includes directing federal and state dollars toward safety improvements on streets that meet the Great Streets criteria but are not owned by ODOT, and increasing funding for the*



*Great Streets program. For those cities that don't qualify for existing programs, ODOT should explore funding opportunities for cities with similar safety needs. Additionally, more funding should be directed to the Highway Safety Improvement Program (HSIP) and All Roads Transportation Safety (ARTS) programs.*

**Background:** Community safety investment remains a critical challenge for local governments, reducing their ability to maintain a transportation system that supports the safe and efficient movement of people and goods. Traffic fatalities and serious injuries continue to grow to record levels in many communities. The lack of stable funding for these basic operations and maintenance functions prevents local governments from meeting core community expectations. Without increases in funding for transportation, this problem is expected to get even worse, as costs for labor and materials continue to increase.

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### **Water and Wastewater Committee**

Contact: Michael Martin, mmartin@orcities.org

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### **INFRASTRUCTURE FUNDING (CO-SPONSORED BY COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE)**

**RECOMMENDATION:** *The LOC will advocate for a comprehensive infrastructure package to support increased investments in water, sewer, stormwater and roads. This includes: funding for system upgrades to meet increasingly complex regulatory compliance requirements; capacity to serve needed housing and economic development; deferred maintenance costs; seismic and wildfire resiliency improvements; and clarity and funding to address moratoriums. The LOC will also champion both direct and programmatic infrastructure investments to support a range of needed housing development types and affordability.*

**Background:** Cities continue to face the challenge of how to fund infrastructure improvements – to maintain current, build new, and improve resiliency. Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia, and the funds are depleting and unsustainable without significant program modifications and reinvestments. This priority will focus on maximizing both the amount of funding and the flexibility of the funds to meet the needs of more cities across the state to ensure long-term infrastructure investment. The 2024 LOC Infrastructure Survey revealed the increasing need for water and road infrastructure funding. The results show \$11.9 Billion of infrastructure funds needed (\$6.4 billion for water and \$5.5

billion for roads).

Combined with federal-cost share decline on water infrastructure projects – despite the recent bi-partisan infrastructure law investment – cities face enormous pressure to upgrade and maintain water infrastructure. At the same time, cities across the state are working urgently to address Oregon’s housing crisis. To unlock needed housing development and increase affordability, the most powerful tool the Legislature can deploy is targeted investments in infrastructure to support needed housing development.

## PLACE-BASED PLANNING

**RECOMMENDATION:** *The LOC will advocate for funding needed to complete existing place-based planning efforts across the state and identify funding to continue the program for communities that face unique water supply challenges.*

**Background:** Oregon’s water supply management issues are complex. In 2015, the Legislature created a place-based planning pilot program in Oregon administered through the Oregon Water Resources Department that provides a framework and funding for local stakeholders to collaborate and develop solutions to address water needs within a watershed, basin, surface water, or groundwater. In 2023, the Legislature passed a significant bipartisan Drought Resilience and Water Security package (BiDRAWS), which included \$2 million into a place-based planning water fund to continue efforts to address a basin-by-basin approach.

## OPERATOR-IN-TRAINING APPRENTICESHIPS

**RECOMMENDATION:** *The LOC will advocate for funding for apprenticeship training programs and the expansion of bilingual training opportunities to promote workforce development of qualified wastewater and drinking water operators due to the significant lack of qualified operators.*

**Background:** Water utilities must resolve a human-infrastructure issue in order to keep our water and wastewater systems running. Currently, water utilities face challenges in recruiting, training, and retaining certified operations employees. In addition, retirements of qualified staff over the next decade will exacerbate the problem.

In 2023, the Legislature approved one-time funding for the development of a training facility for certified operators and technical assistance staff in partnership with the Oregon Association of Water Utilities. Sustained funding for regional training facilities and direct funding for utilities hosting training programs is needed to train the next generation of water and wastewater operators.